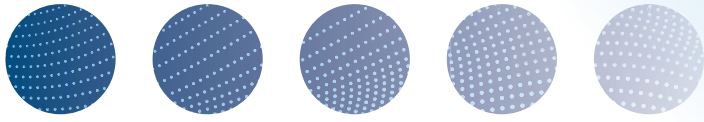
Biocon

Meta morphosis

Biocon 5.0



ANNUAL REPORT 2022

Meta morphosis

The metaverse, which will encompass a set of interconnected virtual worlds, is going to radically transform every aspect of the human experience.

This collective vision of the future, where digital innovation and human interaction intersects, presents an immense innovation opportunity for the healthcare sector. The convergence of powerful technological platforms will give birth to disruptive new healthcare ecosystems with the potential to lower costs, widen access and vastly improve patient outcomes.

Biocon 5.0

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

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

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

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

The Emergence of Biocon 5.0

Biocon 3.0

Working Towards Health Equity

Biocon 2.0

Evolving from Enzymes to Research Services to Biopharmaceuticals

Biocon 1.0

Innovating Enzyme Technologies

Biocon 5.0

Building a Company of the Future

Biocon 4.0

Building Scale for Global Impact

Biocon 1.0

Innovating Enzyme Technologies

Biocon started in 1978 as a joint venture with an Irish biotech company to manufacture and export enzymes for the brewing industry globally through its partner.

Subsequently, we developed a solid-state fermentation technology for producing novel bio-enzymes for global customers in the food and pharmaceutical industries. Our focus on innovation led us to develop PlaFractor technology using a unique bioreactor which allowed us to acquire our first patent. We progressed to develop other proprietary fermentation technologies, such as a *Pichia pastoris* yeast based expression system, for producing a range of specialty enzymes. These enzymes were a new technological intervention to replace polluting chemical processes with eco-friendly enzymatic bio-processes in textiles, paper, leather and starch processing industries. In 1989, Unilever Plc acquired our Irish partners and made Biocon India a part of the Unilever system, allowing us to professionalize rapidly by adopting international best practices. The association with this global conglomerate enabled us to build world-class manufacturing capabilities and a strong quality culture. We also learnt the nuances of building intellectual property. We became the first life sciences company in India to get the ISO 9001 Certification from RWTUV, Germany in 1993. Biocon in its first avatar was an export-driven enzymes company supplying to customers worldwide.

BIOCON WAS LARGELY AN EXPORT-DRIVEN ENZYMES COMPANY SUPPLYING TO CUSTOMERS WORLDWIDE.

Biocon 2.0

Evolving from Enzymes to Research Services to Biopharmaceuticals

Biocon had attained leadership in a variety of specialty enzymes by the Nineties.

As the enzymes business grew steadily, we explored the opportunity of starting another business that would emulate the success of India's information technology (IT) services model. We set up a new subsidiary, Syngene, as a 'pure play' research services company catering to the R&D needs of the global pharmaceutical industry. We then applied our recombinant technologies for enzymes to biopharmaceuticals, starting with our proprietary fungal solid-state fermentation technology to produce statins. We used our microbial fermentation platforms to develop immunosuppressants and harnessed our proprietary yeast-based platform to develop the world's first Pichia pastoris-derived recombinant human Insulin. This heralded our entry into biopharmaceuticals. Going beyond insulins, we ventured into developing monoclonal antibodies. The combination of research services and biopharmaceuticals made Biocon a unique and diversified biotechnology enterprise.

GOING BEYOND INSULINS, WE VENTURED INTO DEVELOPING MONOCLONAL ANTIBODIES.

Biocon 3.0

Working Towards Health Equity

As early movers in the domain of biologics, we realized that patients in most of the developing world could not afford these advanced therapeutics.

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

TO FUEL OUR MISSION, WE UNLOCKED VALUE THROUGH AN IPO IN 2004 AND DIVESTED OUR ENZYMES BUSINESS IN 2007.

Biocon 4.0

Building Scale for Global Impact

To benefit from our first-mover advantage, we embarked on building global scale and credibility.

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

OUR INVESTMENTS IN BUILDING GLOBAL SCALE HAVE LED US TO RANK AMONG THE WORLD'S TOP 15 BIOMANUFACTURING COMPANIES.

Biocon 5.0

Building a Company of the Future

Having emerged as one of the leading global biopharmaceutical companies with consolidated revenues of USD 1.1 billion and a ~15,000-strong workforce, we have started building an organization of the future.

We are building Biocon into an innovative and trustworthy global brand. We are leveraging our scale and cost advantages to gain world leadership. We are creating a business with impeccable quality compliance, world-class ethics and a robust corporate governance structure. We are harnessing digital and data analytics to get closer to patients, as well as reach a larger patient population. Each of our three business segments, Generics, Biosimilars and Research Services, is well positioned for future growth.

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

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

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

IN OUR BIOCON 5.0 AVATAR, WE ENDEAVOR TO FOCUS ON CONSCIOUS CAPITALISM, ENVIRONMENTAL STEWARDSHIP, DIVERSITY, EQUITY & INCLUSION, COMPLIANCE & GOVERNANCE AND PATIENT-CENTRICITY. WE ARE BUILDING A TECHNOLOGY-LED, ESG-CONSCIOUS COMPANY THAT WILL CREATE EXPONENTIAL AND ENDURING VALUE FOR ALL OUR STAKEHOLDERS WHILE IMPACTING HUMANITY IN PROFOUND WAYS.

Contents

**** A separate report 'TransformAction', encompassing Business Responsibility & Sustainability Report (BRSR) and Environmental, Social & Governance (ESG) Report, is being released as a supplement to Annual Report 2022.*

Scan this QR code to download the ESG Report.

Scan this QR code to download the Annual Report.

FY22 at a Glance

Revenue
83,967
₹ Million

EBITDA Margin
26%

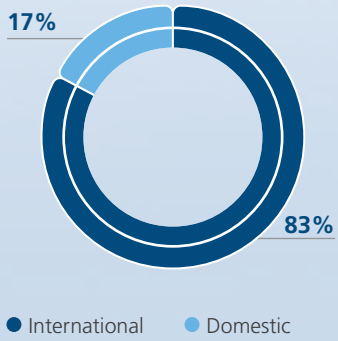
R&D Spend
7,105
₹ Million

Profit for the year*
6,484
₹ Million

EPS
5.44
₹

Employees
~15,000

Geographic Distribution



* *Includes exceptional items*

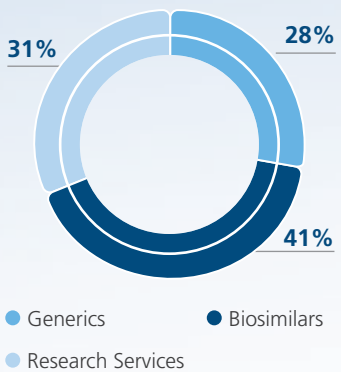
Business Segment Revenue#

Generics
23,409
₹ Million

Biosimilars
34,643
₹ Million

Research Services
26,042
₹ Million

Business Revenue Mix



Includes inter-segment revenue

CHAIRPERSON'S MESSAGE

Kiran Mazumdar-Shaw
Executive Chairperson
Biocon Limited &
Biocon Biologics Limited

Metamorphosis:
Biocon 5.0

Dear Shareholders,

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

EACH OF OUR BUSINESSES IS UNIQUELY DIFFERENTIATED AND HAS ATTAINED A LEADERSHIP PROFILE THAT PREPARES US FOR AN EXCITING FUTURE.

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

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

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

A Transformative Acquisition

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

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

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

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

THE VIATRIS DEAL IS GOING TO BE HIGHLY VALUE ACCRETIVE TO BOTH BIOCON AND BIOCON BIOLOGICS SHAREHOLDERS.

Foraying into Vaccines and Infectious Diseases

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

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

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

Strong Biosimilars Business Performance

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

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

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

THE HISTORIC APPROVAL OF THE WORLD'S FIRST INTERCHANGEABLE BIOSIMILAR, OUR bGLARGINE, IN THE U.S. WAS A KEY HIGHLIGHT OF FY22.

^IQVIA 2021

aspiration to provide our biosimilar insulins to 'one in five' insulin-dependent people with diabetes, globally. Post this launch, the market share of our bGlargine in the U.S. has moved up from a low single-digit share last year to a double-digit market share in March 2022.

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

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

OUR REPURPOSED NOVEL BIOLOGIC ALZUMAb-L (ITOLIZUMAB) HAS BENEFITED OVER 40,000 COVID-19 PATIENTS SO FAR.

Saving Lives During the Pandemic

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

Good Progress in Generic Formulations

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

THE GENERICS BUSINESS MARKED ITS FIRST 'DAY 1' LAUNCH IN THE U.S. WITH THE COMMERCIALIZATION OF GENERIC EVEROLIMUS 10 MG TABLETS.

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

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

A Strong Year for Research Services

Our Research Services business, Syngene, which delivered a revenue growth of 19%, is well poised to capture opportunities arising from the growing global demand for CRO and CDMO services through its offering of integrated research, development and manufacturing services. Syngene is leveraging its existing relationships to provide forward integration on the discovery and

development continuum by catering to its clients' requirements for early-stage, late-stage and commercial launch supplies.

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

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

Embedding ESG at the Core of our Business

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

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

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

OUR RECENT ENTRY IN THE DJSI EMERGING MARKETS INDEX, WHERE WE ACHIEVED A 93rd PERCENTILE POSITION WITH A TOTAL SUSTAINABILITY SCORE OF 45, IS A TESTIMONY TO OUR RESPONSIBLE AND SUSTAINABLE BUSINESS PRACTICES.

WE ACHIEVED 680,000 LITERS OF INCREMENTAL WATER SAVINGS PER DAY FROM WATER CONSERVATION INITIATIVES ACROSS THE GLOBAL MANUFACTURING OPERATIONS OF BIOCON AND BIOCON BIOLOGICS.

**Biocon Group: Biocon + Biocon Biologics + Syngene*

Ensuring Sustainable Social Change

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

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

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

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

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

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

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

BIOCON FOUNDATION HELPED STRENGTHEN HOSPITAL INFRASTRUCTURE BY INSTALLING A 2,000-LITER LIQUID MEDICAL OXYGEN STORAGE TANK AT THE ANEKAL GENERAL HOSPITAL IN KARNATAKA.

BIOCON ACADEMY, WHICH AIMS TO BUILD THE TALENT ECOSYSTEM FOR BIOTECH-RELATED SKILLS, SAW OVER 180 YOUNG LIFE SCIENCES STUDENTS GRADUATE THIS YEAR.

A Technology-Enabled Organization for the Future

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

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

Good Financial Performance

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

Management & Board Updates

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

I would like to express my deep appreciation and gratitude to John Shaw for his stewardship and judicious guidance as a key member of the Board and the management team since 1999. He has contributed significantly to the transformation of Biocon from a small enzymes company to a globally recognized biopharmaceutical enterprise. He has played a critical role in building Biocon, ensuring the highest levels of corporate governance, as well as contributing to the financial and strategic development of the Group in his role as Vice Chairman for over two decades.

BIOCON'S CONSOLIDATED REVENUES GREW 14% TO ₹83,967 MILLION FOR THE FULL YEAR, LED BY BIOSIMILARS AND RESEARCH SERVICES REVENUES INCREASING 24% AND 19%, RESPECTIVELY.

I WOULD LIKE TO EXPRESS MY DEEP APPRECIATION AND GRATITUDE TO JOHN SHAW FOR HIS STEWARDSHIP AND JUDICIOUS GUIDANCE AS A KEY MEMBER OF THE BOARD AND THE MANAGEMENT TEAM SINCE 1999.

Dividend

The Company and its Board of Directors acknowledge with deep appreciation, the support received from the shareholders during the pandemic over the last two years. As we come out of the pandemic with a strong financial performance, the Board of Directors has recommended a dividend of 10% of the face value of each share for FY22.

AS WE COME OUT OF THE PANDEMIC WITH A STRONG FINANCIAL PERFORMANCE, THE BOARD OF DIRECTORS HAS RECOMMENDED A DIVIDEND OF 10% OF FACE VALUE OF EACH SHARE FOR FY22.

Ushering in Transformative Change

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

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

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

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

Thank You.

Yours sincerely,
Sd/-
Kiran Mazumdar-Shaw
Executive Chairperson
May 27, 2022

CEO'S MESSAGE

Siddharth Mittal

Managing Director and Chief Executive Officer, Biocon Limited

Facing the Future Together

Dear Shareholders,

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

WE ADAPTED WITH AGILITY TO CHANGED PARADIGMS AND CONTINUED TO DELIVER THE BEST POSSIBLE OUTCOMES FOR OUR PATIENTS, CUSTOMERS, EMPLOYEES, SHAREHOLDERS, AND SOCIETY AT LARGE.

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

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

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

Generics

Our Generics business remained flat over the previous year, clocking revenues of ₹23,409 million for FY22. This muted performance was largely due to pandemic-related supply and operational challenges earlier in the year, even as the business battled pricing pressure in various markets and price increases

of key raw materials and solvents, which squeezed margins further. Besides this, travel restrictions that were imposed on account of the pandemic, delayed the inspection of our facilities, and consequently, product launches as well as expansion into some key markets. The curve began to tick upwards in the second half of the year on the back of contributions from new product launches in the U.S., a resurgence in our API business and the easing of supply chain challenges.

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

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

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

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

Quality is at the core of all we do at Biocon. I am, therefore, pleased to report some key successful inspections that were conducted at our facilities

OUR STATIN FORMULATIONS PORTFOLIO IN THE U.S., COMPRISING ATORVASTATIN, SIMVASTATIN AND ROSUVASTATIN, HELD ON TO ITS MARKET SHARE, DESPITE INTENSE PRICING PRESSURE.

WITH THE FILING OF 34 DRUG MASTER FILES (DMFs) GLOBALLY, INCLUDING 5 IN THE U.S. AND 16 DMF APPROVALS THAT WE RECEIVED IN THE U.S., EUROPE AND MoW MARKETS, OUR PORTFOLIO EXPANSION HOLDS PROMISE FOR THE NEAR FUTURE.

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

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

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

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

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

Our journey to all pervasive excellence gathered momentum in FY22 with several digital tools being implemented, including a Quality Management System, Document Management System and Scientific Data Management System, among others. We also simplified Standard Operating Procedures and Batch Manufacturing Records to enhance efficiencies in the system. We have taken a major step towards digital manufacturing, with our Industry 4.0 standard new facility in Visakhapatnam, which will be equipped with a

OUR GREENFIELD IMMUNOSUPPRESSANT API MANUFACTURING PROJECT IN VISAKHAPATNAM, ANDHRA PRADESH, IS NEARING COMPLETION, SOON AFTER WHICH WE WILL COMMENCE QUALIFICATION AND VALIDATION.

WE ARE ALSO INVESTING IN A SYNTHETIC API FACILITY IN HYDERABAD AND AN INJECTABLE FACILITY IN BENGALURU, BOTH OF WHICH ARE STRATEGICALLY IMPORTANT FOR OUR LONG-TERM GROWTH.

state-of-the-art Manufacturing Execution System. Excellence is, of course, a journey, and we will continue to accelerate our progress towards becoming a Company with a deep, rich and comprehensive culture of quality.

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

Biosimilars

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

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

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

IN JULY 2021, BIOCON BIOLOGICS' bGLARGINE (SEMGLEE) MADE HISTORY AS IT BECAME THE WORLD'S FIRST BIOSIMILAR TO RECEIVE INTERCHANGEABILITY APPROVAL FROM THE U.S. FDA.

Our partner Viatris' brand

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

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

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

OUR NOVEL BIOLOGICS DEVELOPMENT PROGRAMS HAVE BEEN PROGRESSING AT AN ENCOURAGING PACE.

Novel Biologics

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

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

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

Research Services - Syngene

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

During the year, Syngene renewed its strategic collaboration with Amgen Inc. till 2026. The Company also expanded its client base during the year with particular growth from the small to medium-size biotech sector. All of which bear testimony to the clients' confidence in Syngene's capabilities and the expertise of highly experienced scientists.

Syngene remains committed to expanding its research and manufacturing facilities to accommodate future growth. During the year, the third phase of expansion of the laboratory campus in Hyderabad was completed and continued expansion in Hyderabad and Bengaluru is planned during the current year. In Development Services, Syngene continued to enhance its capabilities with a new injectable fill finish facility, which is currently under qualification and validation. An expansion of the existing mammalian facility and a new cGMP microbial manufacturing facility were also commissioned during the year. The Mangaluru API manufacturing facility is on track to obtain international regulatory approvals in FY24.

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

SYNGENE IS WELL-POSITIONED WITH ITS CAPABILITIES AND INFRASTRUCTURE TO LEVERAGE THE STRONG MARKET DEMAND FOR THE DEVELOPMENT AND MANUFACTURE OF BIOLOGICS.

Sustainability

The Company fully recognizes its responsibilities towards the environment, the planet and society at large. We have a comprehensive Environmental, Social and Governance (ESG) program in place which ensures that all our

operations comply with global best practices. I am happy to inform you that during FY22, the Company's ESG efforts and initiatives were recognized at multiple international forums. Biocon was inducted into the DJSI for Emerging Markets with a 93-percentile for the industry sector, placing us amongst the top 15 companies from India to feature in the 2021 listing. We also secured an improved Carbon Disclosure Project (CDP) rating of 'B' from 'C' earlier as per the 2021 CDP report.

Conclusion

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

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

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

Thank You.

Yours sincerely,

Sd/-
Siddharth Mittal
Managing Director & CEO
Biocon Limited
May 27, 2022

EACH OF OUR BUSINESS SEGMENTS IS WELL-POSITIONED FOR FUTURE GROWTH ON THE BACK OF CAPACITY EXPANSIONS, CUSTOMER ACQUISITIONS AND A ROBUST PIPELINE.

MANAGING DIRECTOR'S MESSAGE

Dr. Arun Chandavarkar

Managing Director,
Biocon Biologics Limited

A Year of Transformation

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

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

Up until now, we have maneuvered change through shared risk-reward partnerships that brought in complementary skills and experience, such as our long-standing, successful global partnership with Viatris for a range of biosimilar antibodies and insulin analogs.

BIOCON BIOLOGICS IS NOW ADAPTING TO A SWIFTLY MATURING INDUSTRY, WHERE AGENCIES LIKE THE U.S. FDA ARE SETTING PRECEDENTS, SUCH AS DEEMING BIOSIMILARS TO BE INTERCHANGEABLE WITH THE INNOVATOR PRODUCTS.

Going forward, Biocon Biologics intends to be a fully, vertically integrated company supplementing its established capabilities in development, operations and presence in emerging markets with commercial infrastructure in advanced markets. We have demonstrated success with a proven track record of multiple successful biosimilar approvals in U.S., Europe and several other developed and developing countries. We have created global scale capacities for insulins and antibodies that meet the most stringent of regulatory norms to support our near-term growth. Our commercial footprint for biosimilars straddles the developed and developing countries by leveraging strong regional and global partnerships.

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

A Transformative Acquisition

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

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

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

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

THE ACQUISITION OF VIATRIS' BIOSIMILARS BUSINESS IS UNIQUE AS IT BRINGS TOGETHER THE TWO COMPANIES' TEAMS, WHICH HAVE BEEN COLLABORATING ON COMMON PROJECTS, INTO A SINGLE, INTEGRATED ORGANIZATION.

Viatris Biosimilars Business Acquisition: Deal Dynamics

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

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

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

Our long-standing relationship with Viatris will help us integrate smoothly and rapidly. To ensure seamless transition and continued service to our patients and partners, Viatris will provide commercial and other transition services to Biocon Biologics for up to two years.

Entering Vaccines & Infectious Diseases Segment

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

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

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

VACCINES AND ANTIBODIES FOR INFECTIOUS DISEASE ARE A NATURAL ADJACENCY TO BIOCON BIOLOGICS' EXISTING CAPABILITIES IN BIOLOGICS FOR NON-COMMUNICABLE DISEASES.

Together, we believe we can address the needs of patients in various infectious diseases, including COVID-19.

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

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

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

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

THE 15-YEAR SUPPLY ARRANGEMENT OF 100 MILLION VACCINE DOSES ANNUALLY FROM SILS PROVIDES BIOCON BIOLOGICS WITH AN ADDITIONAL ASSURED REVENUE STREAM AND ASSOCIATED MARGINS FROM THE SECOND HALF OF FY23.

Partnering for a COVID-19 Antibody

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

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

Historic Interchangeability Approval

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

WE ARE THE FIRST TO OBTAIN APPROVAL FOR AN INTERCHANGEABLE BIOSIMILAR PRODUCT, SEMGLEE, IN THE U.S. THIS APPROVAL SETS THE STAGE FOR APPROVALS OF OUR OTHER BIOSIMILARS.

Our partner Viatris' brand

Building a Robust Product Portfolio

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

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

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

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

WE WON A THREE-YEAR CONTRACT FOR RH-INSULIN IN MALAYSIA, VALUED AT ~USD 90 MILLION.

Expanding Insulins Manufacturing Capacity

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

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

THE BIGGEST DRIVER OF GROWTH FOR FY22 WAS OUR bGLARGINE IN THE U.S., WHICH EXPANDED ITS MARKET SHARE FROM 2% TO 10% IN SIX MONTHS DUE TO THE INTERCHANGEABLE STATUS.

Making a Difference in India

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

Robust Financial Performance

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

ON THE COMPLETION OF THE TWO STRATEGIC TRANSACTIONS, BIOCON BIOLOGICS WILL SEE A SIGNIFICANT RAMP-UP IN REVENUES, ENABLING CONTINUED INVESTMENTS FOR LONG-TERM GROWTH.

Stage Set for Long-Term Growth

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

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

WE LOOK FORWARD TO USHERING IN TRANSFORMATIONAL CHANGE TO GLOBAL HEALTHCARE THROUGH OUR AFFORDABLE, HIGH QUALITY BIOLOGICS.

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

Thank You.

Yours sincerely,

Sd/-
Dr. Arun Chandavarkar
Managing Director
Biocon Biologics Limited
May 27, 2022

Q&A WITH THE CFO

Indranil Sen
Chief Financial Officer,
Biocon Limited

Q1 How will you describe the financial performance of Biocon in FY22?

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

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

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

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

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

FY22 TOTAL CONSOLIDATED REVENUES GREW 14% TO ₹83,967 MILLION.

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

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

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

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

NEW PRODUCT LAUNCHES AND ADDITIONAL CAPACITIES IN FY23 WILL DRIVE GROWTH FOR THE GENERICS SEGMENT.

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

A The Biosimilars business entered into two strategic partnerships during the year to expand vertically through the acquisition of Viatris' biosimilars business, for

a consideration of ~USD 3.335 billion and horizontally through the alliance with Serum Institute Life Sciences (SILS) for a 15% stake in Biocon Biologics Limited (BBL), on a fully diluted basis.

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

THE BIOSIMILARS BUSINESS WILL BE WELL-POSITIONED TO GET SEPARATELY LISTED ON THE BOURSES IN THE FUTURE TO UNLOCK VALUE FOR ITS SHAREHOLDERS.

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

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

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

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

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

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

GROSS R&D EXPENDITURE IS EXPECTED TO REMAIN BETWEEN 12% AND 14% OF REVENUES FOR THE GENERICS BUSINESS AND BETWEEN 10% AND 15% FOR THE BIOSIMILARS BUSINESS.

Gross R&D expenditure is expected to remain between 12% and 14% of revenues for the Generics business and between 10% and 15% for the Biosimilars business.

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

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

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

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

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

CAPEX GUIDANCE FOR FY23 IS ~USD 300-350 MILLION ACROSS THE THREE BUSINESSES.

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

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

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

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

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

IN THE SPIRIT OF GOOD GOVERNANCE, WE ARE VOLUNTARILY PUBLISHING OUR FIRST BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT, GRI-ALIGNED ESG REPORT, OUR TAX POLICY AND OUR FIRST TAX TRANSPARENCY REPORT FOR FY22.

Financial Highlights

Segment-wise Revenue*#

GENERICS

(₹ Million)

-1%

2022	23,409
2021	23,627
2020	22,070
2019	17,728
2018	15,077

BIOSIMILARS

(₹ Million)

24%

2022	34,643
2021	28,002
2020	23,151
2019	15,169
2018	7,702

RESEARCH

(₹ Million)

19%

2022	26,042
2021	21,843
2020	20,119
2019	18,256
2018	14,231

OTHER INCOME

(₹ Million)

-16%

2022	2,127
2021^	2,545
2020	1,614
2019	1,444
2018	2,062

TOTAL REVENUE

(₹ Million)

14%

2022*	83,967
2021*	73,976
2020	64,619
2019	56,588
2018	43,359

** includes inter-segment revenue*

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

^ includes fair valuation gain of Bicara ₹1,597 million

PROFIT ^

(₹ Million)

-12%

2022	6,484
2021	7,405
2020	7,482
2019	9,053
2018	3,724

NET WORTH

(₹ Million)

11%

2022	84,325
2021	76,269
2020	67,058
2019	60,980
2018	51,808

TOTAL ASSETS

(₹ Million)

10%

2022	203,940
2021	185,223
2020	144,438
2019	121,924
2018	99,897

CURRENT RATIO

2022	2.19
2021	1.81
2020	1.33
2019	1.61
2018	1.94

GROSS R&D SPEND

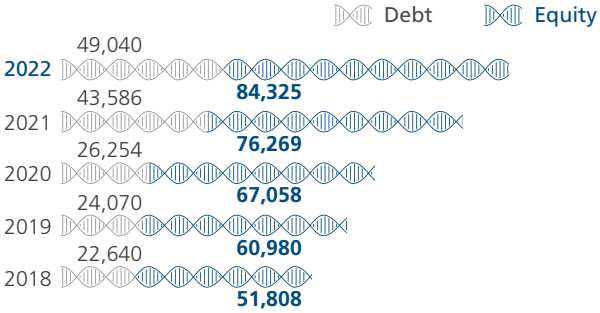
(₹ Million)

13%

2022	7,105
2021	6,270
2020	5,271
2019	4,796
2018	3,804

DEBT : EQUITY

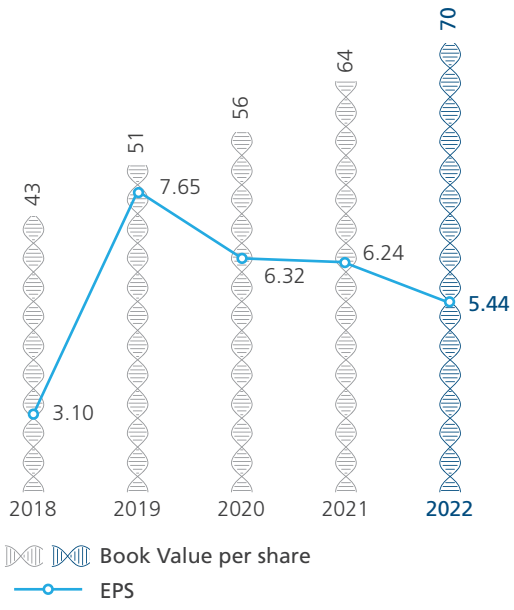
(₹ Million)



^ *includes exceptional items for the year 2019, 2020, 2021 and 2022*

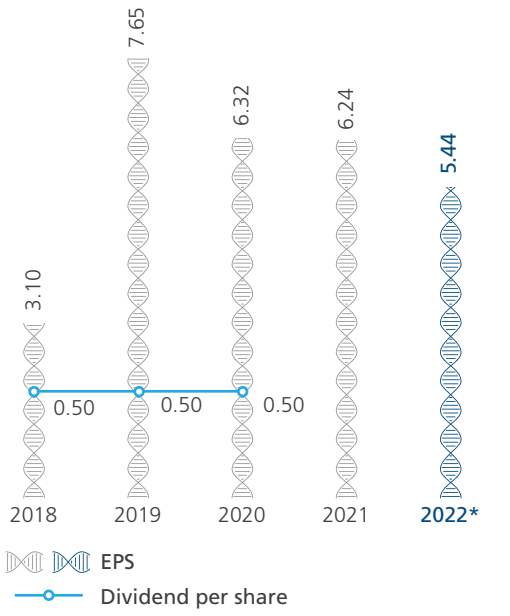
EPS AND BOOK VALUE PER SHARE#

(₹)



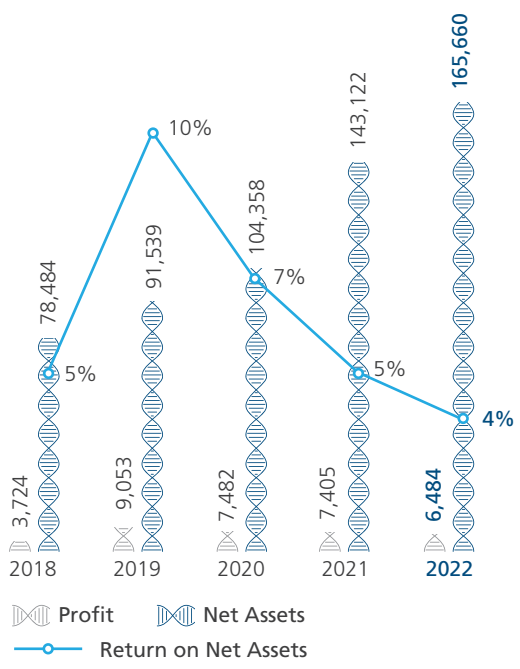
EPS AND DIVIDEND PER SHARE#

(₹)



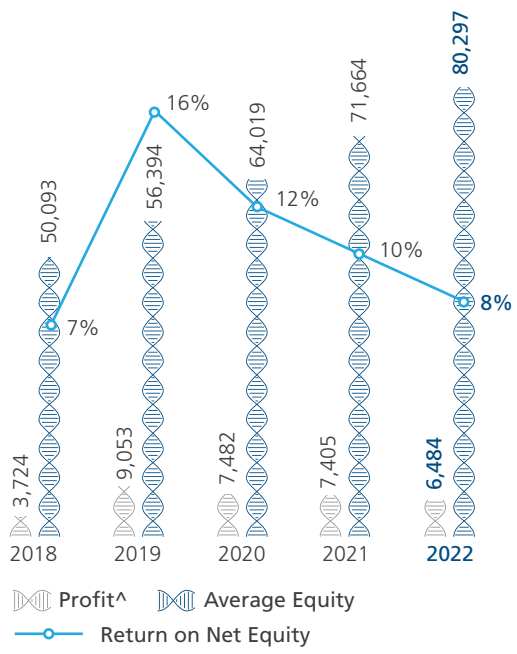
RETURN ON NET ASSETS^@

(₹ Million)



RETURN ON NET EQUITY^

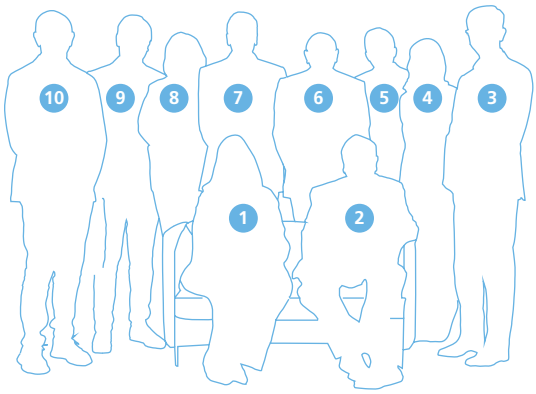
(₹ Million)



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

Board of Directors

Catalysts in the Metamorphosis



1. Kiran Mazumdar-Shaw
2. M. Damodaran
3. Bobby Parikh
4. Naina Lal Kidwai
5. Dr. Vijay Kuchroo
6. Prof. Ravi Mazumdar
7. Siddharth Mittal
8. Mary Harney
9. Dr. Eric Mazumdar
10. Daniel Bradbury

Kiran Mazumdar-Shaw

Executive Chairperson

Chairperson of the Board of Directors since inception

Year of birth: 1953

Nationality: India

Professional Experience

- First-generation entrepreneur
- Founded Biocon in 1978
- Executive Chairperson, Biocon Biologics
- Non-Executive Chairperson, Syngene
- Lead Independent Director, Infosys
- Board member, Narayana Hrudayalaya
- Board member, United Breweries
- Member, National Academy of Engineering (NAE), U.S.
- Member, The Advisory Board of The France-India Foundation
- Full-term member, MIT Corporation, U.S.
- Member of the Board of Trustees, Memorial Sloan Kettering Cancer Center, U.S.
- Member, Board of Trustees, Keck Graduate Institute, U.S.
- Global Alumni Ambassador, India, Department of Foreign Affairs and Trade, Australia
- Victorian Business Ambassador, The State Govt. of Victoria, Australia
- Signatory, The Giving Pledge
- 45+ years of experience in Biotechnology

Recognitions

- Recipient of Padma Shri (1989), Padma Bhushan (2005)
- Elected Fellow of Royal Society of Edinburgh (RSE) (2022)
- Recipient of EY World Entrepreneur of the Year (2020) and EY Entrepreneur of the Year India Award (2019)
- Recipient of Order of Australia (2020)
- Recipient of ICMR's Lifetime Achievement Award for Outstanding Achievement in Healthcare (2019)
- Recipient of AWSM Award for Excellence (2017)
- Knight of the National Order of the French Legion of Honour (2016)
- Recipient of Othmer Gold Medal (2014)
- Recipient of Global Economy Prize for Business (2014)
- Recognized on 'Legacies 60' list honoring 60 biopharma pioneers over 60 by EndPoints News
- University of Glasgow named their Advanced Research Center after John Shaw and Kiran Mazumdar-Shaw to recognize their philanthropic initiatives

Education

- B.Sc. (Zoology Hons.), Bangalore University
- Post-Graduate Diploma, Malting and Brewing, Ballarat Institute of Advanced Education, Melbourne, Australia
- Honorary Doctorates from several prestigious universities, including Deakin University, Victoria, Australia; Heriot-Watt University, Edinburgh, UK; University of Glasgow, Scotland, UK; University of Abertay, Dundee, Scotland, UK; Ballarat University, Australia; Presidency University, Kolkata, India; Bennett University, India.

Siddharth Mittal
Managing Director & CEO
Member of the Board of Directors since 2019
Year of Birth: 1978
Nationality: India

Professional Experience
- CFO, Biocon Limited (2014-2019)
- Co-Chairman, CII Southern Region – Healthcare & Life Sciences
- Chairman, CII Southern Region Task Force on Pharmaceuticals
- Vice President, Finance and Corporate Controller with Symphony Teleca
- Held senior leadership positions in finance, including Finance Director of BPO and IT divisions at the U.S. subsidiary of Xchanging Plc.
- 20+ years of global and diversified experience in strategic finance and accounting, mergers and acquisitions, taxation and general management

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

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

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

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

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

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

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

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

Education
- Ph.D., Electrical Engineering and Computer Science, University of California, Berkeley
- B.Sc., Electrical Engineering and Computer Science, Massachusetts Institute of Technology, Cambridge, MA

M. Damodaran
Lead Independent Director
Member of the Board of Directors since 2016
Year of Birth: 1947
Nationality: India

Professional Experience

- Former Chairman, Securities and Exchange Board of India (SEBI)
- Former Chairman, Unit Trust of India (UTI)
- Former Chairman, Industrial Development Bank of India (IDBI)
- Former Chief Secretary, Government of Tripura
- Career civil servant from 1971
- 40+ years of experience in financial services & public sector
- On the boards of leading Indian corporates as well as on the advisory boards of a few foreign entities
- Founder Chairman, Excellence Enablers Pvt Ltd, a Corporate Governance advisory firm
- Founder Chairman, Indian Institute of Management, Tiruchirappalli
- Chairman, RBI Committee on Customer Service in Banks
- Chairman, Ministry of Finance's Committee on setting up Resolution Corporation of India
- Chairman, MCA's Committee on Reforming Regulatory Environment for Ease of Doing Business

Education

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

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

Professional Experience

- Executive Chairman, former CEO and Co-Founder of Equillium Inc., a company developing products to treat severe autoimmune and inflammatory disorders
- Managing Member, BioBrit LLC
- Member, Board of Trustees, Keck Graduate Institute, U.S.
- Director, Intercept Pharmaceuticals and several private companies and philanthropic organizations
- Board Chairman, Castle Biosciences Inc & Bioliq
- Member, Advisory Council, Rady School of Management, San Diego, U.S.
- Life sciences executive with over 38 years of experience in creating and implementing strategies and transforming businesses
- Former CEO, Amylin Pharmaceuticals, a leading metabolic disease company, acquired by Bristol Myers Squibb in 2012

Recognitions

- Recipient of Director of the Year Award from Corporate Directors Forum (2012)
- EY's Entrepreneur of the Year Finalist (2012)

Education

- International Executive Program, INSEAD, France
- Diploma in Management Studies, Harrow and Ealing Colleges of Higher Education, UK
- Bachelor of Pharmacy, Nottingham University, UK

Dr. Vijay Kuchroo
Independent Director

Member of the Board of Directors since 2015

Year of Birth: 1955

Nationality: U.S. / OCI

Professional Experience

- Samuel L. Wasserstrom Professor of Neurology and Director of Evergrande Center for Immunologic Diseases at Harvard Medical School
- Institute Member, Broad Institute
- Senior Investigator, Klarman Cell Observatory project that focuses on T cell differentiation
- Holds over 50 patents
- Founded 8 different biotech companies including CoStim Pharmaceuticals and Tempero Pharmaceuticals
- Published over 400 original research papers in immunology
- Serves on scientific advisory boards and works in an advisory capacity to several companies, including Pfizer, Novartis and GlaxoSmithKline
- Senior Scientist, Brigham and Women's Hospital, all in United States

Recognitions

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

Education

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

Mary Harney
Independent Director

Member of the Board of Directors since 2012

Year of Birth: 1953

Nationality: Ireland

Professional Experience

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

Recognitions

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

Education

- B.A. (Economics and Social Studies), Trinity College, Dublin
- Honorary Doctorate, Trinity College, Dublin

Bobby Parikh
Independent Director

Member of the Board of Directors since 2018

Year of Birth: 1964

Nationality: India

Professional Experience

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

Education

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

Naina Lal Kidwai
Additional Director (Category: Independent Director)

Member of the Board of Directors since 2022

Year of Birth: 1957

Nationality: India

Professional Experience

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

Recognitions

- Padma Shri
- Alumni Achievement Award, Harvard Business School

Education

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

Key Expertise of the Board

Board of Directors	Research & Innovation	General Management	Finance & Risk Management	Corporate Governance & Compliance	Global Healthcare	Technology & Digital Perspective	Scientific Knowledge
Kiran Mazumdar-Shaw	✓	✓	✓	✓	✓	✓	✓
Siddharth Mittal	✓	✓	✓	✓	✓	✓	
Prof. Ravi Mazumdar	✓		✓			✓	
Dr. Eric Mazumdar	✓		✓			✓	
M. Damodaran		✓	✓	✓			
Daniel Bradbury	✓	✓	✓	✓	✓		✓
Dr. Vijay Kuchroo	✓					✓	✓
Mary Harney	✓			✓	✓		
Bobby Parikh		✓	✓	✓			
Naina Lal Kidwai	✓	✓	✓	✓	✓		

Scientific Advisory Board

Satish K. Garg MD,

DM

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

John Petrie

Ph.D.

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

Vijay Kuchroo

DVM Ph.D.

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

Shashank R. Joshi

MD

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

Business Segments Review

A Year of Transformative Developments

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

**Our partner Viatris' brand*

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

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

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

Biocon Biologics signed a **strategic alliance** with Serum Institute Life Sciences, marking an 'asset-light' and accelerated **entry** into **vaccines.**

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

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

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

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

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

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

Our Vision

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

Our Values

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

Our Generics Business

Reengineering the Generic Code

Our Generics Business

Executive Leadership Team

Siddharth Mittal
Managing Director and Chief Executive Officer

Amitava Saha
Chief Human Resources Officer

Vijaya Kumar S
Head, Operations

Indranil Sen
Chief Financial Officer

Abhijit Zutshi
Commercial Head, Global Generics

Nehal Vora
Commercial Head, Global APIs

Manoj Kumar Pananchukunnath
Head, R&D and Regulatory Sciences

Prasad Deshpande
Head, Supply Chain and Central Engineering

Sriram AV
Head, Quality

Our Generics Business

Reengineering the Generic Code

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

Year-on-year growth, however, remained flat, as the business was confronted with COVID-related headwinds in the first half of the year. Operational and supply chain challenges impacted our API manufacturing, while continued pricing pressure and increases in the price of solvents and reagents, as well as a surge in logistical costs affected margins. Revenue growth in the first half of the fiscal was also subdued on account of stockpiling of APIs by customers during the same period in the previous fiscal, i.e. FY21, anticipating COVID-related disruptions at the time. Additionally, travel restrictions delayed facility inspections by regulatory authorities, impacting our product approvals, and consequently, launches and regional expansion plans. On the positive side, meticulous planning and our vertical integration strategy enabled our Generic Formulations business in the U.S. to fulfill customer demand, with no backorders throughout the pandemic.

The year ended on a reassuring note as business saw a recovery in the second half. New products that launched during the year, particularly Everolimus, supported a revival in growth. The API segment too saw the benefit of renewed demand from customers towards the later part of the fiscal. Supply chain disruptions began to abate, and operations slowly but surely began to return to normalcy.

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

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

Strengthening Our Product Portfolio

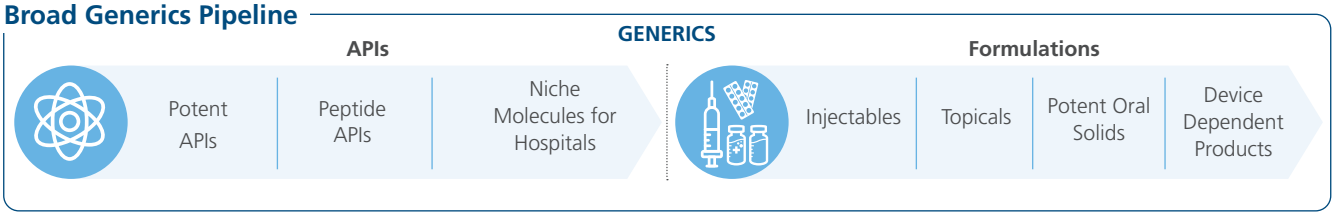
Our statins portfolio in the U.S., comprising Atorvastatin, Simvastatin and Rosuvastatin, retained its market share despite continued pricing pressure.

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

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

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

Broad Generics Pipeline



Expansion Into Regional Markets

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

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

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

Strengthening Quality

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

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

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

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

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

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

Manufacturing Expansion

Our capacity expansion projects, which are important in driving long-term value for the business, have been making progress. Our greenfield, fermentation-based immunosuppressant API manufacturing facility in Visakhapatnam will be commissioned in the first half of FY23, followed by qualification and validation. This will be our first facility to be Industry 4.0 enabled and will add the much-needed capacity boost to serve our customers better and drive operational efficiencies and compliance.

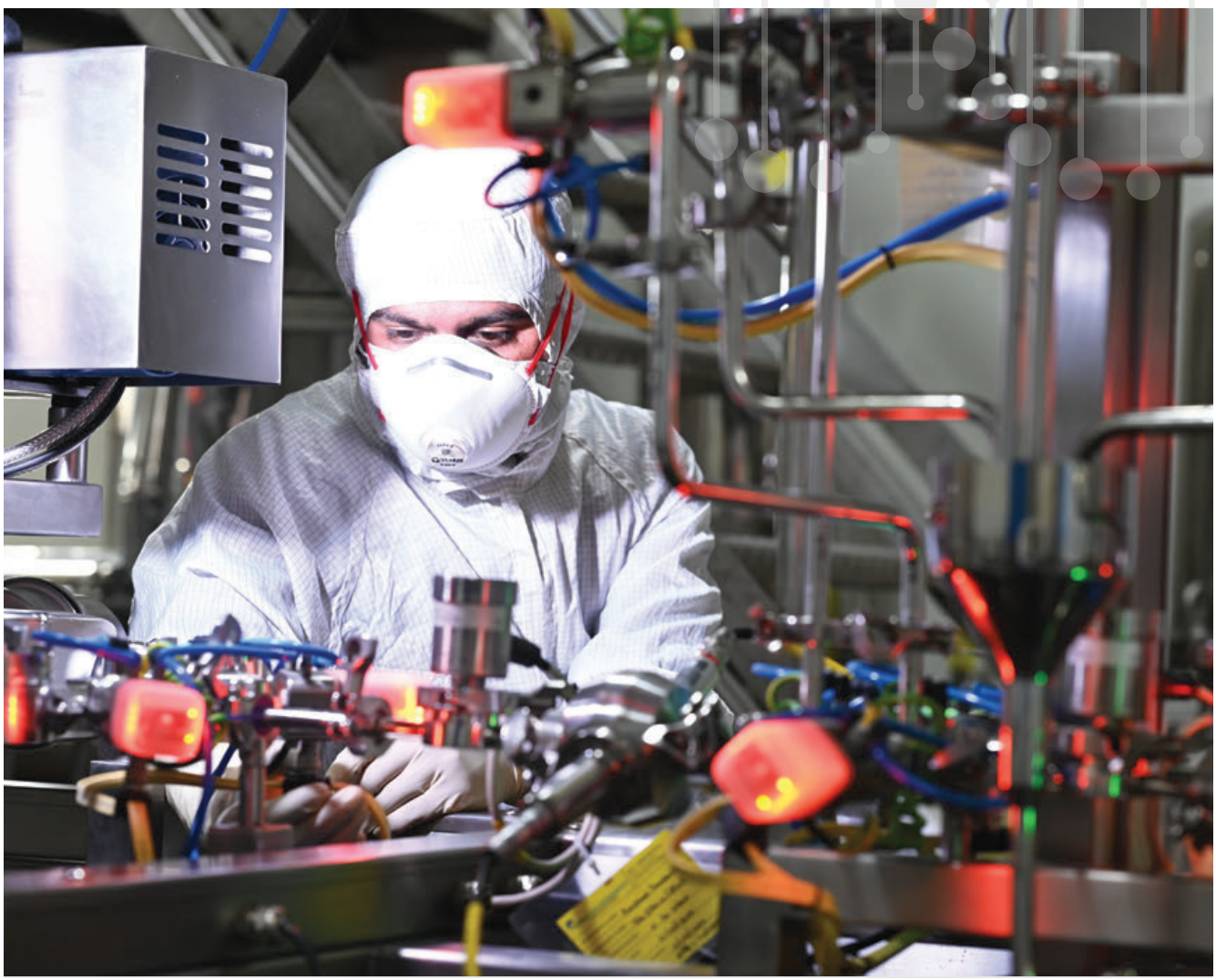
We have commenced work on a new synthetic API plant that will come up within our Hyderabad facility, as well as a new injectable plant that will come up at Biocon Park, Bengaluru. We have also firmed up plans to repurpose some of our existing API facilities in Bengaluru and Hyderabad to cater to the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

Cost Competitiveness

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

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

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



People Focus

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

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

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

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

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

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

Outlook

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

We continue to deliver on our mission to improve access to affordable quality medicines for patients across the world. Our focus will remain on growing our portfolio by expeditiously commercializing new products, expanding manufacturing capacities, exploring new cost improvement projects, and leveraging the digital ecosystem to capitalize on the growth opportunities in the generics market.

Our Novel Biologics Business

Altering Frontiers

Drug innovation that pushes scientific frontiers and creates new knowledge can be breakthrough in its impact to human existence. This is what we are trying to do through our Novel Biologics business.

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

ITOLIZUMAB

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

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

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

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

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

BICARA

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

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

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

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

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

Our Biosimilars Business

Changing to Win; Transforming to Lead

Biocon Biologics Limited

Board of Directors

Kiran Mazumdar-Shaw
Executive Chairperson

Dr. Arun Chandavarkar
Managing Director

Bobby Parikh
Independent Director

Daniel Bradbury
Independent Director

Russell Walls
Independent Director

Peter Piot
Independent Director

Thomas Roberts
Non-Independent
Non-Executive Director

Nivruti Rai
Independent Director

Biocon Biologics Limited

Executive Leadership Team

Dr. Arun Chandavarkar
Managing Director

Shreehas Tambe
Deputy Chief Executive Officer

Chinappa MB
Chief Financial Officer

Dr. Anuj Goel
Chief Scientific Officer

Dr. Sandeep N Athalye
Chief Medical Officer

Susheel Umesh
Chief Commercial Officer, Emerging Markets

Matthew Erick
Chief Commercial Officer, Advanced Markets

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

Ganesh Reddy
Global Head, Biologics Manufacturing

Kiran Kumar Gandhirajan
Site Head, Malaysia

Seema Ahuja
Chief Communications Officer

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

Amitava Saha
Chief Human Resources Officer, Biocon Group

Naveen Narayanan
Chief Human Resources Officer

DEPUTY CEO's REVIEW

Shreehas Tambe

President & Deputy CEO, Biocon Biologics

Deputy CEO's Message

Laying the Runway to Growth

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

Strengthen the Core

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

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

Accelerate Growth

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

IN FY22, BIOCON BIOLOGICS SET OUT THREE TOP PRIORITIES – STRENGTHEN THE CORE, ACCELERATE GROWTH AND INVEST IN THE FUTURE.

**Our partner Viatris' brand*

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

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

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

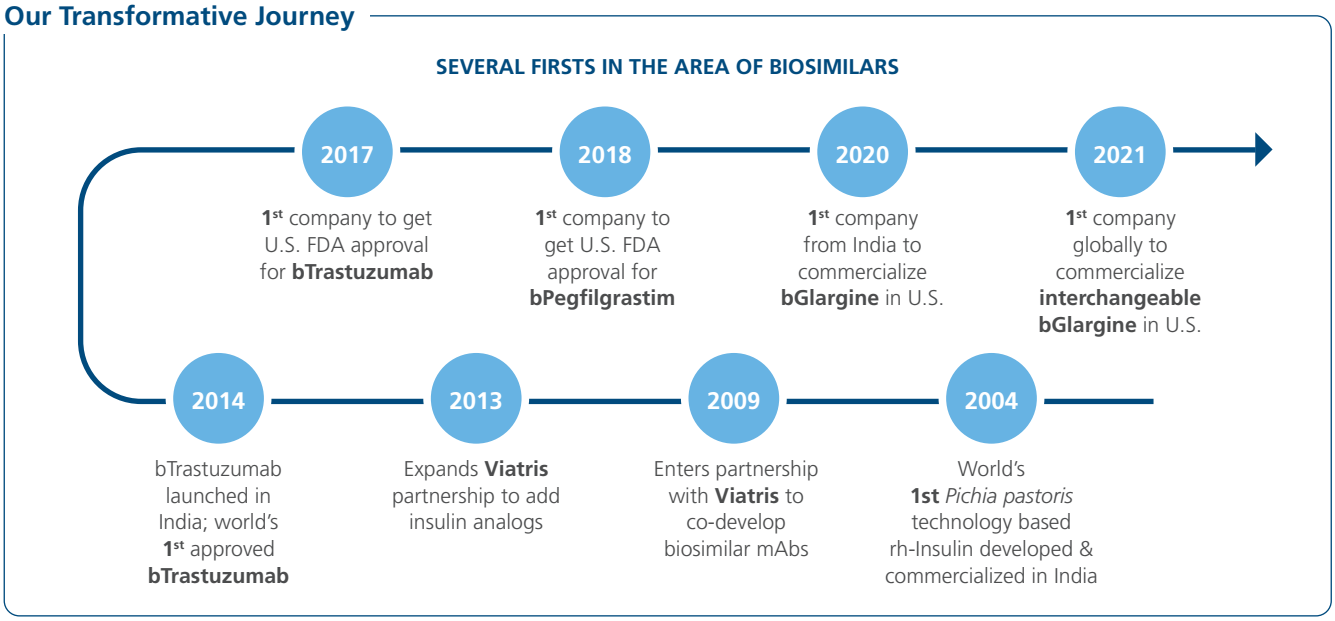
Invest in the Future

Even as we have continued to strengthen our biosimilars portfolio to broaden access to patients, our investments so far have focused on debilitating non-communicable diseases. The COVID-19 pandemic and the ensuing crisis exposed the inequity in access to global health, particularly when combating communicable diseases. Biocon Biologics has demonstrated scientific credibility, global-scale manufacturing and a proven track record of commercial success across geographies. Our strategy of "Expanding on Adjacencies" is about leveraging our strengths to invest in growth drivers for the future. The strategic alliance with Serum Institute Life Sciences (SILS) is an important step in that direction as we expand into developing vaccines as a potential future growth driver. The 'asset-light' deal structure of this alliance with the world's largest vaccine maker has ensured that Biocon Biologics has access to assured vaccine manufacturing capacity for the next 15 years. This investment becomes accretive to the P&L from the second half of FY23 as we work through the statutory approval process.

WITH SALES FROM MALAYSIA RAMPING UP, OUR MALAYSIA OPERATIONS TURNED PROFITABLE IN THE FOURTH QUARTER OF FY22.

BIOCON BIOLOGICS HAS DEMONSTRATED SCIENTIFIC CREDIBILITY, GLOBAL-SCALE MANUFACTURING AND A PROVEN TRACK RECORD OF COMMERCIAL SUCCESS ACROSS GEOGRAPHIES.

Our Transformative Journey



The acquisition of Viatris' global biosimilars business accelerates our vision of building a unique, vertically integrated biologics company. In addition to the immediate accrual of economic benefit to the P&L, this deal enables Biocon Biologics with direct presence in the advanced markets of U.S., Canada, EU, Australia and New Zealand, in addition to several emerging markets. With biosimilars gaining ground globally, particularly in the U.S., and several products from our portfolio lined up for market entry in the near term, the timing of this deal couldn't have been better. This deal will provide Biocon Biologics greater agility in decision-making and help improve operational efficiencies in supply chain, capital allocation and distribution, and will also bring us closer to patients.

The Way Ahead

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

Thank You.

Yours sincerely,
Sd/-
Shreehas Tambe
President & Deputy CEO
Biocon Biologics
May 27, 2022

Our Biosimilars Business

Changing to Win; Transforming to Lead

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

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

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

[#] Market opportunity size of Biocon Biologics' portfolio based on reported CY 2021 sales of originator brands and biosimilars

Creating a Unique, Fully Integrated Biosimilars Leader

Strategic Move to Acquire the Global Biosimilars Business of Viatris

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

Building Out Commercial Capabilities in Developed Markets

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

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

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

Fortifying our Biosimilars Portfolio

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

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

This acquisition of bAflibercept will expand our portfolio.

Improving our Financial Health

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

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

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

Financial Details of the Transaction

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

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

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

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

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

We have firm commitments from lenders for debt financing.

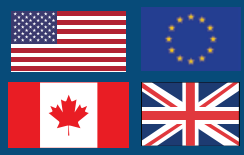
Viatris will designate Rajiv Malik, President of Viatris, to serve on the Biocon Biologics Board of Directors.

Creating Long-Term Value

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

As a fully integrated global company, we will be able to enhance patient access, reduce healthcare inequities worldwide and drive immense value for all our stakeholders.

Transaction to Add Financial Depth, Commercial Capabilities

1 Financial	Biocon Biologics to realize full revenue and profits from all its collaboration programs	Revenue USD 1.1 bn | EBITDA USD 250 mn Viatris Biosimilars CY23 estimate[1]
2 Operational	Commercialization*, Supply Chain and Regulatory capabilities in Developed Markets	
3 New Growth Drivers	Launch of collaboration products in the U.S. Exercised option for new in-licensed biosimilar asset	**bBevacizumab** **bAspart** **bAdalimumab** **bAflibercept**

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

[1] Biocon Biologics' estimates of acquired Viatris' business

Viatris Will Receive up to USD 3.335 billion in Cash & Stock

Viatris will have one nominee on the Board of Biocon Biologics

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

Positioned for Value Creation Through Vaccines

Strategic Alliance with Serum Institute Life Sciences

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

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

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

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

'Asset-Light' Entry into Vaccines

The structure of the alliance provides Biocon Biologics with an 'asset-light' and accelerated entry into the vaccines segment.

**Calculated as on the date of signing of the deal*

Serum Institute is the world's largest vaccine manufacturer by volume of doses produced and sold globally. It has world-class vaccines production facilities, capable of producing multi-billion doses of high quality vaccines.

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

Adding a Growth Pillar

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

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

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

Leveraging Complementary Capabilities

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

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

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

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

Future Plans

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

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

Achieving Efficient Business Growth

Financial Performance

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

Business Performance

Developed Markets: Setting New Benchmarks

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

Historic U.S. approval for interchangeable bGlargine

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

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

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

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

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

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

Making a Difference in Oncology Treatments

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

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

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

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

Emerging Markets: Widening & Deepening our Presence

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

**Our partner Viatris' brand*

emerging markets for our biosimilars, we added field force in UAE and Saudi Arabia.

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

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

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

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

Going ahead, we expect a greater play in emerging markets following integration of the biosimilars business of Viatris.

India: Picking up Momentum

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

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

Expanding Insulins Access to T1D Patients

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

Empowering Clinicians

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

Contributing to the Battle against Cancer

Our novel biologic, Nimotuzumab, was included in the Indian Cancer Guidelines and National Cancer Grid for the treatment of head & neck cancer.

Malaysia: Making an Impact

Our interchangeable bGlargine, produced at our Center of Excellence (CoE) for Insulins in Malaysia, received a historic U.S. approval as the first interchangeable biosimilar under the 351(k) regulatory pathway. The strong uptake of our interchangeable bGlargine in the U.S. helped our Malaysia operations to deliver an operating profit for the first time.

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

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

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

Biosimilars Pipeline: Forging Ahead

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

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

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

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

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

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

These will supplement our commercialized portfolio of eight products.

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

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

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

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

Our Pipeline

ROBUST PORTFOLIO TO ADDRESS GLOBAL DISEASE BURDEN

Today	< 2 years	2-4 years	> 4 years
• Pegfilgrastim • Trastuzumab • Bevacizumab (EU) • Glargine 100 IU • Aspart (EU) • Adalimumab (EU) • Etanercept (EU)	• Bevacizumab (US) • Aspart (US) • Adalimumab (US) • rh-Insulin (US) • Vaccines[1] (SILS deal expected to close in H2 2022)	• Aflibercept[2] • Ustekinumab • Denosumab ▼ Wave 2 biosimilars to address ~ USD 20 billion market opportunity[3]	• Pertuzumab • Glargine 300 IU • Seven undisclosed programs

[1] Subject to completion of the acquisition of Covidshield Technologes Private Limited (CTPL) | [2] Expected to be included in BBL portfolio post the completion of BBL's acquisition of Viatris' biosimilar business (Viatris has global rights to the program partnered with Momenta) | [3] Based on reported CY 2021 sales of originator brands

[#] *Market opportunity based on reported CY 2021 sales of originator brands*

Building Robust Intellectual Property

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

Ushering in Operational Excellence through Digital Transformation

Biocon Biologics has drawn on the latest global technology trends in the health and life sciences industry to draw up its digital transformation strategy and dovetailed it with the Company's strategic business goals. We are deploying digital initiatives

to enhance quality and compliance, augment productivity through enhanced operational excellence and enable data integrity through technology-led data transparency.

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

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

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

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

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

Caring for Our People

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

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

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

Outlook

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

[#] *Market opportunity size of Biocon Biologics' portfolio based on reported CY 2021 sales of originator brands and biosimilars*

Syngene

Putting Science to Work

Our Research Services Business

Reshaping Scientific Research

Syngene International Limited

Board of Directors

Kiran Mazumdar-Shaw
Non-Executive Chairperson

Jonathan Hunt
Managing Director and
Chief Executive Officer

Prof. Catherine Rosenberg
Non-Executive Director

Kush Parmar
Independent Director

Vinita Bali
Lead Independent Director

Dr. Carl Decicco
Non-Executive Director

Paul Blackburn
Independent Director

Sharmila Abhay Karve
Independent Director

Dr. Vijay Kuchroo
Independent Director

Syngene International Limited

Executive Leadership Team

Jonathan Hunt
Managing Director and Chief Executive Officer

Sibaji Biswas
Chief Financial Officer

Mahesh Bhalgat
Chief Operating Officer

Alok Mehrotra
Chief Quality Officer

Ashu Tandon
Chief Commercial Officer

Jan-Olav Henck
Sr. Vice President – Development Services

Kenneth Barr
Sr. Vice President – Discovery Services

Alex Del Priore
Sr. Vice President – Manufacturing Services

Sanjeev Sukumaran
Chief Human Resources Officer

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

Jonathan Hunt

Managing Director and CEO, Syngene International Limited

Our Research Services Business

Reshaping Scientific Research

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

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

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

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

Dedicated R&D Centers

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

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

Discovery Services

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

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

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

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

Development Services

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

Development Services delivered steady performance throughout the year. A key feature of the year was the continued manufacturing of Remdesivir under a voluntary license

from Gilead. Demand was particularly high in the first quarter of the year as India suffered a second wave of the coronavirus. The Company remains committed to manufacturing this important treatment while the pandemic persists, although it expects demand to be significantly less this year.

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

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

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

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

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

Manufacturing Services

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

**Safety and immunogenicity of an inactivated SARS-CoV-2 vaccine, BBV152: interim results from a double-blind, randomized, multicenter, Phase 2 trial, and 3-month follow-up of a double-blind, randomized Phase 1 trial (thelancet.com)*

A new cell banking capability was established to manufacture and characterize GMP cell banks. With this, the Company can offer a complete start-to-end service for both microbial and mammalian biopharmaceutical product developers.

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

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

Operational Excellence

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

Mitigating the Impact of COVID-19

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

Outlook

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

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

Corporate Social Responsibility

Driving Sustainable Social Change

Corporate Social Responsibility

Biocon Foundation

Biocon Foundation
EMPOWERING COMMUNITIES

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

The Biocon Foundation is the principal channel for our corporate philanthropy to build resilient solutions.

eLAJ Smart Clinics

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

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

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

Oral Cancer Screening

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

Specialist Clinics

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

Community Vaccination Drive

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

COVID Care Infrastructure

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

Rejuvenation of Waterbodies

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

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

Mass Transit System

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

Higher Education

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

Awards & Recognitions

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

Read more on Biocon's efforts to ensure a sustainable and equitable future in the ESG Report for FY22.

Biocon Academy

Biocon Academy
ADDING VALUE, ENHANCING SKILLS

Biocon Academy, which is helping build the ecosystem for biotech-related skills in India, launched a new course in Global Regulatory Affairs in collaboration with JSS University, Mysuru.

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

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

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

Corporate Information

BOARD OF DIRECTORS

Executive Chairperson
Kiran Mazumdar-Shaw

Managing Director and CEO
Siddharth Mittal

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

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

BOARD COMMITTEES

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

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

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

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

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

Chief Financial Officer
Indranil Sen

Company Secretary and Compliance Officer
Mayank Verma

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

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

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

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

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

FINANCIAL REPORT

Statutory Reports

Financial Statements

*** *A separate report 'TransformAction', encompassing Business Responsibility & Sustainability Report (BRSR) and Environmental, Social & Governance (ESG) Report, is being released as a supplement to Annual Report 2022.*

Board's Report

Dear Members,

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

Financial Highlights

				In ₹ Million (except EPS)
Particulars	Standalone		Consolidated	
	FY22	FY21	FY22	FY21
Total revenue	19,254	21,786	83,967	73,976
Expenses	17,857	18,198	70,956	62,631
Share of Loss of joint venture and associate, net	-	-	(2,069)	(794)
Profit before tax and exceptional items	**1,397**	**3,588**	**10,942**	**10,551**
Exceptional items, net	-	-	(1,111)	126
Profit before tax	**1,397**	**3,588**	**9,831**	**10,677**
Income tax	536	783	2,115	2,215
Non-controlling interest	-	-	1,232	1,057
Profit for the year	**861**	**2,805**	**6,484**	**7,405**
Other comprehensive income, net	80	24	967	1,582
Total comprehensive income	**941**	**2,829**	**7,451**	**8,987**
Earnings per Share (EPS) after exceptional items	0.72	2.36	5.44	6.24

Standalone and Consolidated Financial Statements

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

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

State of Affairs

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

- During the year, our consolidated revenues registered a growth of 13% to ₹ 83,967 mn from ₹ 73,976 mn in FY21. From a segment perspective, Biologics recorded an annual growth of 24% and Research services grew by 19% while Generics registered a de-growth of 1%.
- Adjusting for the market to market loss of Biocon Biologics' equity investment in Adagio, Core operating margins (EBITDA margins net of licensing, forex and R&D) stood at 32% in line with FY21.
- Profit for the year including non-controlling interest stood at ₹ 7,716 mn compared to ₹ 8,462 mn for FY21.

- The effective tax rate (ETR) for the year before the exceptional item was 22% (20% in FY21). ETR is up 2% since FY21 included credit for reversal of tax provision for earlier years.

Exceptional items (Consolidated):

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

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

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

Corporate Acquisitions:

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

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

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

- Revenue from operations for FY22 stood at ₹ 17,382 mn compared to ₹ 20,284 mn for FY21. Other income for FY22 amounted to ₹ 1,872 mn as against ₹ 1,502 mn in FY21.

- Core operating margins (EBIDTA margins net of licensing, impact of forex, R&D and dividend from subsidiaries) was 17% compared to 25% in the previous financial year, primarily due to lower volumes in Generics business.

- Profit before tax stood at ₹ 1,397 mn compared to ₹ 3,588 mn in FY21. Decrease in standalone profit is mainly due to challenges in selling price, increased solvents and natural gas price and increased competition in some of our products.

- Effective tax rate (ETR) for the year was 38% against 22% in FY21. ETR is up since FY21 included credit for reversal of tax provision for earlier years.

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

Impact of the COVID-19 pandemic

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

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

Subsidiaries, Associates and Joint Ventures

The Company has 20 subsidiaries, 1 joint venture and 2 associates as on March 31, 2022. A report on the performance and financial position of each Subsidiary, associate and joint venture is outlined in AOC-1 which is annexed to this report as *Annexure 1*.

In accordance with the provisions of Section 136 of the Companies Act, 2013 and the amendments thereto, read with SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 ('SEBI Listing Regulations'), the audited financial statements, including the consolidated financial statements and related information of the Company and financial statements of the subsidiary companies will be available on our website www.biocon.com.

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

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

Syngene International Limited, India

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

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

Syngene USA Inc.

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

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

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

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

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

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

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

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

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

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

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

Biocon Sdn. Bhd., Malaysia

Biocon Sdn. Bhd. ('BSB') , Malaysia is a wholly owned subsidiary of BUK. BSB was established with an objective to set up the group's first overseas manufacturing facility at Malaysia. The

facility is located within BioXcell, a biotechnology park in Iskandar Puteri, Johor.

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

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

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

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

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

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

Biocon Biologics Inc., USA

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

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

Biocon Biologics Do Brasil Ltda, Brazil

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

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

Biocon Biologics FZ–LLC, UAE

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

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

Biocon Pharma Limited, India

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

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

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

Biocon Pharma Inc., USA

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

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

Biocon Pharma UK Limited

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

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

Biocon Pharma Ireland Limited

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

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

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

Biocon Biosphere Limited

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

Biofusion Therapeutics Limited

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

Biocon Academy

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

Biocon SA, Switzerland

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

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

Biocon FZ LLC

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

Bicara Therapeutics Inc., USA

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

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

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

Neo Biocon FZ LLC, UAE

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

Due to regulatory challenges, the group has not been able to exit, and it continues to evaluate its option with respect to exit.

Hinduja Renewables Two Private Limited

During the financial year ended March 31, 2021, the Company had acquired 26% equity stake in Hinduja Renewables Two Private Limited towards enhancing the renewable based power consumption. The Company does not consolidate the associate since it does not exercise significant influence over it.

Dividend

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

Dividend Distribution Policy

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

Transfer to reserves

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

Share Capital

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

Particulars	FY 2022 Amount in ₹	FY 2021 Amount in ₹
Authorized Equity Share Capital *(Equity shares of ₹ 5/- each)*	6,250,000,000	6,250,000,000
Paid up Equity Share Capital *(Equity shares of ₹ 5/- each)*	6,003,000,000	6,000,000,000

Human Resource Development

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

Management's Discussion and Analysis

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

Corporate Governance

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

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

Business Responsibility and Sustainability Reporting

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

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

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

Employee Stock Option Plan (ESOP)

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

by them in the growth of the Company.

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

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

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

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

Deposits

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

Particulars of Loans, Guarantees or Investments

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

Policy on Directors' Appointment and Remuneration

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

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

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

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

Board Diversity

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

Declaration by Independent Directors

All Independent Directors of the Company have submitted the requisite declarations confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Regulation 16 and 25(8) of the SEBI Listing Regulations. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

They have further confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties and that they are independent of the management. Further, the Independent Directors have also submitted their declaration in compliance with the provision of Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, which mandated the inclusion of an Independent Director's name in the data bank of the Indian Institute of Corporate Affairs ('IICA') for a period of one year or five years or life time till they continue to hold the office of an independent director. All the Independent Directors are exempted from appearing the Online Proficiency Self-Assessment Test conducted by IICA.

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

Board Evaluation

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

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

Directors

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

Appointment

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

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

Re-appointment

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

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

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

Completion of tenure of Directors

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

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

Key Managerial Personnel

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

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

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

Committees of the Board

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

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

C: Chairperson and M: Member.

Meetings of the Board

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

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

Related Party Contracts or Arrangements

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

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

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

the Company at https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/. The details of related party disclosures form part of the notes to the Financial Statements provided in the Annual Report.

Credit Ratings

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

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

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

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

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

AUDITORS

Statutory Auditors

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

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

Cost Auditors

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

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

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

Secretarial Auditors

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

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

Pursuant to the SEBI circular vide no. CIR/CFD/CMD/1/27/2019 dated February 8, 2019, the Annual Secretarial Compliance Report for the FY 2021-22, issued by M/s. V. Sreedharan & Associates, Practicing Company Secretaries shall be submitted with the stock exchanges where shares of the Company are listed, within stipulated timeline.

Reporting of fraud by Auditors

During the year, the statutory auditors have not reported to the Audit Committee any material fraud on the Company by its officers or employees under Section 143(12) of the Companies Act, 2013, the details of which need to be provided in this report.

Risk Management Policy

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

Internal Financial Control

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

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

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

Vigil Mechanism

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

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

Directors' Responsibility Statement

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

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

b. they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis;

e. they have laid down internal financial controls based on the internal controls framework established by the Company, which were adequate and are operating effectively; and

f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Particulars of Employees

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

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

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

Corporate Social Responsibility (CSR)

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

Environmental Sustainability -

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

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

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

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

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

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

Your Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The Policy is gender neutral.

During the financial year under review, 2 (two) complaints with allegations of sexual harassment were filed and both were disposed-off and no complaint is pending for closure as per the timelines of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Transfer of Unpaid and Unclaimed Amounts to Investor Education and Protection Fund ('IEPF')

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

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

Significant and Material Orders

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

Statutory Disclosures

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

Material Changes and Commitments

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

Change in Nature of Business

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

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

Annual Return

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

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

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

Green Initiative

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

Acknowledgement

We place on record our appreciation for the committed services by every member of the Biocon family globally whose contribution was significant to the growth and success of the Company. We would like to thank all our clients, partners, vendors, investors, bankers and other business associates for their continued support and encouragement during the year.

We also thank the Government of India and Malaysia, Government of Karnataka, Government of Telangana, Government of Andhra Pradesh, Ministry of Information Technology and Biotechnology, Ministry of Health, Ministry of Commerce and Industry, Ministry of Finance, Department of Pharmaceuticals, Department of Scientific and Industrial Research, Ministry of Corporate Affairs, Central Board of Indirect Taxes and Customs, Income Tax Department, CSEZ, and all other regulatory agencies for their assistance and co-operation during the year and look forward to their continued support in the future.

For and on behalf of the Board

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

Place: Bengaluru
Date: April 28, 2022

FORM AOC -1

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

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

Part A - Subsidiaries

In ₹ Million

Sl. No	Name of the subsidiary	Date since subsidiary was acquired/ incorporated	Reporting Period	Reporting currency	Share capital*	Reserves & Surplus (other equity)*	Total Assets*	Total Liabilities (excl. capital & reserves)*	Investments (excluding in subsidiaries)*	Turnover#	Profit/ (loss) before taxation#	Provision for taxation#	Profit/ (loss) for the year#	Proposed dividend	% of Shareholding by the Company
1	Syngene International Limited, India	November 18, 1993	April - March	INR	4,008	28,912	55,608	22,688	10,342	26,542	4,817	879	3,938	401	70.24%
2	Biocon Academy, India	December 03, 2013	April - March	INR	1	-	58	57	-	-	-	-	-	-	100.00%
3	Biocon Pharma Limited, India	October 31, 2014	April - March	INR	141	(1,208)	11,834	12,901	1,826	6,314	1,056	-	1,056	-	100.00%
4	Biocon SA, Switzerland	April 21, 2008	April - March	USD	7	4,835	4,885	43	-	-	(1)	-	(1)	-	100.00%
5	Biocon Biologics Limited, India	June 08, 2016	April - March	INR	10,588	10,618	73,539	52,333	105	23,728	923	63	860	-	93.47%
6	Biocon Biologics UK Limited, UK	March 02, 2016	April - March	USD	19,678	9,000	50,900	22,222	102	16,035	3,307	782	2,525	-	Refer note 2
7	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 3
8	Biocon Pharma Inc, USA	July 27, 2015	April - March	USD	1,389	405	5,383	3,589		4,720	297	89	208	-	Refer note 4
9	Biocon FZ LLC, UAE	June 16, 2015	April - March	AED	3	77	585	505	-	393	2	-	2	-	100.00%
10	Biocon Biologics Healthcare Malaysia SDN BHD, Malaysia	August 10, 2017	April - March	MYR	36	(37)	1	2	-	-	-	-	-	-	Refer note 3
11	Syngene USA Inc., USA	August 24, 2017	April - March	USD	4	49	120	67	-	284	28	8	20	-	Refer note 6
12	Biocon Pharma UK Limited	December 07, 2018	April - March	GBP	167	(101)	70	4	-	-	0	-	0	-	Refer note 4
13	Biocon Pharma Ireland Limited	December 14, 2018	April - March	EUR	65	(39)	38	12	-	-	(1)	-	(1)	-	Refer note 4
14	Biocon Biologics Inc, USA	November 12, 2019	April - March	USD	129	(201)	29	101	-	12	(110)	-	(110)	-	Refer note 3
15	Biocon Biosphere Limited, India	December 24, 2019	April - March	INR	1	117	4,092	3,974	-	-	(3)	1	(4)	-	100.00%
16	Biocon Biologics FZ LLC	November 26, 2020	April - March	USD	76	(2)	136	62	-	129	1	-	1	-	Refer note 3
17	Biocon Biologics Do Brasil Ltda	August 17, 2020	April - March	USD	53	(69)	0	16	-	-	(49)	-	(49)	-	Refer note 3
18	Biocon Pharma Malta Limited	January 25, 2021	April - March	EUR	0	(1)	1	2	-	-	(1)	-	(1)	-	Refer note 4
19	Biocon Pharma Malta I Limited	January 25, 2021	April - March	EUR	0	(1)	19	20	-	-	-	-	-		Refer note 5
20	Biofusion Therapeutics Limited	March 18, 2021	April - March	INR	1	9	1,594	1,584	-	402	12	3	9	-	100.00%

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

Converted at monthly average exchange rates

Notes

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

Part B - Associates & Joint Ventures

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

In ₹ Million

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

^Includes Preference shares

For and on behalf of the Board

	Sd/-	Sd/-	Sd/-
Place: Bengaluru	**Kiran Mazumdar-Shaw**	**Siddharth Mittal**	**Mayank Verma**
Date: April 28, 2022	Chairperson	Managing Director & CEO	Company Secretary

Annexure 2 - Disclosure with respect to Employees Stock Option Plan of the Company

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

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

1. Summary of Status of ESOP:

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

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

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

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

3. Option movement during the year 2021-22 :

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

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

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

Sl. No.	Name of Employee	Designation	No. of options granted
1	Indranil Sen	Chief Financial Officer	50,000

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

Sl. No.	Name of Employee	Designation	No. of options granted
1	Sriram Akundi	Senior Vice President	40,000
2	Manoj Pananchukunnath	Senior Vice President	1,00,000

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

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

1	Weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model	Refer note 30 of the standalone financial statements
2	Method used and the assumptions made to incorporate the effects of expected early exercise	
3	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	
4	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	None

D. Details related to ESPS - Not Applicable

E. Details related to SAR - Not Applicable

F. Details related to GEBS / RBS - Not Applicable

G. Details related to Trust

(i) General information on schemes

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

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

(a) Number of shares held at the beginning of the year i.e. April 1, 2021 – 11,168,774

(b) Number of shares acquired during the year through

(i) primary issuance – 6,00,000

(ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share – Nil

(c) Number of shares transferred to the employees / sold along with the purpose thereof – 42,48,459

(d) Number of shares held at the end of the year i.e. March 31, 2022 – (a +b-c) – 75,20,315

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

For and on behalf of the Board

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

Place: Bangalore
Date: April 28, 2022

Annexure 3 - Conservation of energy, technology absorption, foreign exchange earnings and outgo

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

A. Conservation of energy

i)	The steps taken or impact on conservation of energy	Power consumption for FY22 was 191 mn units as against 178 mn units in FY21. The unit consumption has increased by 7% YOY.
ii)	The steps taken by the company for utilizing alternate source of energy	By using renewable energy for 58% of total power requirement and using cleaner fossil fuel for steam generation (Natural gas instead of furnace oil), led to a reduction of CO2 emission by 1,16,120 Tons.
iii)	The Capital investment on energy conservation equipments	Total Investment on energy conservation stands at 48.4 mn.

S. No.	Power and fuel consumption details	FY 22	FY21
1	**Electricity**		
A	Purchased		
	Million Units	190	174
	Total amount (₹ mn)	1,225	1,166
	Rate / Unit (₹)	6.4	6.7
B	Captive generation		
	HSD Quantity, KL	2,418	1,477
	Million Units	8	5
	Units / Litre	3.2	3.3
	Cost / Litre (₹)	49.6	45.8
	Generation cost, Rate / Unit (₹)	14.9	14.0
2	**Steam**		
A	Furnace oil		
	Quantity, KL	-	20
	Total amount (₹ mn)	-	0.6
	Average rate	-	28.5
B	Natural gas		
	Quantity, MMBTU	2,02,88,626	1,86,71,681
	Total amount (₹ mn)	922	589.3
	Average rate	45.4	32
C	Coal		
	Quantity, TO	5,596	4,891
	Total amount (₹ mn)	43.8	36.6
	Average rate	7,833	7,467

S. No.	Energy conservation measures	Investment (In ₹ Mn)	Energy saved per Annum	
			Units	Amount (In ₹ Mn)
1	Installed energy efficient Economizers in Boilers for steam generation (Biocon Campus & Biocon Park)	40	32,500 MMBTU	39
2	Installed energy efficient motors for Air Compressor and ETP (Biocon Park)	6.6	0.15 Million Units	0.95
3	Installed energy efficient motors for Chilled water and cooling water pumps (Biocon Campus)	1.2	0.05 Million Units	0.35
4	Installed Variable Frequency Drives for Chilled water pumps (Biocon Campus)	0.6	0.07 Million Units	0.45

Continuous monitoring of high energy consumption areas/equipment and taking appropriate corrective measures as and when required, resulted in energy saving and reduction in power consumption.

B. Technology Absorption

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

Research and Development

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

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

Benefits derived as a result of R&D activities

1. Global presence in supply of fermentation based Small Molecules to the Generic Industry in regulated markets.
2. Rich pipeline of Generic Small Molecules catering to varied therapeutic areas.
3. Internationally competitive prices and product quality.

4. The Company has been granted 1,300 patents and around 1,059 trademarks as on date in various jurisdictions.
5. Safe and environment friendly processes.
6. Launch of ANDA products in US & EU.
7. Clinical trial in progress for one of the Novel molecule.

Future Plan of Action

1. Strategic Collaborations for increased speed and cost competitiveness in Drug Discovery.
2. Vertical integration for the entire portfolio.
3. Developing a portfolio of Complex Generics.
4. Collaborate with global Academia and Industry to build value & visibility to the portfolio.
5. Increase capital spend to build a stronger R&D base which is in line to current industry changes.
6. New collaborations for high yield strain developments.
7. Next generation bio-transformation labs.

Expenditure incurred on Research & Development

In ₹ Million

	FY22	FY21
a) Capital	198	15
b) Recurring	906	1,223
Total	**1,104**	**1,237**
Less: Recharge	-	(13)
Net R&D Expenses	1,104	1,224

C. Foreign Exchange Earnings and Outgo

In ₹ Million

Foreign exchange earned and used during the year:	FY22	FY21
Gross Earnings	8,885	11,791
Outflow	6,360	5,084
Net foreign exchange earnings	2,525	6,707

For and on behalf of the Board

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

Place: Bengaluru
Date: April 28, 2022

Annexure 4 - Secretarial Audit Report for the financial year ended March 31, 2022

Form No. MR-3

SECRETARIAL AUDIT REPORT

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

To,
The Members
Biocon Limited
20th K.M. Hosur Road, Electronic City,
Bengaluru - 560100

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a. Drugs and Cosmetics Act 1940

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

c. ICH Guidelines (this is the base on which US FDA/ EU Guidelines etc. are created on).

d. UCPMP (Currently voluntary – however proposed to be made mandatory).

e. National Biodiversity Act 2002

f. Drugs & Magical Remedies (Objectionable Advertisements) Rules, 1955

g. Narcotic Drugs and Psychotropic substance Act

h. Drugs (Control) Act, 1950

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

a. Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.

b. Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

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

We further report that:

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

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

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

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

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

a. Re-Appointment of Mr. Bobby Kanubhai Parikh (DIN:00019437) as an Independent Director of the Company for the second term of five years.

b. Appointment of Mr. Indranil Sen as the Chief Financial Officer ('CFO') of the Company in the place of Mr. Anupam Jindal with effect from April 28, 2021.

c. Allotment of 6,00,000 (Six Lakh) Equity Shares of ₹5/- (Rupees Five) each to Biocon India Limited Employee Welfare Trust under Biocon restricted stock unit long term incentive plan.

d. Mr. John McCallum Marshall Shaw (DIN:00347250), Vice Chairperson had resigned as a Non-Executive Director of the Company with effect from July 23, 2021.

e. Mr. Eric Vivek Mazumdar (DIN:09381549) was appointed as Non-Executive Non-Independent Additional Director with effect from November 01, 2021.

For **V. SREEDHARAN & ASSOCIATES**

Sd/-

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

Place: Bengaluru
Date: April 28, 2022

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

'Annexure'

To,
The Members
Biocon Limited
20th K.M. Hosur Road, Electronic City,
Bengaluru - 560100

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

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

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

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

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

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

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

For **V. SREEDHARAN & ASSOCIATES**

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

Place: Bengaluru
Date: April 28, 2022

Annexure 4A - Secretarial Audit Report of Biocon Biologics Limited for the financial year ended March 31, 2022

Form No. MR-3

SECRETARIAL AUDIT REPORT

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Biocon Biologics Limited** ("the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate 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. Scheme of Merger for absorption of Covishield Technologies Private Limited with the Company was approved by the Board.

For **V. SREEDHARAN & ASSOCIATES**

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

Place: Bengaluru
Date: April 27, 2022

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

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

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

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

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

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

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

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

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

For **V. SREEDHARAN & ASSOCIATES**

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

Place: Bengaluru
Date: April 27, 2022

Annexure 5 - Particulars of Remuneration

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

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

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

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

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

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

Notes:

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

I	Percentage increase / (decrease) in median remuneration of employees in the financial year	The median remuneration of employees increased from INR 5,77,728 as at March 31, 2021 to INR 5,99,040 as at March 31, 2022, representing an increase of 3.69%.
II	Number of permanent employees on the rolls of the Company	There were 3,203 permanent employees as on March 31, 2022.
III	Average percentile increase in salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average increase in employee remuneration other than managerial personnel was 10%. The increase in managerial remuneration is in line with the measures to attract and retain the best talent. The Company also uses a mix of fixed, variable and ESOP based compensation on a mid-to-long-term basis to align middle and senior management compensation to enhance shareholder values.

It is hereby affirmed that the remuneration paid for the financial year 2021-22 was as per the Company's Policy on Director's Appointment and Remuneration.

Annexure 6 - Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company.

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

Your company's CSR activities are implemented through:

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

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

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

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

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

2. Composition of CSR Committee:

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

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

*Siddharth Mittal and Eric Vivek Mazumdar were inducted as members of the Committee with effect from March 28, 2022.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

i. The CSR policy : https://www.biocon.com/docs/Biocon_CSR_Policy_2021.pdf

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

iii. The projects as approved by the Board shall be disclosed on the website at www.biocon.com.

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

Not Applicable.

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

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

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

7. (₹ In Million)

(a)	Two percent of average net profit of the company as per section 135(5)	69.9
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
(c)	Amount required to be set off for the financial year, if any	Nil
(d)	Total CSR obligation for the financial year (7a+7b- 7c)	69.9

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

(₹ In Million)

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

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

(₹ In Million)

(1) S. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes / No)	(5) Location of the project. State	(5) District.	(6) Project duration	(7) Amount allocated for the project (in ₹)	(8) Amount spent in the current financial year (in ₹)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	(10) Mode of Implementation- Direct (Yes /No)	(11) Mode of Implementation - Through Implementing Agency Name	(11) CSR Registration number
1	Mass Transit System	Environmental sustainability	Yes	Karnataka	Bengaluru Urban	4 years	32.0	32.0	Nil	No	Biocon Foundation	CSR00002304
2	Lake Rejuvenation	Environmental sustainability	Yes	Karnataka	Bengaluru Urban	2 years	5.3	5.3	Nil	No	Biocon Foundation	CSR00002304
3	Biotechnology	Promoting Education	Yes	Karnataka	Bengaluru Urban	4 years	32.6	32.6	Nil	No	Biocon Academy	CSR00002303
	TOTAL						**69.9**	**69.9**	**Nil**			

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

(₹ In Million)

(1) S. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No).	(5) Location of the project State	(5) District	(6) Amount spent for the project (in ₹)	(7) Mode of implementation Direct (Yes/No).	(8) Mode of implementation –Through implementing agency. Name	(8) CSR registration number
				Not Applicable					

(d) Amount spent in Administrative Overheads: NIL

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

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

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

S. No.	Particular	(₹ In Million)
(i)	Two percent of average net profit of the company as per section 135(5)	69.9
(ii)	Total amount spent for the financial year	69.9
(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:

Nil

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

Not Applicable for FY 2021-22

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

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

Not Applicable.

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

	Sd/	**Sd/**
	Siddharth Mittal	**Mary Harney**
Place: Bengaluru	Managing Director and CEO	Chairperson – CSR Committee
Date: April 28, 2022	DIN: 03230757	DIN: 05321964

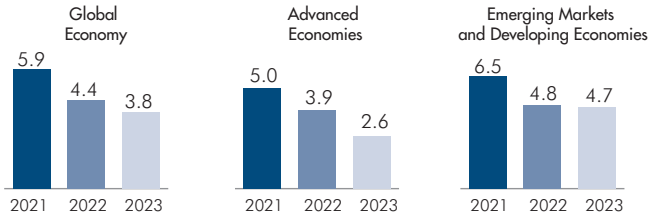
Management Discussion and Analysis

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

A report by the International Monetary Fund (IMF)[1] indicated that global growth is expected to weaken from the 2021 levels of 5.9% to 4.4% in 2022. While 2021 did witness some global growth recovery, the momentum was subdued due to the outbreaks of the Delta and Omicron variants of COVID-19. The pandemic outbreaks affected critical links of global supply chains, causing longer-than-expected supply disruptions that impacted manufacturing. It also compelled countries to reimpose lockdowns and mobility restrictions. These disruptions, coupled with rising energy prices, resulted in higher, broad-based inflation as well as market volatility in several developed and emerging economies around the globe. Inflation is expected to remain high in the near term, averaging 3.9% in developed countries and 5.9% in emerging countries in 2022. The situation could potentially worsen due to higher crude oil prices if the Ukraine-Russia conflict continues.

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

Global Growth Projections



Source: 'World Economic Outlook Update', January 2022 published by International Monetary Fund

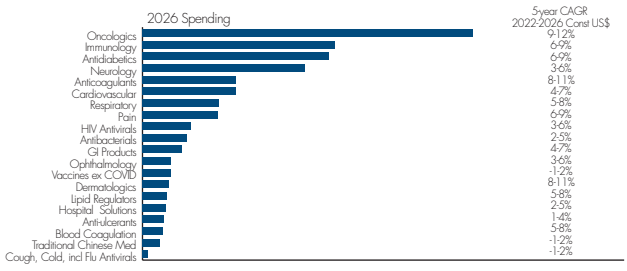
Global growth, too, is expected to slow down further to 3.8% in 2023, subject to adverse health outcomes remaining low in most countries this year, given improved vaccination rates worldwide and effective therapies. If the pandemic prolongs over the medium term, it could reduce global Gross Domestic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

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

Global Medicine Market

A recent IQVIA report[2] estimates the global medicine market to grow to ~US $1.8 trillion by 2026, at a compounded annual growth rate (CAGR) between 3% and 6%. Over the past decade, medicine use grew over 40% primarily due to higher access to medicines in developing countries. The spend on COVID-19 vaccines alone through 2026 is expected to be $251 billion. Growth in overall medicine spending is expected to slow down because of loss of exclusivity and higher adoption of biosimilars. With ~300 new active substances (NAS) expected to be launched by 2026, spending on newly launched products is expected to offset this slowdown.

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



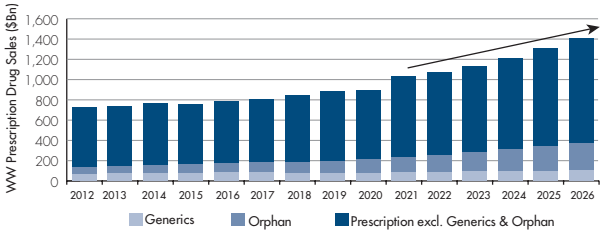
Source: IQVIA Institute, November 2021

The U.S. medicine market is expected to flatten between 0 and 3% CAGR over the next five years as against a modest 3.5% CAGR during the preceding five years. Spending growth in China is expected to slow down, due to pricing pressure, partially offset by better uptake and use of innovator drugs. Japan, the third largest global market, will have a flat-to-declining medicine spend and will shift from biennial to annual price cuts. In Europe, medicine spending is expected to grow by ~4% CAGR over the next five years, with a focus on greater adoption of generics and biosimilars. Drugs are expected to become cheaper and more widely available with biosimilars entering the market. This can result in significant cost savings if reimbursement is granted to wider patient groups. Affordability of expensive innovator medication is becoming a challenge especially in geographies where patients have to pay for their own healthcare, such as the U.S.

[1] 'World Economic Outlook Update', January 2022 published by International Monetary Fund
[2] 'The Global Use of Medicines 2022: Outlook to 2026', January 2022 published by IQVIA

Oncology and immunology, the two largest therapeutic indications, are expected to grow at a healthy CAGR of 9 to 12% and 6 to 9% respectively through 2026. This will be driven by newer treatments and higher use of medicines, offset by losses of exclusivity and a growing adoption of biosimilars. About a hundred new drugs are expected to be added for cancer treatment alone over the next five years, contributing ~$120 billion to grow the total market size to $300+ billion in 2026. Alzheimer's and migraine, along with niche therapies in rare neurological disorders, are expected to increase spending in neurology. On the other hand, Diabetes spending is expected to grow in low single-digits in most developed markets while it is expected to decline in the U.S. due to increased competition and the emergence of biosimilars.

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

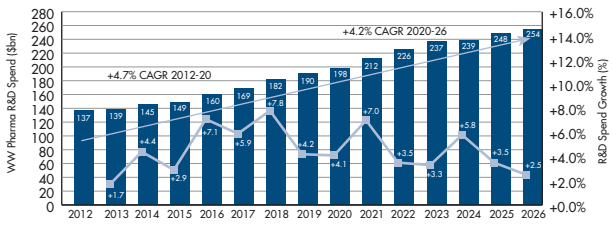


Source: Evaluate Pharma®, May 2021

Worldwide prescription drug sales are forecasted to grow at a CAGR of 6.4%[3] between 2021 and 2026 to $1.4 trillion. Drug pricing pressure is unlikely to ease and continues to be an important political agenda in the U.S. Orphan drug indications and rare diseases remain an area of focus for innovators with orphan drug sales expected to double between 2020 and 2026, to reach $268 billion. Biologics will account for more than a third of total prescription and Over-the-Counter (OTC) sales in 2026, and for more than half of the 100 highest selling medicines, generating 55-60% of the sales.

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

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



Source: Evaluate Pharma®, May 2021

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

COVID-19 Impact on the Global Pharmaceutical Sector

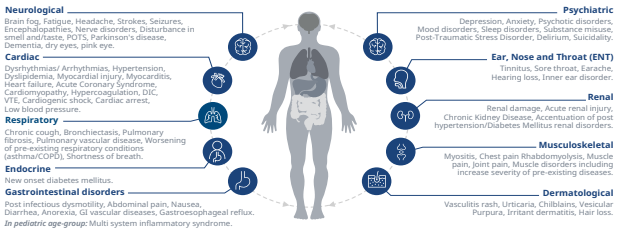
COVID-19 served as a wake-up call for the global pharmaceutical sector, forcing the community to rapidly innovate and rethink new ways of working to ensure business continuity.

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

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

[3] 'World Preview 2021 Outlook to 2026', July 2021 published by Evaluate Pharma®
[4] 'Embracing Disruption in Pharma', January 2022 published by Global Data

Longer term Complications of COVID - 19 Infection in Patients

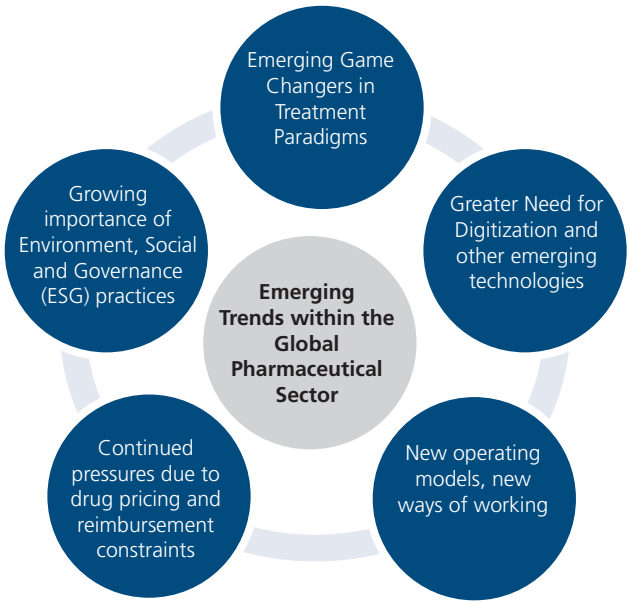


Source: IQVIA Institute, December 2021

Emerging Trends within the Pharmaceutical Sector Amid COVID -19

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

Emerging Trends within the Pharmaceutical Sector Amid COVID-19



Emerging Game Changers in Treatment Paradigms

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

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

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

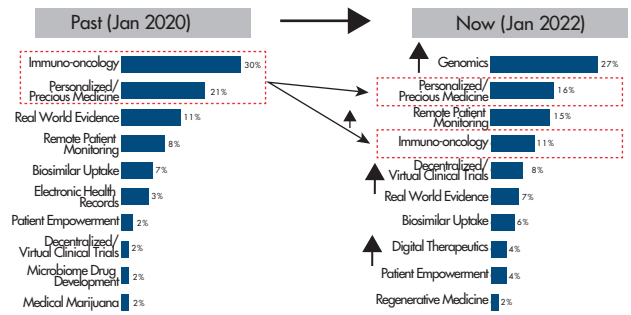
The genomics market is expected to grow further due to the increasing prevalence of chronic diseases, dipping costs for Deoxyribonucleic acid (DNA) sequencing, accelerated funding and a growing emphasis on value-based healthcare models and patient-centric strategies.

Greater Need for Digitization and other Emerging Technologies

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

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

Emerging industry themes in disease treatment paradigms



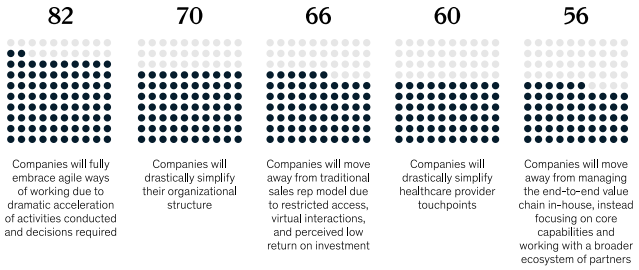
Source: 'Embracing Disruption in Pharma', January 2022 published by Global Data

Stakeholders such as regulators, healthcare payers, clinicians and patients are becoming more aware and are increasingly demanding evidence of the benefits of treatment approaches. In the case of COVID-19, RWE demonstrated the effectiveness of the vaccines in preventing infections. Further, RWE is now helping pharma companies to discover new drug targets and is enabling more efficient clinical trials. RWE signifies clinical and economic evidence of a medical product based on data as against traditional clinical trials.

RPM technologies, such as wearables, mHealth, and telemedicine, are continuing to be used by the healthcare industry across its value chain, from drug development through post-commercialization strategies. Since patients and healthy volunteers were unable to participate in traditional clinical trials during the COVID-19 shutdowns, adoption of decentralized/ virtual clinical trials accelerated and highlighted the critical benefits of RPM through higher patient participation and real-time data collection and analytics.

New Operating Models, New Ways of Working

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



Source: McKinsey Future of Organisation Survey, February 2021

The industry's growth relies heavily on new capacities and talent. With the increasing proportion of remote work resulting in talent distribution, organizations are re-evaluating their sales and distribution network costs. As they relook at their operating models, organizations are moving away from managing the entire value chain inhouse to partnering with external vendors, with the intent of making manufacturing more flexible. The post-COVID-19 workforce is expected be more resilient to change, given that the need to work on-site is becoming less acute. The industry will need to adopt agile ways of working and upskill its talent to ensure that people can continue to program, operate, and interpret data. Further, during the pandemic, companies have adopted remote communication strategies through use of virtual and augmented reality and have enhanced their social media presence to market directly to the customers, and to connect directly with the patients.

Continued pressures due to drug pricing and reimbursement constraints

Concern around increasing healthcare spends, inflation and borrowings caused by COVID-19 related financial burden have resulted in the scrutiny of drug pricing and reimbursement by governments across the globe. While there is an intent to reduce U.S. prescription drug prices, which are significantly higher as compared to other countries, the important policy change that allows Medicare to negotiate drug prices will not come into effect until 2025. With drug pricing concerns showing no signs of abating, the industry is also facing inflationary pressure on the cost of raw materials, active ingredients, and intermediates. This inflationary trend is not only a cause of concern for the industry but also for the patient population, since it can further drive up prices of life saving pharmaceutical drugs.

Growing importance of Environment, Social and Governance (ESG) practices

ESG has gained momentum, especially during the pandemic, with citizens, governments and regulators turning the spotlight on businesses. Industries, including pharma, are now being asked to address social inequality, corruption, tax avoidance and inaction on climate change. Post-COVID-19 recovery agendas of several businesses now seem to incorporate greener processes in R&D, supply chain, waste, and resource management. The pharmaceutical industry will have to place ESG at its very core, given its ability to enable the industry to capture opportunities and be resilient to vulnerabilities.

Trends, such as the ones stated above, will continue to transform the ever-evolving pharmaceutical industry. Through agility and innovation, the industry continues to reinforce a positive agenda for growth and sustainability, in managing and maintaining patient care globally.

Biocon's Approach towards Sustainable growth


PATIENT CENTRICITY


FOCUS ON SCIENCE


ACCESS TO ALL


QUALITY FIRST


PEOPLE POWER


SUSTAINABLE GROWTH

Over the last four decades, Biocon has leveraged India's value advantage of scientific talent and cost-competitive manufacturing to deliver scale, speed and quality that enabled affordable access to complex therapies for chronic conditions like diabetes, cancer and autoimmune diseases. Our mission has driven the way we conduct business. We continue to discover novel approaches that improve patient outcomes and provide global communities with differentiated, high-quality and affordable healthcare solutions.

Conducting our business with the highest standard of compliance and ethical governance and ensuring that we adhere to best-in-class quality and regulatory systems is central to the way we operate. We take great pride in our culture that breeds entrepreneurship and values our diverse workforce enabling us to attract the best and bring out the best in them. This has helped us create value for stakeholders by delivering a sustained financial performance and growth.

Business Review

FY22 Highlights:

- Biocon achieved the billion-dollar milestone by generating revenues of ~₹83,966 million or ~$1.1 billion in FY22, recording a year-on-year growth of 14%, driven by a strong growth of 24% by Biosimilars and 20% by Research Services over FY21.

- Biocon became the first company to receive an interchangeability designation for its biosimilar (insulin glargine) in the U.S. in 2021. This was a major milestone in making affordable healthcare accessible to all.

- With the intent of providing holistic healthcare solutions to patients, Biocon entered into two strategic partnerships this year. Given the impact of infectious diseases on human life, Biocon expanded into adjacencies such as vaccines through a strategic alliance between Biocon Biologics and Serum Institute Life Sciences (SILS), which will provide Biocon with 15 years of committed access to 100 million annual doses of vaccines. Biocon also entered into a definitive agreement to acquire Viatris' biosimilars business, enabling it to become a fully integrated global biosimilars player which in turn will help enhance patient access.

- The Generics business launched five new formulation products in the U.S., including our first day-one U.S. launch for a vertically integrated formulation, Everolimus 10mg tablet. The business also expanded into new geographies furthering our commitment to make affordable medicines available to patients around the world.

- The Research Services arm witnessed contract extensions with key customers such as Bristol-Myers Squibb and Amgen Inc. enabling Syngene to continue to cater to customer needs.

Other FY22 updates:

- At Biocon, we believe that it is important to enable our employees to create sustainable careers for themselves while contributing towards the organization's objectives and goals. Towards this objective, we developed a competency framework as the foundation for all our people processes, covering talent acquisition, performance evaluation, talent development and succession planning.

With special focus required on employee wellness, particularly during the pandemic period, several online programs from health tips to counselling and yoga were offered to our employees. The Company continued to take all necessary precautions on the pandemic front including regular sanitisation, testing , daily temperature checks and zoning to ensure a safe workplace. COVID insurance and free vaccinations were provided to employees and their family members.

Biocon has always strived to create a diverse and inclusive environment for its workforce and aspires to reach a balanced gender ratio by the end of the decade. We have been consistently awarded for our endeavours on this front. This year, too, we received several awards and recognitions for our efforts:

- Ranked among the 'Top 10- India's Best Workplaces in Diversity, Equity and Inclusion, 2021' and recognized as a 'Certified Workplace with Inclusive Practices' by Great Place to Work.

- Recognised by 'UN Women' as a winner in the 'Transparency and Reporting' category for exemplary practices embracing Women's Empowerment Principles, Asia Pacific.

- Featured in Avatar's Top 100 'Best Companies for Working Mothers' list in 2021, 100 'Best Hall of Fame' for the fifth consecutive year, the 'Most Inclusive Companies Index List' 2021 for the second time and bagged the 'Exemplar of Inclusion' award.

- Ranked among the 'Top 5 Most Innovative Practices — Women Leadership Development' as well as 'Top 20 Companies in DivHERsity' in the Large Enterprises category by JobsforHer.

- Given our focus on sustainable growth, initiatives on that front have been pursued across the organisation since many years. Biocon's efforts are now earning recognition globally:

- Featured on the Dow Jones Sustainability Index for Emerging Markets in 2021.

- Secured an improved Carbon Disclosure Project rating.

- Awarded a Bronze place by EcoVadis this year.

Biocon continues to develop a robust framework for its Environment, Social and Governance (ESG) practices in

alignment with stakeholder expectations and to build a long-term portfolio of purpose, planet, people.

Biocon operates four distinct business segments:

a. **Generics**

b. **Novel Biologics**

c. **Biosimilars** (Under Biocon Biologics Limited)

d. **Research Services** (Under Syngene International Limited)

Generics

Generics' Strategic Priorities

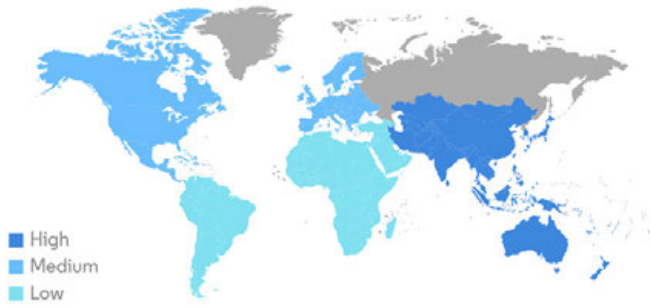
Our Generics Business comprises of a growing portfolio of Active Pharmaceutical Ingredients (APIs) as well as finished dosages. The business started in the late 90s with a fermentation based, cholesterol–lowering, statin API called Lovastatin and shortly after, in 2001, Biocon became the first Indian company to be approved by the United States Food and Drug Administration (U.S. FDA) to manufacture the API. Today, we are one of the largest manufacturers of statin and immunosuppressant APIs in the world. With a strategy to forward integrate our in-house APIs, in 2013, we forayed into the generic formulation space. This allowed us to move up the value chain while ensuring reliability of supplies to our customers and patients. The business has five API manufacturing facilities across Bengaluru, Hyderabad and Visakhapatnam in India. In addition to our in-house manufacturing, we also leverage the capabilities of global Contract Manufacturing Organisations (CMOs) for formulations, as required. In line with our strategic priorities, we are focused on growing our product pipeline through vertical integration, where possible, while also expanding our regional presence. We will continue to add capacities and niche capabilities such as peptides, high potent drugs, and injectables, in addition to driving cost and operational leadership.

Active Pharmaceutical Ingredients (API)

Global API Market:

The pandemic had a favourable impact on the global API industry, given the increased demand for COVID related treatments in addition to non-pandemic related medications. Against the backdrop of COVID led disruptions, there was an increasing need for supply assurance and independence, and this resulted in a shift in purchasing trends, with organisations becoming selective in their purchasing decisions and preferring local suppliers, particularly in the U.S., EU, India and Japan.

Active Pharmaceutical Ingredients (API) Market - Growth Rates by Region



Source: Active Pharmaceutical Ingredients (API) Market (2022 - 2027), February 2022 published by Research and Markets

The global API market is estimated to grow at a CAGR of 6.4% to reach $ 272[5] billion by 2026. This growth will be driven by an increasing disease prevalence particularly chronic indications, a rising aging population and increasing R&D activities, combined with the growing importance of generics and uptake of biosimilars, primarily due to patent expiries.

While North America is currently the largest consumer of APIs, followed by Europe, the Asian market is expected to grow the fastest, being the hub for outsourced drug manufacturing. Most APIs are manufactured using synthetic organic chemistry, given that raw materials are easily available, and the development process is less complicated. Recent R&D trends indicate a shift in the demand towards the development of more complex APIs for use in novel formulations and niche therapeutic indications.

China and India have the maximum number of manufacturing facilities. India also leads the number of Drug Master Files (DMFs) for the U.S. markets as well as Certificate of Suitability (COS) for the European Markets.

If there is one thing that the industry has learnt from the pandemic, it is the importance of agility in adapting to unprecedented events. The need to continue focusing on optimizing supply-chains, being more self-reliant, prioritizing portfolio selection and execution excellence are all going to be critical attributes in the segments' future growth story.

Generic API Business:

Our API business comprises of a balanced portfolio of 40+ APIs spread across Cardiovascular, Anti-Diabetics, Immunosuppressants, Oncology based High Potent API

[5]Global Active Pharmaceutical Ingredient Market (2021-2026), December 2021 published by Research and Markets

(HPAPI), and a few speciality and niche molecules for hospitals and institutional channels. We leverage our R&D and manufacturing technology platforms to develop and produce complex and differentiated APIs using fermentation, large scale chromatography, synthetic chemistry and peptide synthesis (both solid and solvate phase as well as recombinant technology). With a track record of over 20 years of Current Good Manufacturing Practice (cGMP) compliance, we are a preferred API partner for ~700 pharma companies in 75+ countries. Further, the Company has been successfully inspected by several regulatory agencies, including the U.S. FDA, EMA, TGA Australia, Health Canada and Cofepris Mexico, standing testament to our quality track record. Over the last few years, we have invested in expanding our portfolio and capacities as well as in adding complementary capabilities to support our growth plans and to better serve the increasing market demand for API.

Our API Strategy

Expand portfolio beyond fermentation - derived molecules to niche molecules such as peptides, potent APIs

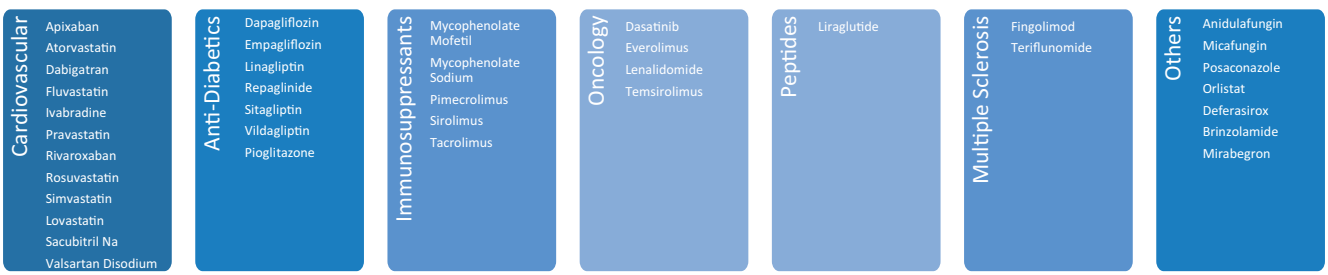
Expansion of business in select key markets

Expand manufacturing capacities

(1) Focus on new & strategic customer acquisitions for existing products

(2) De-risking dependence for critical intermediates

Our API Portfolio*



*Filed DMFs

Generic Formulations

Global Generic Formulations Market:

The global generics drug market is anticipated to grow at a CAGR of 10% to $ 786 billion[6] by 2030, driven by increasing population, prevalence of chronic diseases, upcoming patent expiries and initiatives from governments and global regulatory bodies promoting the use of low-cost generics as an effective alternative to branded drugs, partially offset by price erosion. While innovator pharma companies continue to invest in developing novel branded drugs, generic drugs are expected to continue to provide cost effective remedies for the therapeutic needs of majority of the population. While there is a trend of increasing adoption of biosimilars, approximately two thirds of the market will continue to comprise of small molecule generic drugs.

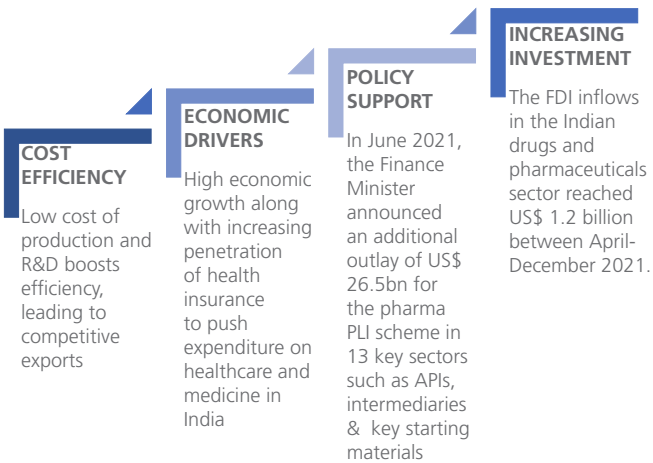
The U.S. continues to be the largest generics market. However, in recent months, the growth of the U.S. generics market has been muted, largely due to the substantial slowdown in product approvals by the U.S. FDA and a limited number of high-value, high-margin generics. This has led to intensified price erosion, which quickly went from low-single digits at the end of the 2020 to low-mid teens by December 2021.

[6] 'Generic Drugs Market Research Report - Global Industry Analysis and Demand Forecast to 2030", March 2021 published by Research and Markets

[7] 'Indian Pharmaceuticals Industry', November 2021 published by India Brand Equity Foundation

Given its low-cost advantage, India ranks 3rd[7] in terms of pharmaceutical production by volume and 14th by value, positioning the country as the one of the largest providers of generic drugs globally. It is also ranked third in bulk drug supplies, after China and Italy. The Indian pharmaceutical sector, comprising of around 3,000 drug companies with over 10,500 manufacturing units, supplies over 50% of the global demand for various vaccines, 40% of the generic demand in the U.S. and 25% of all medicines in the United Kingdom (UK).

Advantage India in the Pharmaceutical Sector



Source: Indian Pharmaceuticals Industry Report, November 2021 published by India Brand Equity Foundation

However, over the last decade, India has become dependent on the import of raw materials from China, including APIs, key starting materials (KSMs), drug intermediaries, etc. due to lower costs, with APIs being cheaper by ~35-40%. As per government estimates, India currently imports nearly 70% of its API requirements from China as against ~20+% in late 1990s, with 100% dependence in case of a few large volume KSMs/intermediaries. Imports have also led to the gradual repurposing of bulk drug manufacturing capacity in India and even discontinuation of some units, as against historical trends where API was largely sourced from India.

In FY22, the industry faced a double whammy in the form of pricing pressure coupled with rising input costs, particularly solvents and raw materials, squeezing margins, requiring companies to drive cost efficiencies and stabilise profitability. The pressing need to be self-sufficient by boosting domestic manufacturing led to the Government of India announcing several packages during the pandemic, including ₹ 30 billion over the next five years to promote bulk drug parks. Likewise, a Production-Linked Incentive (PLI) scheme of ₹ 69.4 billion was announced by the Government of India to promote domestic manufacturing of critical KSMs, drug intermediaries and APIs. Incentives such as these will provide further support to make India self-reliant and to create a large domestic market for API players.

Our Generic Formulation Business:

In line with our commitment of providing affordable healthcare access to all, we have invested in a portfolio of generic formulation drugs. Ten drug products have been commercialised in the U.S. till date, and another six drugs are approved or tentatively approved by the U.S. FDA. Commercialised products alone have an addressable market in the U.S. of $ 2+ billion. Apart from these, there are several products that have been filed and are under review with the U.S. FDA. By leveraging in-house API capabilities, some of our products are vertically integrated, providing better control over the supply chain and thereby ensuring continuity of supplies to customers and eventually to patients.

Our portfolio is focused on therapeutic segments such as Cardiology, Oncology, Immunology, Auto-immune indications amongst others and comprises of oral solid dosage forms (potent and non-potent), injectables, which include vials, Pre-Filled Syringes (PFS) and auto-injectors and other dosage forms.

We have also identified a group of key markets to commercialize our generic formulations either directly or through strong local partnerships. In line with this strategy, partnerships have been forged in Southeast Asia (China, Singapore, Hong Kong and Thailand), Mexico, Brazil and in the Middle East and North Africa. We have also established a direct presence in the United Arab Emirates (UAE) and have plans to enter some select European markets directly as well.

We continue to expand our portfolio and our regional presence while also building in-house manufacturing capabilities to support our future growth.

Our Generic Formulations Strategy

Expand portfolio beyond vertically integrating with in-house APIs; supplemented by an in-licensing strategy

Investment in an injectable facility to ensure reliability of supplies to customers and patients

Expansion of commercial footprint beyond the U.S., either direct or through partners

Our Generic Formulations Portfolio*

Product	Status Update
Cardiovascular	
Rosuvastatin Calcium	Launched in U.S. and EU; approved in select most-of-the-world (MoW) countries
Simvastatin	Launched in U.S.
Atorvastatin	Launched in U.S.
Pravastatin	Launched in U.S.
Labetalol HCl	Launched in U.S.
Oncology	
Everolimus	Launched in U.S. and approved in EU
Pemetrexed	Tentatively approved in U.S.
Immunosuppressants	
Tacrolimus	Launched in U.S. and approved & launched in select MoW countries
Mycophenolic Acid	Approved in U.S.
Others	
Esomeprazole DR (Gastrointestinal)	Launched in U.S.
Posaconazole (Anti-Fungal)	Launched in U.S.
Dorzolamide (Ophthalmic)	Launched in U.S.
Dorzolamide Timolol (Ophthalmic)	Approved in U.S.
Fingolimod (Multiple Sclerosis)	Approved in U.S. and EU
Vigabatrin (Central Nervous System)	Approved in U.S.
Dapagliflozin (Anti Diabetic)	Tentatively approved in U.S.

**Approved or Tentatively Approved*

Generics - FY22 Highlights:

Continuing to grow our Generic Formulations business in the U.S.: Our statin formulations portfolio in the U.S., comprising Atorvastatin, Simvastatin and Rosuvastatin, held on to its market share, despite intense pricing pressure. The year began with two new formulation product launches – Labetalol Hydrochloride tablets and Esomeprazole Magnesium Delayed-Release capsules. Labetalol is used to treat high blood pressure and helps in prevention of cardiovascular complications such as heart attack and stroke, while Esomeprazole Magnesium, a proton pump inhibitor, is indicated for treatment of gastroesophageal reflux diseases. This was followed by a key launch of our vertically integrated complex formulation, Everolimus tablets in October 2021. Everolimus is a prescription medication that is used to treat certain types of cancers and tumors. Everolimus was introduced in four strengths of 2.5mg, 5mg, 7.5mg and 10mg, with the 10 mg tablet being a 'day-1' generic launch. Further, we secured product approvals for Mycophenolic Acid, which is indicated for the prophylaxis of organ rejection, Posaconazole, an anti-fungal drug, as well as an ophthalmic product, Dorzolamide; the first two being vertically integrated as well. Before the close of the fiscal, we were able to commercialize the latter two products.

Expanding Generic Formulations in beyond the U.S. market: In line with our strategic priority of 'Regional Expansion', the business forayed into the MoW markets with the launch of Tacrolimus Capsules in Mexico. We signed a partnering deal with Tabuk Pharmaceuticals to commercialize select specialty generic medicines in the Middle East and North Africa (MENA). As a commercial partner, Tabuk will be responsible to register, import, and promote products through both tender and retail markets while we will develop and manufacture the product. We also received our first approval in the UAE for Rosuvastatin and Tacrolimus as well as in Singapore for the latter. In Europe, we received approvals for Everolimus tablets and Fingolimod capsules and have necessary infrastructure in place to bring these products into the market. We continue to expand our commercial footprint in ex-U.S. geographies, through direct presence as well as through partnerships.

Expanding our DMF portfolio: During the fiscal, we filed 34 DMFs globally, including 5 in the U.S. We also received approvals for 16 DMFs in various geographies across U.S., Europe and MoW.

Strengthening manufacturing capacities and capabilities: The commissioning of our greenfield, fermentation-based immunosuppressant API manufacturing facility in Visakhapatnam, Andhra Pradesh is nearing completion, following which our efforts will be focused on qualification and validation. This is our first facility to be enabled with Industry 4.0. and will add much needed capacities to serve our customers' demands. We also repurposed existing facilities to release capacity and optimize capital expenditure. We are also investing in synthetic, potent and peptides API manufacturing capacities in addition to injectables in alignment with our strategic priorities.

Apart from manufacturing capacity and capability expansion, we strengthened our R&D capabilities as well through an improved organization structure.

Driving Operational Excellence and Digitization: Cognizant of the fact that digital transformation is critical to our future success, several digital tools have either been implemented or are at various stages of implementation across the organization such as :

- Regulatory Information Management Systems (RIMS)
- Lab Information Management Systems (LIMS)
- Scientific Data Management Systems (SDMS)
- Quality Management Systems (QMS)
- Learning Management Systems (LMS)
- Document Management Systems (DMS)
- Cleaning Validation
- Annual Product Quality Review (APQR) and
- Process Mining

To improve efficiencies, simplified Batch Manufacturing Records (BMRs) and Standard Operating Procedures (SOPs) have been implemented for major commercial products across sites. As indicated earlier, Manufacturing Execution System as part of Industry 4.0 is also being planned in the new facility in Vishakhapatnam and is expected to drive operational efficiencies and compliance. To enhance customer experience, a customer portal, a sales force management system, a contract management system, etc. are being put in place. Continuous process improvement using the Kaizen approach has also been undertaken.

Attracting and Developing Talent: To attract the right talent in an efficient and unbiased manner, we introduced Artificial Intelligence (AI) in our talent acquisition program, whereby profiles are ranked against job descriptions and shortlisted candidates are taken through video interviews. We also revamped our internal job posting process, and opened up all vacant positions to be filled in internally first, before looking for talent externally. This process is managed by our newly launched in-house career portal, MyCareer, which suggests internal roles to employees based on their career aspirations, experience, skills and competencies, thereby enabling and empowering them to drive their career growth through internal opportunities. This is a step towards building a role based organization, where an employee's growth potential is given as much importance as technical and behavioral skills required for a particular role.

At Biocon, we promote a culture that is meritocratic and value-driven. By investing in the best talent, we actively look to create future leaders. In order to develop our leadership pipeline and critical talent, we partnered with leading organizations to conduct assessments for such employees and chart their individual development journeys.

Securing supply chains and energy sourcing for a sustainable future: We continue our efforts to de-risk the supply chain, especially for key products, as well as develop alternative vendors for materials where we are dependent on a single source in specific geographies.

In line with Biocon's priority of sustainable growth, substantial efforts have been made to replace the use of non-renewable energy sources. Today, more than 70% of the energy requirements at our Bengaluru facilities are met through green energy, which is significantly higher than the industry average.

Ensuring Continued Compliance through Quality Management: Based on a remote inspection conducted by Medicines and Healthcare products Regulatory Agency (MHRA), UK, at our oral solid dosage formulations manufacturing facility located at Biocon Park in Bengaluru, we received a certificate of Good Manufacturing Practice (GMP) compliance in April 2021. The certificate included manufacturing and packaging of tablets and capsules in the non-potent and potent blocks of the facility. In September 2021, the US FDA conducted a Remote Interactive Evaluation (RIE) at the same facility following which some previously filed ANDAs received approvals. In December 2021, Health Canada conducted a remote inspection of our API manufacturing unit, which is also located in Biocon Park, for

which we received a Compliant rating. In July 2021, the Maltese authorities conducted a Wholesale Dealer License (WDL) and Manufacturing/Importation Authorization (MIA) inspection for the import and marketing of drug products in the European Union. Thereafter, the authorities issued the Certificate of Good Distribution Practice (GDP) Compliance of a Wholesale Distributor, enabling us to commercialize in Europe. While these approvals are testament to our strong Quality systems and compliance track record, we continue our endeavor to improve our systems and processes for sustained compliance through continuous training and use of data analytics for improved Quality culture.

Generics - FY22 Financial Performance:

The Generics business contributed 29% of consolidated group revenues with revenues at ₹23,409 million in FY22 compared to ₹23,627 million in FY21. The segment witnessed a muted largely due to supply and operational challenges earlier in the year, coupled with headwinds in the form of pricing pressures, and higher cost of solvents, raw material and logistics. The segment saw a recovery in the second half of the fiscal driven by contributions from new product launches in the U.S., particularly Everolimus, an uptick in our API business and a normalization of supply challenges that impacted the business in the first half of the fiscal.

Generics – Outlook:

We expect the business to continue to recover in FY23, on the back of new product approvals and additional capacities to support unmet demand. While unknown variants of the virus continue to pose as a potential threat, we believe that the pandemic is reaching an endemic state and we will, hopefully, not face any further operational or supply chain challenges that we witnessed in FY22. Having said that, we continue to de-risk our base business and improve processes, including through digitization, to drive operational and cost efficiencies. We believe that this would equip us to cope with future unknown or continuing headwinds such as pricing pressure and rising input costs. We will continue to focus on flawless execution that will enable us to bring new products into the market expeditiously, further bolster our manufacturing and R&D capabilities and develop our people and processes to drive long term, sustainable growth.

Novel Biologics

Our Novels Biologics business continues to address unmet patient needs with a focus on diabetes, oncology and immunology. The lead molecule, Itolizumab, is the world's first novel humanized anti-CD6 monoclonal antibody that selectively targets the CD6-ALCAM pathway. The drug is Biocon's second global 'lab to market' novel biologic after Nimotuzumab. Under the brand ALZUMAb™, Itolizumab was launched in India in 2013 to treat chronic plaque psoriasis. In 2017, we licensed out the rights to develop and commercialize Itolizumab to U.S.-based biotechnology company, Equillium Inc. for the U.S., Canada, Australia and New Zealand. Itolizumab is currently being developed for indications such as acute graft-versus-host disease (aGVHD) and systemic lupus erythematosus (SLE) or lupus nephritis (LN). Equillium has received fast track designation from the FDA for Itolizumab for the treatment of patients with aGVHD and LN. Itolizumab has also received orphan drug designations from the FDA for both prevention and treatment of aGVHD. The drug has also been granted 'Restricted Emergency Use' approval in 2020 in India for the treatment of Cytokine Release Syndrome in 'Moderate to Severe' Acute Respiratory Distress Syndrome (ARDS) patients and was repurposed for the prevention and treatment of COVID-19 complications.

With respect to Tregopil, a first-in-class oral, prandial Insulin, we had partnered with U.S. based Juvenile Diabetes Research Foundation (JDRF), a leading non-profit organization to conduct a Phase I multiple ascending dose study in Germany among patients with type 1 diabetes. The drug at various doses had shown glucose-lowering ability, however variability was observed between different patients as well as variability in the same patient on different days. Hence, we have decided to not conduct part 2 of the study.

Our Boston based associate, Bicara Therapeutics, is a clinical-stage biotechnology company developing first-in-class biologics drugs, engineered to bring together the precision of targeted therapy and the power of immunotherapy. In line with its vision to develop meaningful therapies for cancer patients, Bicara continues to make progress on its lead molecule, BCA101. BCA101 is a bifunctional antibody designed to target a TGF-β trap to EGFR-positive tumors by inhibiting epidermal growth factor receptor (EGFR) and disabling TGF-β directly at the site of the tumor, ideally achieving superior anti-tumor efficacy with an improved therapeutic window. BCA101 has a potential to target multiple tumor types and has a higher local tumor concentration of immuno-modulatory arm resulting in a better therapeutic window. A first-in-human, Phase 1/2 study in EGFR-driven tumors was activated in July 2020 at leading institutions in the U.S. and Canada. In addition to the deep relationships with the world's top cancer centers, Bicara is well positioned to benefit from its Bengaluru-based dedicated research team's track record of developing highly complex FDA-approved drugs, on one hand, and the company building and drug development experience of its leadership and clinical development team respectively in Cambridge on the other.

Novel Biologics - FY22 Highlights:

Our partner, Equillium, Inc., initiated a Phase III clinical study of Itolizumab in patients with aGVHD in March 2022. The randomized, double-blind study will assess the efficacy and

safety of the drug versus placebo as a first-line therapy in combination with corticosteroids.

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

After observing positive trends in Part A of its Phase 1b EQUALISE study for SLE and LN indication, Equillium has expanded the Part B portion to clinical centers in India.

Itolizumab was at the forefront of our fight against COVID-19 in India. Biocon completed the Phase 4 study of Itolizumab to treat Cytokine Release Syndrome in moderate to severe ARDS patients due to COVID-19.

Bicara completed enrolment for the dose finding part of the Phase 1 trial as a single agent and in combination with a PD1 inhibitor for patients with EGFR-driven advanced solid tumors. Bicara established the highest dose with desired level of safety and tolerability for both formats. Proof of concept is expected in the second half of 2022.

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

Bicara has secured external funding to support BCA101 clinical development and its pipeline. This has further diluted Biocon's stake in Bicara, resulting in a step up gain in the current fiscal.

Biosimilars (Biocon Biologics Limited)

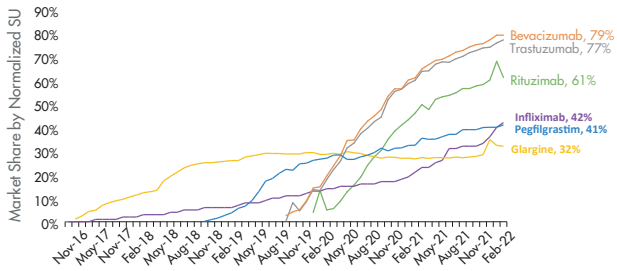
Biocon operates its biosimilar business through its subsidiary Biocon Biologics Limited (BBL). We develop high-quality and affordable biosimilars that can expand access to cutting-edge therapeutics for patients globally at our R&D sites in Bengaluru and Chennai (India). These are manufactured at scale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

Biosimilars : An attractive market

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

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

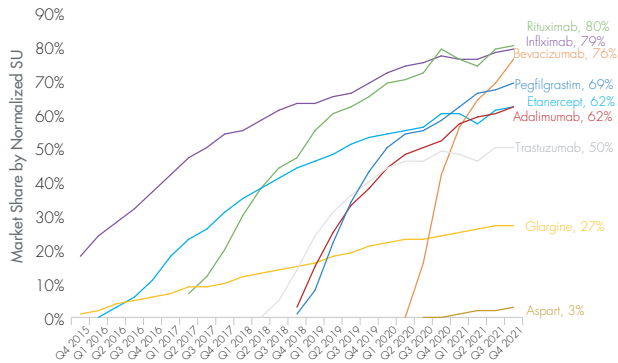
Biosimilars Penetration in US



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.

Biosimilars Penetration in EU



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 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,

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

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.

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

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)

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.

Research Services (Syngene)

The discovery and development of new medicines is a long, complicated and costly process. With the aim to improve productivity and efficiency in the different stages of the drug development process, a growing number of innovator companies (also known as 'sponsors') are outsourcing a large part of the pharmaceutical value chain. Contract Research Organizations (CROs) offer outsourced services to support drug discovery and development, while Contract Development and Manufacturing Organizations (CDMOs) offer drug development and manufacturing services on a contractual basis. Biocon's publicly listed subsidiary, Syngene International Ltd. ('Syngene') is one of the key players in the CRO market and has an emerging presence in the CDMO market. Syngene is an integrated research, development and manufacturing services company providing scientific services for small and large molecules. Syngene provides end-to-end services within the CRO segment and a growing range of services within the CDMO segment. This makes Syngene's business a combination of many businesses. The Company has built state-of-the-art facilities, spread over 2 million sq. ft., across three locations in India - Bengaluru, Hyderabad and Mangalore which have been inspected by regulators including the U.S.FDA, EMA and PMDA. The Company has a well-spread and growing clientele base of ~420 active clients across global pharmaceutical, biotech, nutrition, animal health, consumer goods, agro-chemicals and specialty chemical sectors. In the pharmaceutical space, 15 of the top 20 pharmaceutical companies are Syngene's clients.

Contract Research Organisation (CRO)

CRO Market:

The CRO market is expected to grow at a CAGR of 6% with overall market size increasing from USD 21 billion in 2021 to USD 28 billion by 2026[10]. The CRO industry is highly fragmented with hundreds of small to mid-sized companies amid low barriers to entry. The participants consist of a range of functional service providers to full suite integrated service providers capable of providing an end to end platform of services from early stage drug discovery to IND filing. Reliability, intellectual property (IP) protection, track record, expertise in preclinical animal models for select therapies, pricing, nature of engagement, communication channels and methodology, scalability, ability to support end-to-end drug discovery, and development projects are key attributes for service providers in this segment.

Our CRO Business:

Discovery Services and Dedicated R&D Centers are part of our CRO business. Syngene's Discovery Services are engaged in early-stage research from target identification to delivery of drug candidates for further development. It spans functional services covering Chemistry, Biology, Safety Assessment,

[10]'Global Drug Discovery and Early Development Outsourcing Growth Opportunities', August 2021 published by Frost & Sullivan

Research Informatics and fully integrated therapeutic discovery and development across small and large molecules. Syngene operates Dedicated R&D Centers providing scientists, complete infrastructure and an ecosystem to run an R&D facility that is exclusively for a particular client. Such centers are currently run for three clients: Bristol-Myers Squibb (BMS), Baxter Inc. and Amgen Inc. Our strategy is to drive integrated play in Discovery Services and to extend and expand our Dedicated R&D Centers.

Contract Development and Manufacturing Organisation (CDMO)

CDMO Market:

Pharmaceutical companies are strategically outsourcing manufacturing work to Contract Manufacturing Organizations (CMOs). The work can range from production of small quantities of materials for R&D purposes, larger amounts for clinical study usage and ultimately full-scale production for commercial purposes. Further, these companies are increasingly preferring to partner with Contract Development and Manufacturing Organizations (CDMOs) as they offer both development and manufacturing service expertise. The CDMOs end-to-end capabilities address the twin challenges of developing complex molecules and of technology transfer during the drug commercialization stage.

While limited or lack of well-equipped in-house facilities is the foremost factor behind outsourcing decisions, the services of CMOs/CDMOs are being increasingly tapped to gain access to advanced technologies and high containment capabilities, reduce costs, lower drug development risk, gain access to manufacturing expertise, and reduce drug commercialization timelines. Supply chain resilience and drug shortage challenges due to COVID-19 further strengthen the case for having backup manufacturing. The CDMO market remains highly fragmented with top players together accounting for only a quarter of the market.

The small molecule CDMO segment comprises of clinical manufacturing services and commercial manufacturing services. The clinical manufacturing services encompass cGMP development of small molecules for clinical studies. Depending on the stages of the clinical trial, the total number of doses that need to be manufactured can range from hundreds to thousands. Commercial manufacturing services involve large-scale commercial development of small molecules that have received regulatory approval.

Small molecules have long been the basis for drug development and continue to dominate in terms of market share and future developments in the pipeline. Of the approved 50 new molecular entities in 2021, 31 were small molecules, accounting for 62% of the new drug pipeline.

The global small molecule CDMO market is expected to grow from ~USD 80 billion in 2020 to ~USD 115 billion in 2026 at a CAGR of 6.2%[11]. This is being driven by pharmaceutical manufacturers growing reliance on the expertise of CDMOs for the development and manufacturing of innovator active pharmaceutical ingredients (APIs) and high-potency small molecules (HPAPI). While innovator APIs are highly complex and require enabling technology to advance to the clinic and beyond, HPAPIs are highly toxic and require specialized manufacturing and handling capabilities.

While small molecules command the prominent share of the pharmaceutical market, the market share of large molecules (biologics) has steadily increased over the past decade for having revolutionized the treatment of several serious illnesses. Cancer therapies are among the primary drivers for a large proportion of the growth in the biologics market. Further, over the past five years there has been a 50% increase in the large molecule drug pipeline. In 2021, the USFDA's Center for Biologics Evaluation and Research (CBER) approved 10 different biological products[12]. The number of companies working with biologics has also grown, particularly the number of small and virtual biotech players.

The manufacturing and development of large molecules is, however, more complex and capital-intensive than that of small molecules. These challenges are more acute for clinical-stage and virtual biopharmaceutical companies with limited or no infrastructure to develop and commercialize their clinical pipelines. To address these challenges, biopharmaceutical companies are partnering with CDMOs. The specialized capabilities of CDMOs are also being tapped to drive accelerated development, speed to market and cost efficiency.

The large molecules CDMO market was valued at ~USD 11 billion in 2020 and is expected to reach ~USD 20 billion by 2026, at a CAGR of 10.1%[13]. In the short term, a growth spurt is expected from COVID-19 vaccine manufacturing deals and overall biopharmaceutical market expansion.

Our CDMO Business:

Syngene's CDMO business consists of development services for clinical trials and commercial manufacturing services. Development services include delivering drug substances and drug products for clinical trials, providing analytical services, managing clinical trials, cGMP compliant manufacturing of clinical supplies, and registration batches for small molecules. Manufacturing services include the manufacturing of small as well as large molecules for commercial use.

[11] 'Global Small Molecule Contract Development and Manufacturing Organization (CDMO) Growth Opportunities', September 2021 published by Frost & Sullivan
[12] News Article published in January 2022 by Regulatory Affairs Professionals Society's Regulatory Focus™
[13] Frost & Sullivan - Global Biologics Contract Development and Manufacturing Organizations Growth Opportunities, June 2021 published by Frost & Sullivan
[14] The International AIDS Vaccine Initiative is a global not-for-profit, public-private partnership

Company's strategy for the former is to strengthen its position as an integrated CMC solutions provider, while that for the latter is to continue to secure regulatory approvals for small molecule manufacturing. The Company also aspires to drive biologics development and manufacturing.

Research Services (Syngene) - FY22 Highlights:

Contract extensions for Dedicated R&D Centers: During FY22, the strategic collaboration contract with Amgen Inc. was extended till 2026.

Client wins of Discovery Services division and successes in Development Services: The Discovery Services division witnessed excellent client demand, particularly within the emerging biopharmaceutical segment. Within the Development Services segment, in addition to supporting client successes and entering into a collaboration for COVID vaccines with IAVI[14], Syngene set a new industry benchmark by completing the development phase of a generic drug for lymphoma, within an aggressive timeline of five months. The Company expanded its research facilities in Bengaluru and Hyderabad as well as a new injectable fill-finish facility under its Development Services vertical, which is currently under qualification and validation. Phase-III expansion of the research facility in Hyderabad has been completed.

Getting future ready in Manufacturing Services Division: The Company expanded the capacity of its USFDA and EMA-compliant mammalian manufacturing facility in Bengaluru while the Mangalore API manufacturing facility is on track to get regulatory approvals in FY24. In Biologics manufacturing, the Company expanded its client base to include IAVI and Dyadic International, Inc.

Research Services (Syngene) - FY22 Financial Performance:

Syngene generated revenues of ₹26,042 million, contributing to 32% of Biocon's overall revenues and reflecting a healthy growth of 19% over FY21. Syngene's CRO business (Dedicated R&D Centers and Discovery Services) delivered strong growth momentum on the back of successful renewal of strategic partnerships, expansion and extension in scope of client engagement and addition of new clients. Within Discovery Services, growth was driven by integrated projects, accelerating capacity utilization and addition of new capabilities. In the small molecule development and manufacturing business, we strengthened our technical capabilities, which helped us build client confidence on scale up manufacturing for clinical supplies and win repeat orders. In Biologics, client contracts won during the year will support capacity utilization ramp up.

The consolidated financial performance of the Company for FY22 is available in its Annual Report.

Research Services (Syngene) - Outlook:

Syngene is well positioned to capture market opportunities, given its strong foundation and excellent track record, further strengthened by expanded capacities. For Discovery Services, lab capacity expansion is expected to continue, with increasing focus on integrated drug discovery, enabling the organization to move up the value chain. The extension and expansion of collaboration with BMS and Amgen gives good visibility to growth and stability in business. We have built our capabilities in manufacturing and process development, which we believe can help play a pivotal role in the development and manufacturing of complex large molecule new drugs. We expect to build out further capacity in the next 2 to 3 years, with focus on improving capacity utilization. Overall, the growth momentum in business is expected to continue.

Operational Performance

An overview of the Company's financial performance is given on the next page, which forms part of the MDA.

Financial Performance - An Overview

Consolidated Balance Sheet

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

			All Figures in ₹ Million
Particulars	Mar-22	Mar-21	Change
ASSETS			
Non-current assets			
Tangible and intangible assets	1,06,794	91,641	17%
Investment in associates and a joint venture	80	1,795	(96)%
Financial assets	5,715	8,302	(31)%
Assets for current tax (net)	3,135	2,648	18%
Deferred tax assets (net)	2,933	3,077	(5)%
Other non-current assets	1,631	1,756	(7)%
	1,20,288	**1,09,219**	**10%**
Current Assets			
Inventories	22,982	18,666	23%
Financial assets	56,463	53,178	6%
Other current assets	4,207	3,638	16%
Assets held for sale	-	522	100%
	83,652	76,004	10%
Total	**2,03,940**	**1,85,223**	**10%**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6,003	6,000	0%
Other equity	78,322	70,269	11%
Non-controlling interests	10,375	8,807	18%
	94,700	85,076	11%
Non-current liabilities			
Borrowings	39,985	29,616	35%
Other financial Liabilities	17,384	16,792	4%
Provisions and other non-current liabilities	13,591	11,638	17%
	70,960	58,046	22%
Current liabilities			
Borrowings	9,055	13,970	(35)%
Other financial Liabilities	20,052	19,299	4%
Income tax liability (net)	1,618	1,524	6%
Provisions and other current liabilities	7,555	6,904	9%
Liabilities directly associated with assets held for sale	0	404	100%
	38,280	42,101	(9)%
Total	**2,03,940**	**1,85,223**	**10%**

Tangible and intangible assets

Tangible and intangible assets grew 17%, primarily due to additions in the tangible assets including the Biosimilars' facility in India and Malaysia, Generics' immunosuppressant facility in Vishakhapatnam, India, Research Services in Hyderabad, and other manufacturing facilities as well as capitalization of product development expenses, partly offset by depreciation and amortization for the year.

Investment in associates and a joint venture

To enable Bicara to raise further funding for R&D plans, the shareholder arrangements (voting rights & Board composition) of Bicara were amended, which resulted in loss of control over the subsidiary. Accordingly, the Group fair valued its investment in Bicara on the date of loss of control, which resulted in a dilution gain of ₹1,597 million in FY21.

Further during FY22, Bicara has raised additional fund from third parties which resulted in our stake dilution in associate. Accordingly, we recorded ₹ 299 million in Other Income towards stake dilution.

Bicara is currently in R&D phase and has incurred losses during the year ended March 31, 2022 of ₹ 2,564 million. We accounted our share of loss of ₹ 2,107 million which resulted in decrease in investment in associates.

The above investment of ₹ 80 million as at March 31, 2022, represents investment in joint venture Neo Biocon FZ LLC.

Non-current financial assets

Non-current financial assets primarily include investment in Equillium, our partner for the Novels business, derivative instruments and investments for more than 12 months in inter corporate deposits with financial institutions.

The decrease in this component is due to reduction in fair value of investment in Equillium by ₹ 658 million and reclassification of investment in deposits partly offset by increase in derivative assets.

Other equity

Other equity majorly comprises of securities premium, treasury shares, retained earnings, and further reserves. The Company's total other equity increased by 11% in FY22 due to profit accumulation.

Non-controlling interests

The Profit attributable to minority shareholders increased by 18% in FY22, attributable to the current year's profits accumulation.

Borrowings (includes non-current and current)

Total Borrowings stood at ₹ 49,040 million as at March 31, 2022. During the year ended March 31, 2022, the Biosimilars business refinanced USD 100 million in Biocon Biologics UK limited and repaid the loan in Biocon Sdn. Bhd., Malaysia.

Other Non-current financial liabilities

Other non-current financial liabilities primarily include ₹ 15,033 million of gross liability on written put options to enable investors of our subsidiary, Biocon Biologics Limited, to exit over a period of time. Further, it also includes non-current lease and derivative liabilities.

Provisions and other non-current liabilities

Provisions and other non-current liabilities primarily include deferred revenue, deferred tax liability and provision for gratuity and compensated absences.

Assets and liabilities held for sale

Pursuant to the approval of the Board of Directors on May 14, 2020, the Group was in process of disposing off its interest in the JV entity. Accordingly, in the previous year share of profit / (loss) from the JV and results of its related business were disclosed as discontinuing operations.

During the year ended March 31, 2022, Biocon decided to commercialize its generic formulation products which are being developed for the US, EU and other markets in the UAE through its wholly owned subsidiary. Biocon is taking steps to register the formulation manufacturing site and seeking approval of marketing authorization under its own brand. Accordingly, it was concluded that the UAE operations no longer meets the definition of a discontinued operations and the same has been reclassified as continued operation in the financial statements.

Working capital (current assets less current liabilities)

Below table represents working capital as at March 31, 2022 and March 31, 2021:

			All Figures in ₹ Million
Particulars	Mar-22	Mar-21	Change
Inventories	22,982	18,666	23%
Trade receivables	20,582	15,033	37%
Cash and Cash (incl. current other bank balance, investments)	29,652	32,241	-8%
Other financial assets	6,400	5,904	8%
Other current assets	4,207	4,160	1%
Total current assets	**83,823**	**76,004**	**10%**
Borrowings	9,055	13,970	-35%
Trade payables	16,085	15,139	6%
Other financial liabilities	3,967	4,160	-5%
Provisions and other current liabilities	7,555	7,308	3%
Income tax liabilities	1,618	1,524	6%
Total current liabilities	**38,280**	**42,101**	**-9%**
Working capital	**45,543**	**33,903**	**34%**

As at March 31, 2022, working capital stood at ₹ 45,543 million, up by 34% compared to FY21 due to increase in inventories primarily on account of new product launches, trade receivables on account of higher sales and decrease in short term borrowing (incl. current maturities of long term loan) on account of refinancing/ repayment.

Consolidated Statement of Profit and Loss

The following table highlights key components of the statement of Profit and Loss for the fiscal years ended March 31, 2022 (FY22) and March 31, 2021 (FY21):

			All Figures in ₹ Million
Particulars	FY22	FY21	Change
Total revenue	83,967	73,976	14%
Expenses			
Cost of materials consumed	27,184	22,437	21%
Employee benefit expense	17,098	15,657	9%
Finance costs	676	577	17%
Depreciation and amortisation expense	8,142	7,151	14%
Research and development expenses, net of recovery from co-development partners	5,950	5,531	8%
Other expenses	11,906	11,278	6%
Total expenses	**70,956**	**62,631**	**13%**
Share of profit / (loss) of joint venture and associate (net)	(2,069)	(794)	161%
Profit before tax and exceptional item	**10,942**	**10,551**	**4%**
Exceptional items, net	(1,111)	126	(982)%
Profit before tax	**9,831**	**10,677**	**(8)%**
Tax expense	2,407	2,120	14%
Tax on exceptional item	(292)	95	(407)%
Profit for the year	**7,716**	**8,462**	**(9)%**
Non-controlling interest	1,316	989	33%
Non-controlling interest on exceptional item	(84)	68	(224)%
Profit attributable to shareholders of the Company	**6,484**	**7,405**	**(12)%**
Other comprehensive income attributable to shareholders	967	1,582	(39)%
Total comprehensive income attributable to shareholders of the Company	**7,451**	**8,987**	**-17%**

Revenue

During the year under review, total revenue grew by 14% on a consolidated basis from ₹73,976 million to ₹83,967 million.

Our Biosimilar revenues have increased by 24% over last year to ₹ 34,643 million, primarily due to strong sales growth from our partnered program, driven by commercialization of world's first interchangeable biosimilar, insulin Glargine in the US, new product launches, gradual improvement in market share of Trastuzumab in the U.S., strong performance in emerging markets and improved performance in other developed markets.

The Generics revenues were ₹23,409 million in FY22 compared to ₹23,627 million in FY21. The generics segment reported a muted performance against the backdrop of Covid-19 related challenges, increasing competition, and pricing pressure in some of our commercialized formulation products. This was partially offset by launch of its generic formulation, Everolimus.

The Research services grew 19% to ₹26,042 million. The growth was driven by strong performance across Discovery Services, Dedicated Centres, Development and Manufacturing Services.

The Total Income composition for FY22 and FY21 is detailed below:

Particulars	FY22		FY21	
	(₹ million)	(%)	(₹ million)	(%)
Generics	23,409	29	23,627	32
Biosimilars	34,643	42	28,002	38
Novel Biologics	510	1	105	-
Research Services	26,042	32	21,843	30
Inter-segment	(2,764)	(3)	(2,146)	(3)
Revenue from operations	**81,840**		**71,431**	
Other income	2,127	3	2,545	3
Total income	**83,967**		**73,976**	

Other income

Other income comprises of interest on surplus funds and gains due to foreign exchange movement.

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

Material and Power costs

Material and power costs includes raw materials, packing materials and change in inventories. In FY22, material costs, as a percentage of revenue from operations ex-licensing, increased by ~2% compared to FY21 due to increase in solvents and natural gas pricing.

Staff costs

Staff costs comprise of the following items:

- Salaries, wages, allowances, and bonuses
- Contributions to Provident Fund
- Contributions to gratuity
- Amortisation of employees' stock compensation expenses and welfare expenses (including employee insurance schemes)

These expenses increased by 9% in FY22, driven by business growth, increased headcount, and stock compensation costs.

Research and development expenses

The net R&D expenditure for FY22 increased by 8% to ₹5,950 million (₹5,531 million in FY21). Net R&D spend was at 11% (~11% in FY21) of revenue ex-Syngene. We capitalized ₹ 1,155 million, taking gross R&D spend to ₹7,105 million for the year compared to ₹6,270 million in FY21. Gross R&D spend was at 13% (~13% in FY21) of revenue ex-Syngene. The gross R&D spend increased due to higher spend in the biosimilar development programs, ANDA programs.

Interest and Finance charges

The finance cost for FY22 at ₹676 Million (₹577 Million in FY21) primarily comprises of interest cost on borrowings for Biosimilars and Research Services businesses.

Depreciation and Amortisation

During this fiscal, depreciation and amortization increased 14% to ₹8,142 million from ₹7,151 million in FY21, primarily due to commissioning of new facilities and capitalisation of intangibles in Biologics and Research Services segments.

Tax expenses

The effective tax rate (ETR) for the year before the exceptional item was 22% (20% in FY21). ETR is up 2%, since FY21 included a credit for reversal of tax provision for earlier years.

Exceptional items (net)

The Exceptional items during the year comprised the following:

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

b) The Ministry of Commerce and Industry, Government of India issued a Gazette notification number 29/2015-2020 dated 23 September 2021 on Service Exports from India Scheme (SEIS) for services rendered in financial year 2019 - 2020 with the total entitlement capped at Rs. 50 million per exporter for the period. The Group during the year ended March 31, 2022 reversed the SEIS claim accruals of ₹ 427 million for the financial year 2019-2020 and the same has been presented under exceptional items in the consolidated financial statements for the year ended March 31, 2022. Consequential tax impact of ₹75 million is included within tax expense for the year ended March 31, 2022. Further, related minority interest of ₹77 million is included within non-controlling interest in consolidated financial statements for the year ended March 31, 2022.

c) BBL had obtained services of professional experts (like advisory, legal counsel, valuation experts etc.) towards acquisition deals. These services were availed during the financial year ended March 31, 2022 and hence, in accordance with Ind AS 103 - Business Combinations, these have been recorded as expense amounting to ₹ 410 million in the consolidated financial statements. Given these are material and infrequent in nature, the Company has disclosed these expenses under the head 'Exceptional items' in the statement of profit and loss. Consequential tax impact of ₹ 169 million is included within tax expense in consolidated financial statements

Other comprehensive income

Other comprehensive income includes re-measurement gains/ losses on defined benefit plans, gains/losses on hedging instruments designated as cash flow hedges and exchange differences on translation of foreign operations, gains/losses on the fair value of the investment in equity through Fair Value through Other Comprehensive Income (FVOCI).

Key financial ratios

Particulars	FY22	FY21
Debtors turnover	3.98	4.73
Inventory turnover	1.93	2.02
Interest coverage ratio	13.84	12.90
Current ratio	2.19	1.81
Debt equity ratio	0.76	0.77
Operating profit margin (%)#	16%	16%
Net profit margin (%)*	9%	10%
Return on net worth^	9%	10%

 # Operating margin is defined as Profit before taxes and interest

** Net Profit before exceptional income and tax thereon*

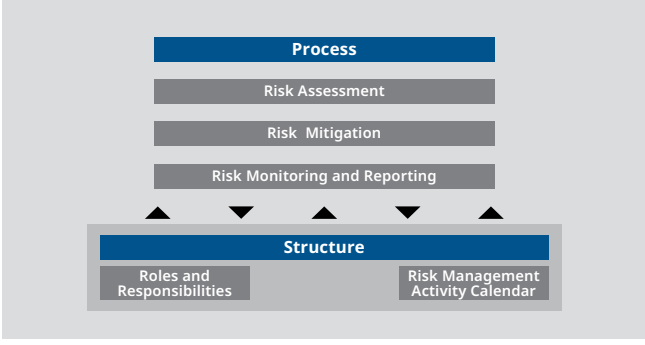
^ Net Profit before exceptional income and tax thereon as a percentage of equity

Risks, Threats, and Concerns

Organizations can create sustainable value for its stakeholders by effectively managing the risks they are willing to take, be it at a strategic, financial or operational. Therefore, identifying, analyzing and promptly managing risks is critical from a Corporate Governance standpoint to enable an organization to attain its strategic objectives and protect the interest of its stakeholders.

A risk is a potential event or non-event, the occurrence or non-occurrence of which can adversely affect the objectives or strategy of the Company or result in opportunities being missed. Risk is measured in terms of likelihood of occurrence and potential impact if it materializes. Risks can be categorized as financial, operational, strategic, regulatory/statutory, reputational, geo-political, catastrophic/pandemic.

Amongst the risks discussed above, regulatory/statutory, operational, strategic, and financial are usually controllable, while geo-political and catastrophic/pandemic (impacting business continuity) risks are not usually within the control of an organization.



Risk Management :

Risk management is a structured, consistent, and continuous process across the organization for identifying, assessing, deciding on responses to, and reporting on opportunities and threats that may affect the achievement of its objectives.

Risk management does not aim at eliminating the risks, as that would simultaneously eliminate all chances of rewards or opportunities. Instead, constant efforts are made to analyze their potential impact, assess the changes to the risk environment, and define actions to mitigate their adverse impact.

At Biocon, we have implemented a risk management framework that ensures timely identification, analysis, and assessment of risks and potential consequences, formulation of specific mitigation strategies, and their seamless execution. The framework recognizes that risks are highly interconnected and interdependent. This evolved approach views risks within a coordinated and strategic framework integrated throughout the organization.

Our Risk Management Structure :

Biocon Limited's Board of Directors has direct oversight over the Company's overall risk management framework. The Board has formed a Risk Management Committee which reviews critical existing or emerging risks, monitors the adequacy of de-risking strategies as well as the progress on implementing such strategies. The subsidiaries also have a structure and process similar to that of the parent.

Our Risk Management Structure

Board of Directors	• Reviews the risk management and internal control framework, key risks, and mitigation controls
Risk Management Committee	• Reviews and assesses the effectiveness of risk management framework • Recommends changes to the risk management and/or associated frameworks, processes, and practices Company
Senior Leadership Team	• Provides direction and ensures sustainable implementation of the risk framework • Reports the outcome of its periodic review of the risk management process to the Board of Directors and Risk Management Committee
Chief Risk Officer	• Coordinates with the senior leadership team and functional heads and assists in carrying out risk identification, assessment, prioritization, and mitigation • Prepares consolidated risk reports and presents to senior leadership/Risk Management Committee.
Department/ Functional Heads	• Directs and implements risk management initiatives pertaining to their team/ department • Performs risk assessment on a regular basis, reviews of risk mitigation procedures etc.

The Risk Management Committee, which comprises of the Chairperson, Managing Director and CEO and Independent Directors, meets once every quarter and invites senior business leaders, who are essential to the discussions, to these meetings.

An enterprise-wide risk evaluation and validation process is conducted regularly and reviewed by the Risk Management Committee and the Board of Directors. The Governance, Risk and Compliance (GRC) team coordinates and monitors organization-wide risk management activities and reports the progress to the Risk Management Committee on a quarterly basis.

Our Risk Management Process:

The risk management process at Biocon involves the following three steps:

1. Risk Identification and Assessment
2. Risk Mitigation
3. Risk Monitoring and Reporting

Our effective process ensures that these three steps are aligned with regular operations, thereby, ensuring relevant and timely reporting and action on all risks which the organization faces. The organization's risks are identified, analyzed, and prioritized from time to time. Once a risk is identified, there are four different ways in which a risk can be handled – Treat, Terminate, Transfer, Take. At Biocon, a responsive action plan is initiated for treating or managing the key risks identified and restricting them to a tolerable level.

The risk monitoring and reporting process aims to provide assurance to the Management that risks have been adequately identified, prioritized and critical risks are well managed. The Risk Management Committee reviews the critical risks with respect to their gross exposure, mitigation action status, and net exposure periodically.

Key Business Risks:

Biocon is committed to conducting business while adhering to all applicable statutory laws, government notifications and regulations. Given the complex and highly regulated nature of the global pharmaceutical industry in which Biocon operates, the Company can potentially be exposed to the risks inherent to the industry such as product safety and quality issues, intellectual property tangles, regulatory delays, etc. These risks could lead to penalties, product recalls, brand/reputation loss, and revenue loss, unless properly mitigated. In this context, it is imperative to respond to risk with a holistic risk mitigation framework that can help the organization maintain consistency in product quality, patient and employee safety and long-term sustainability.

Our established risk management framework addresses risks that are inherent to the pharma business and any others that may impact our strategic goals.

The following summary indicates some of our key risks and mitigation measures, other than for Syngene*, drawn from management reviews and deliberations with Risk Management Committee:

#	Risk	Description	Mitigation Actions in place
1	Regulatory Compliance Risk	Continuous compliance to GxP requirements will enable to obtain approvals / regulatory audit clearance and provide quality drugs to patients	• Framework in place to continuously monitor the compliance and ensure anytime audit readiness • Regular shop floor visits by Quality/ operations leaders to understand on-ground issues and suggest practical solutions • Regular training programmes to improve the overall quality environment • Digitization of quality systems for improving product standards and data integrity
2	Research and Development Risk	Meeting the planned timelines and development cost budget will ensure timely launch and commercial success of differentiated drugs	• Comprehensive review by the leadership team of portfolio strategy and new products selection • Use of digital and innovative solutions to increase the efficiency of R&D operations and reduce development cost • Internal alignment on execution amongst cross functional teams • Continuous program monitoring to avoid potential delays • Proactive interaction with regulators to secure timely inputs
3	Human Capital Risk	Retention of talent and skill development will ensure continuity of operations and professional growth of people	• Continuous upskill and development of talent across levels • Providing career path visibility and internal movement options • Succession planning efforts especially for critical roles • Improving employee connect and morale through various employee engagement initiatives • Attracting the right talent by becoming an employer of choice through aforesaid mentioned strategies
4	Commercial/ Pricing Risks	Right cost and pricing strategy will improve affordable access	• Initiatives aimed at bringing in efficiencies and reducing the cost of production • Focused partnership initiatives to establish presence in new markets • Product differentiation and vertical integration to provide commercial advantage with customers
5	Supply Chain Risks	Having multi source vendors for critical materials will provide supply continuity assurance	• Focused alternate vendor development to reduce dependence on any specific country or single source for procurement of key materials • Building strategic inventory to address any unanticipated disruption in supply
6	Information and Cyber Security Risk	Having appropriate cyber and information security controls will reduce probability of loss of critical information or any external cyber attack	• Established Security Operations Center to proactively and effectively manage security requirements • Robust incident monitoring and response measures • Continuous effort to increase employee awareness on information and cyber security • Periodic vulnerability assessments and implementation of actions to address gaps

#	Risk	Description	Mitigation Actions in place
7	Safety Risks	Adherence to all safety norms will reduce probability of any critical safety incidents which might impact business continuity	• Framework to ensure continuous compliance of environment, health and safety (EHS) requirements • Focus on workforce awareness as well as enhanced safety infrastructure • Internal / external reviews or audit of EHS activities to identify any gaps and remediate them
8	Statutory Compliance and Governance Risks	Continuous compliance to the law of the land will prevent penalties and loss of reputation	• Process to independently track and ensure compliance of various statutory requirements • Timely identification of compliance changes and assessment of their applicability • Technical support is sought as appropriate, including from external experts
9	Project/ Capital Investment Risk	Meeting the planned project milestones and capex budget will ensure timely launch and seamless supplies	• Strong technical support during planning and execution stages • Alignment with cross functional teams on overall plan • Cost tracking at a detailed level to identify cost escalation in early stages and address them appropriately

**Syngene's Risks are available in its Annual Report (https://www.syngeneintl.com/investors/financial-information/)*

Note on COVID-19 related risks

While the impact of the pandemic risk in FY22 was lower in comparison with the year before, the industry continued to witness risks related to workforce safety, supply chain and logistics bottlenecks, delays in the development programs including regulatory reviews or approvals, delays in completion of capex projects etc. Key mitigation actions were put in place to support business continuity plans and continued safe operations, including but not limited to:

- Vaccination campaigns for workforce and their family members
- Other safety precautions such as continuous temperature monitoring, remote working options etc.
- Inventory build up in case of any supply chain disruptions
- Virtual reviews by regulators

Internal Controls

A robust, comprehensive internal control system is a prerequisite for an organization to function ethically, commensurate with its abilities and objectives. We have established a strong internal control system for the Company, which comprises of policies, guidelines, and procedures adopted to ensure operational effectiveness and efficiency, compliance with laws and regulations, asset safeguarding and reliability of financial and management reporting. The Company is staffed by experienced, qualified professionals who play an important role in designing, implementing, maintaining, and monitoring our internal control systems.

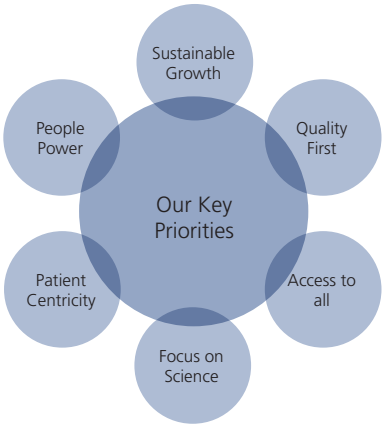
An independent firm of Chartered Accountants carry out periodic internal audits to provide reasonable assurance of internal control effectiveness, and advises the Company on industry-wide best practices. The Audit Committee, consisting of Independent Directors, reviews important issues raised by the internal and statutory auditors regularly and the status of rectification measures to ensure that risks are mitigated appropriately on a timely basis.

Corporate Governance Report

I. Company's philosophy on Code of Governance

Biocon Limited ("Biocon" or "the Company") believes in implementation of good corporate practices, policies and guidelines and always ensures adherence to regulatory requirements. Our aim is to develop a culture of the best management practices and compliance with the law coupled with the highest standards of integrity, transparency, accountability and ethics in all business matters.

Commitment to adoption of good and effective corporate governance practices in all the spheres of working, has always been an imperative factor in driving the Company's decisions and activities. Abidance with such governance practices has given the Company immense value addition and competitive advantage. Our corporate governance framework comprises of a formal system of control and administration that helps the management take prudent decisions whilst in the interest of the stakeholders, and at the same time enables the Company to utilise its resources in a systematic and effective manner.



While implementing corporate practices, the Company focuses on areas such as transparency, accountability and integrity to nurture a good corporate governance culture that fosters employee morale and satisfaction, stakeholder acceptance and regulatory recognition. The Company's policy on various corporate governance aspects can be accessed from our website at, https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/.

Biocon's focus is not only to ensure compliance with the requirements as stipulated under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') regarding corporate governance, but is also committed to sound corporate governance principles and practices, and constantly strives to adopt emerging best corporate governance practices being followed worldwide.

A report on compliance with corporate governance principles as prescribed under Regulation 17 to 27 read with Schedule V of SEBI Listing Regulations, as applicable, is given below.

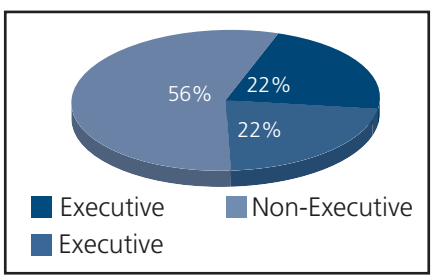
II. Board of Directors

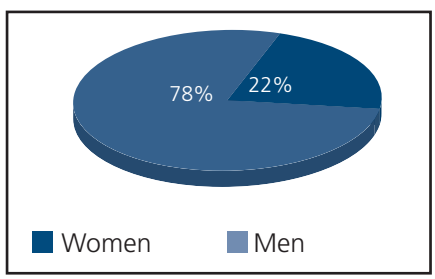
The corporate governance structure of the Company comprises the Board, as the apex decision making body and the Executive Leadership Team (ELT), which comprises experts in running and managing the Company. The Board of Directors ('the Board') are elected by the shareholders to oversee the Company's overall functioning. The Board is responsible for providing strategic guidance & supervision, overseeing the management performance and governance of the Company on behalf of the shareholders and other stakeholders. The Board exercises independent judgement and plays a vital role in the oversight of the Company's affairs. To sum up, the board's key purpose is to ensure the Company's prosperity by collectively directing the company's affairs, while meeting the appropriate interests of its shareholders and relevant stakeholders.

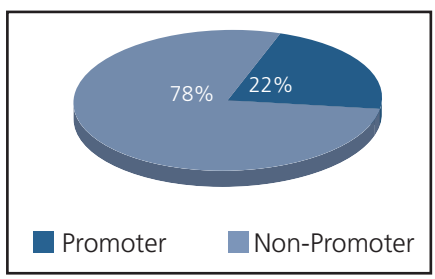
The Company's day to day affairs are managed by the ELT, under the overall supervision of the Board. The Board is committed to representing the long-term interests of the stakeholders and in providing effective governance over the Company's affairs and exercising reasonable business judgement on the affairs of the Company.

Composition of the Board

Our Board represents an appropriate mix of Executive Directors ('EDs'), Non-Executive Non-Independent Directors ('NEDs') and Independent Directors ('ID'), which is compliant with the Companies Act, 2013 ('the Act') and the SEBI Listing Regulations and is also aligned with the best practices of Corporate Governance.







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

Effective November 1, 2021, Eric Vivek Mazumdar was appointed as an Additional Director categorised as Non-Executive Director of the Company. Further, his appointment as a Non-Executive Director is also being proposed at the ensuing Annual General Meeting (AGM) for the approval of Members.

To ensure enhanced corporate governance practices and be complied with the provisions of SEBI Listing Regulations, the Board at its meeting held on January 23, 2020 had separated the roles of the Chairperson and Managing Director, by appointing Siddharth Mittal as the Managing Director & CEO and Kiran Mazumdar-Shaw as the Executive Chairperson of the Company, effective from April 1, 2020. During the year, the requirement to mandatory separate the positions of Chairperson and Managing Director or CEO, has been made voluntary by the SEBI.

The detailed profile of our Directors is available on our website at https://www.biocon.com/investor-relations/corporate-governance/board-of-directors/.

None of the Directors serve as a Director in more than 7 (seven) listed companies. Further, none of the Director serves as an ID in more than 7 (seven) listed companies or 3 (three) listed companies in case he/she serves as an ED in any listed company. None of the Directors of the Company, are a member of more than 10 (ten) committees and chairperson of more than 5 (five) committees, across all public companies in which he/she is a Director. Further, none of our IDs serve as Non-Independent Director of any company on the board of which any of our Non-Independent Director of the Company is an ID.

The Company has 2 (two) Executive Directors and 2 (two) Non- Executive, Non-Independent Directors. The other 5 (five) Directors of the Company are Independent Directors. Mary Harney is an Independent Woman Director on the Board of the Company. The details of the directorship(s) of the members on the Board are as mentioned in the following table titled 'Composition of the Board'.

Based on the declarations received from the Independent Directors, the Board of Directors have confirmed that they meet the criteria of independence as mentioned under Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management and also they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Further, the Independent Directors have also submitted their declaration under compliance with the provision of Rule 6(3) of Companies (Appointment and Qualification of Directors) Rules, 2014, which mandated the inclusion of an Independent Director's name in the data bank of the Indian Institute of Corporate Affairs ("IICA") for a period of one year or five years or life time till they continue to hold the office of an independent director. All the Independent Directors are exempted from appearing the Online Proficiency Self-Assessment Test conducted by IICA.

The statutory details of the directors, including the directorships held by them in other listed companies and their committee memberships/chairmanships in other public companies, are listed in the table below:

Name of the Director	Category	Directors Identification Number	Total Number of Directorships, Committee Chairpersonships and Memberships of Indian Public Limited Companies, as on March 31, 2022			Name of Indian Listed Entities Including this Listed Entity where person is a Director	Category of Directorship
			Directorships[$]	Committee Chairperson ships[^]	Committee Memberships		
Executive Directors							
Kiran Mazumdar-Shaw#	Promoter & Executive	00347229	9	1	1	Biocon Limited	Executive Chairperson
						Syngene International Limited	Non-Executive Chairperson
						Infosys Limited	Independent, Non-Executive
						Narayana Hrudayalaya Limited	Non-Executive Non-Independent
						United Breweries Limited	Independent, Non-Executive
Siddharth Mittal	Executive	03230757	4	-	1	Biocon Limited	Managing Director and CEO

Name of the Director	Category	Directors Identification Number	Total Number of Directorships, Committee Chairpersonships and Memberships of Indian Public Limited Companies, as on March 31, 2022			Name of Indian Listed Entities Including this Listed Entity where person is a Director	Category of Directorship
			Directorships[$]	Committee Chairperson ships[^]	Committee Memberships		
Non-Executive, Non-Independent Directors							
Prof. Ravi Rasendra Mazumdar##	Promoter & Non-Executive	00109213	1	-	1	Biocon Limited	Non-Executive, Non-Independent
Eric Vivek Mazumdar*	Non-Executive	09381549	1	-	-	Biocon Limited	Non-Executive, Non-Independent
Independent Directors							
Daniel Mark Bradbury	Independent	06599933	2	1	3	Biocon Limited	Independent, Non-Executive
Mary Harney	Independent	05321964	1	-	-	Biocon Limited	Independent, Non-Executive
Dr. Vijay Kumar Kuchroo	Independent	07071727	2	-	-	Biocon Limited	Independent, Non-Executive
						Syngene International Limited	Independent, Non-Executive
Meleveetil Damodaran	Independent	02106990	8	3	7	Biocon Limited	Independent, Non-Executive
						InterGlobe Aviation Limited	Independent, Non-Executive
						Hero MotoCorp Limited	Independent, Non-Executive
						Larsen & Toubro Limited	Independent, Non-Executive
						Tech Mahindra Limited	Independent, Non-Executive
Bobby Kanubhai Parikh	Independent	00019437	5	4	8	Biocon Limited	Independent, Non-Executive
						Infosys Limited	Independent, Non-Executive
						Indostar Capital Finance Limited	Independent, Non-Executive

Note:

- $ Includes Additional Directorships and Directorship in Biocon Limited.
- ^ As required under Regulation 26(1)(b) of the SEBI Listing Regulations, Committees considered are Audit Committee and Stakeholders Relationship Committee, including that of Biocon Limited.
- # Prof. Ravi Rasendra Mazumdar is the brother of Kiran Mazumdar-Shaw.
- ## Eric Vivek Mazumdar is the son of Prof. Ravi Rasendra Mazumdar.
- * Eric Vivek Mazumdar was appointed as an Additional Director of the Company w.e.f. November 1, 2021.

A. Board Membership Criteria and Selection Process

The responsibility for identifying and evaluating a candidate for the Board is discharged by the Nomination and Remuneration Committee ("NRC") formed under Section 178 of the Companies Act, 2013. While selecting a candidate, the NRC reviews and evaluates the Board's composition and diversity to ensure that the Board and its committees have the appropriate mix of skills, experience, independence and knowledge for continued effectiveness. For the Board, diversity comprehends plurality in perspective, experience, education, background, ethnicity, nationality, age, gender and other personal attributes. These attributes may extend to professional experience, functional expertise, educational and professional background.

The Independent Directors annually provide a certificate of Independence, in accordance with the applicable laws,

which is taken on record by the Board. All Board members are encouraged to meet and interact with the management. Board Members are invited to key meetings to provide strategic guidance and advice.

B. Board Procedure

The Board and committee meetings are pre-scheduled based on the availability of the Director(s), and an annual calendar of the meetings is circulated to them well in advance to facilitate planning of their schedule and ensure participation in the meetings. However, in case of urgent matters, subject to regulatory conditions, the Board's approval is taken by passing resolutions by circulation. The Board meets at least once in a quarter to review and approve the quarterly financial results/ statements and other agenda items. The Committees of the Board usually meet prior on the same day of the Board meeting. The recommendations of the Committees are placed before the Board for necessary approval/noting. There was no situation / matter where the Board has not accepted recommendation of the Committee.

With a view to leverage technology, the Company has adopted a digital meeting(s) platform for its Board and Committee meetings, which can be accessed through web version, iOS and Android based application. The Board/Committee Agenda and related notes are made available to the Directors, at least 7 (seven) days in advance of the meetings, through this application which meets high standards of security and integrity that is required for storage and transmission of Board/ Committee related documents in electronic form. All material information is incorporated in the agenda along with supporting documents and relevant presentations. Where it is not practicable to attach any document to the agenda, the same is tabled at the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

The Board reviews strategy and business plans, annual operating plans and capital expenditure budgets, investment and exposure limits, compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances, if any. To enable the Board to discharge its responsibilities effectively, the Chairperson provides an overview of the overall performance of the Company at the meeting of the Board of directors. The Board also reviews major legal issues, minutes of meetings of various committees of the Board and subsidiary companies, significant transactions and arrangements entered into by the subsidiary companies, approval of financial results and statements, transactions pertaining to purchase or disposal of properties, major accounting provisions and write-offs, corporate restructuring, details of any joint ventures or collaboration agreements, material defaults, if any, in financial obligations, fatal or serious accidents, any material effluent or pollution problems, transactions that involve substantial payment towards goodwill, brand equity or intellectual property, any issue that involves possible public product liability, claims of substantial nature and the information as required under Regulation 17(7) read with Schedule II Part A of SEBI Listing Regulations, as amended.

At the Board and Committee Meetings, apart from Board Members and the Company Secretary, the management team are invited to present the Company's performance in key areas such as the major business segments and their operations, subsidiaries and key functions.

The Company Secretary records Minutes of the proceedings of each Board and Committee meeting. Draft Minutes are circulated to Board /Committee Members within 15 (fifteen) days from the meeting for their comments. Directors communicate their comments (if any) in writing on the draft minutes within 7 (seven) days from the date of circulation. The Minutes are entered in the Minute Books within 30 (thirty) days from the conclusion of the Meeting and signed by the Chairperson. The

copy of the signed Minutes, certified by the Company Secretary or in his absence by any Director authorised by the Board, are made available to all the Directors.

The guidelines for Board and Committee Meetings facilitate an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Committees thereof. Important decisions taken at Board/Committee Meetings are promptly communicated to the concerned departments/ divisions. Action Taken Report on decisions/Minutes of the previous meeting(s) is placed at the succeeding meeting of the Board/Committee for noting.

C. Number of Board meetings, attendance of the Directors at meetings of the Board and the Annual General Meeting ("AGM")

During the financial year under review, 5 (five) Board Meetings were held virtually on the following dates:

S. No.	Date of Board Meeting	Total Number of directors associated as on the date of meeting	Attendance	
			Number of Directors attended	% of Attendance
1.	April 28, 2021	9	8	88.89
2.	July 22, 2021	9	9	100.00
3.	October 21, 2021	8	8	100.00
4.	January 20, 2022	9	9	100.00
5.	February 27, 2022	9	7	77.78

The Board met at least once in every calendar quarter and the gap between two meetings did not exceed 120 (one hundred and twenty) days.

In view of continuing COVID-19 pandemic, the 43rd AGM of the Company was held on Friday, July 23, 2021 through video conferencing ('VC') or other audio-visual means (OAVM), in compliance with the applicable provisions of the Companies Act, 2013, General circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 5, 2020 and Circular No. 02/2021 dated January 13, 2021 issued by Ministry of Corporate Affairs ('MCA'). The deemed venue for the meeting was registered office of the Company at 20th KM, Hosur Road, Bengaluru, 560 100, Karnataka, India.

The attendance of the Directors at these meetings is mentioned in the table below:

Name of the Director	No. of Board Meetings which director was entitled to attend	No. of Board Meetings Attended	% of Attendance	Attendance at the 43rd AGM
Kiran Mazumdar-Shaw	5	5	100.00	Yes
John Shaw*	2	2	100.00	Yes
Siddharth Mittal	5	5	100.00	Yes
Prof. Ravi Rasendra Mazumdar	5	5	100.00	Yes
Daniel Mark Bradbury	5	4	80.00	No
Mary Harney	5	4	100.00	No
Dr. Vijay Kumar Kuchroo	5	4	100.00	Yes
Meleveetil Damodaran	5	5	100.00	Yes
Bobby Kanubhai Parikh	5	5	100.00	Yes
Eric Vivek Mazumdar**	2	2	100.00	NA

*John Shaw had stepped down from the Board as a Non-Executive Director with effect from the conclusion of the Company's 43rd Annual General Meeting which was held on July 23, 2021.

**Eric Vivek Mazumdar was appointed as an Additional Director of the Company with effect from November 1, 2021.

D. Shareholding of Non-Executive Directors

None of the Non-Executive Directors, including Independent Directors, hold any equity shares of the Company except the below:

Name of Director	Category	No. of Shares	% holding
Prof. Ravi Rasendra Mazumdar	Non-Executive Director	48,15,084	0.40
Eric Vivek Mazumdar	Non-Executive Director	21,68,000	0.18

E. Meeting of the Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the SEBI Listing Regulations, the Independent Directors met twice on July 16, 2021 and January 17, 2022 without the presence of Non-Independent Directors and Members of the management.

They had discussed and reviewed the below -

- The performance of Non-Independent Directors and the Board as a whole;
- The performance of the Chairperson of the Company after taking into account the views of the Executive and Non-Executive Directors;
- The quality, quantity and timeliness of flow of information between the Company management and the Board, that is necessary for the Board to perform their duties effectively and reasonably.

The evaluation of Independent Directors is done by the entire Board of Directors of the Company which includes:

- Performance of such directors; and
- Fulfilment of the Independence criteria and their Independence from the management.

F. Details of familiarization program imparted to Directors

The familiarisation programme for our Directors is customised to suit their individual interests and area of expertise.

During the financial year under review, the Independent Directors were apprised at frequent intervals on the industry trends, an overview of the Company's business model, strategy, products, market, risk management, group structure and its subsidiaries, and its operations by the senior management team. Further, various business unit heads made presentations to the Independent Directors at periodic intervals on the performance and future strategy of their respective business units. The Independent Directors were also regularly apprised of all regulatory and policy changes including their roles, rights and responsibilities. Among other matters, presentations on internal control over financial reporting, operational control over financial reporting were also made to the Board Members during the year. The Directors were encouraged to interact with members of Senior Management as part of the induction programme.

The Company's familiarization policy and the details of programs attended, and hours spent by Independent Directors during the financial year 2021-22 is available on the Company's website at https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/.

G. Board evaluation, Key expertise and attributes of the Board of Directors

Board Evaluation

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Nomination and Remuneration Committee in consultation with the Board, had laid down the evaluation criteria for the performance of the Chairperson, Board, Committees of the Board, and executive/ non-executive/ independent directors through peer evaluation, excluding the director being evaluated. Further, the Board had agreed to undertake the Board Evaluation by an external agency, at least once in 3 (three) financial years, pursuant to which for the FY 2020-21, Egon Zehnder, a leadership advisory firm on board matters, had conducted the Board Evaluation.

However, for the current FY 2021-22, the Board had undertaken this exercise through self-evaluation questionnaires. The evaluation process focused on the below aspects –

- Board dynamics and other aspects towards Board effectiveness
- Board Composition, Quality and Culture
- Board Meeting & Procedures
- Execution & performance of specific duties
- Board & Management relations
- Succession Planning
- Committee effectiveness
- Evaluation of Chairperson, Executive & Non-Executive Directors.

The evaluation report was also discussed at the meeting of the Board of Directors and Committees. In order to further uphold the effectiveness of the Board's governance, an overview of the suggestions as drawn from the evaluation exercise was

deliberated and recommended for implementation in due course of time, by the Board.

Key expertise and attributes of the Board of Directors

In compliance with the SEBI Listing Regulations, the Board has identified the following skills/ expertise/ competencies fundamental for the effective functioning of the Company which are taken into consideration by the Nomination and Remuneration Committee while recommending appointment of any candidate to the Board of the Company.

Based on the above-mentioned skill matrix, the skills which are currently available with the Board have been mapped below:

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

H. Role of Company Secretary

The Company Secretary is the Compliance Officer and plays a key role in ensuring that effective board procedures are followed and reviewed periodically. The Company Secretary is primarily responsible to ensure compliance with the provisions of Companies Act, 2013 and provisions of all other laws applicable to the Company. The Company Secretary ensures that all relevant information, details and documents are made available to the Board of Directors for effective decision-making at the meetings. The Company Secretary is also the interface between the management and regulatory authorities for governance matters. All the Directors of the Company have access to the advice and services of the Company Secretary.

III. Committees of the Board

The Board has constituted various committees to focus on specific areas and to make informed decisions within their authority. Each committee is directed by its charter which outlines their scope, roles, responsibilities and powers. All the decisions and recommendations of the committee are placed before the Board for its approval. The Company's guidelines relating to Board Meetings are also applicable to committee meetings as far as is practicable. Each committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its functions. Senior officers/ function heads are invited to present various details called for by the committee at its meeting. The Company Secretary of the Company acts as the Secretary to all Committees of the Board as detailed below:

A. Audit Committee

B. Risk Management Committee

C. Stakeholders Relationship Committee

D. Corporate Social Responsibility and ESG Committee

E. Nomination and Remuneration Committee

A. Audit Committee

I. Brief description of terms of reference

The Company has constituted an Audit Committee ("AC") which acts as a link between the management, external and internal auditors and the Board of Directors of the Company. The committee's role flows directly from the board's oversight function and delegation to various committees. It acts as an oversight body for transparent, effective anti-fraud and risk management mechanisms, and efficient Internal Audit and External Audit functions financial reporting. The Audit Committee considers the matters which are specifically referred to it by the Board of Directors besides considering the mandatory requirements of the Regulation 18 read with Part C of Schedule II of SEBI Listing Regulations and provisions of Section 177 of the Act. The brief description of the terms of reference of the Committee is given below:

The terms of reference and responsibilities of the committee include review of the quarterly, half-yearly and annual financial statements before submission to Board, review of compliance of internal control system, approval or any subsequent modification of transactions with related parties, oversight of the financial reporting process to ensure transparency, sufficiency, fairness and credibility of financial statements, recommendation for appointment, remuneration and terms of appointment of auditors of the Company etc. The Committee also reviews the adequacy and effectiveness of internal audit function and control systems. The Committee meets at least once in a calendar quarter.

During the financial year under review, 6 (six) meetings of the Audit Committee were held. The dates of the Meetings were April 28, 2021, July 22, 2021, September 24, 2021, October 21, 2021, January 20, 2022 and March 17, 2022.

II. The composition of the Committee and attendance details:

The composition of the Committee and attendance details of the members for the year ended March 31, 2022 are given below:

S. No.	Name of Members	Category	Position	No. of Meetings which director was entitled to Attend	No. of Meeting attended	% of Attendance
1	Bobby Kanubhai Parikh	ID	Chairperson	6	6	100.00
2	Daniel Mark Bradbury	ID	Member	6	5	83.33
3	Meleveetil Damodaran	ID	Member	6	6	100.00

ID - Independent Director

The members of the Committee possess sound knowledge of accounts, finance, audit, governance and legal matters.

Senior staff from the Finance & Accounts Department and representatives of the Statutory and Internal Auditors attend all Audit Committee meetings. The Company Secretary acts as the Secretary to the Committee.

The Committee, as a good governance practice, also meets external auditors, internal auditors and the Chief Financial Officer of the Company separately, to understand their independent opinion on the performance of the Company.

B. Risk Management Committee

I. Brief description of terms of reference

The Company has constituted a Risk Management Committee ("RMC"), which assist the Board of Directors in timely identification, assessment and mitigation of risks (i.e. financial, operational, strategic, regulatory, statutory, reputational, political, catastrophic and others) faced by the Company. The Committee has overall responsibility for monitoring and approving the enterprise risk management framework and is capable of effectively addressing and monitoring these risks. The Committee also approves and oversees a Company-wide risk management framework, capable of effectively addressing these risks.

The terms of reference of the RMC are in line with the provisions of the Act and Regulation 21 of the SEBI Listing Regulations.

During the financial year under review, four (4) Meetings were held. The dates of the Meetings were April 22, 2021, July 16, 2021, October 14, 2021 and January 20, 2022.

II. The composition of the Committee and attendance details:

The composition of the Committee and attendance details of the members for the year ended March 31, 2022, are given below:

S. No.	Name of Members	Category	Position	No. of Meetings which director was entitled to attend	No. of Meeting attended	% of Attendance
1	Bobby Kanubhai Parikh	ID	Chairperson	4	4	100.00
2	Daniel Mark Bradbury	ID	Member	4	4	100.00
3	Meleveetil Damodaran	ID	Member	4	4	100.00
4	Kiran Mazumdar-Shaw	ED	Member	4	4	100.00
5	Siddharth Mittal	ED	Member	4	4	100.00
6	Eric Vivek Mazumdar*	NED	Member	1	1	100.00

ID - Independent Director; ED - Executive Director; NED- Non-Executive Director

** Eric Vivek Mazumdar was inducted as a member with effect from November 1, 2021.*

C. Stakeholders Relationship Committee

I. Brief Description of the terms of reference

The Company has constituted a Stakeholders Relationship Committee ("SRC") pursuant to the provisions of Regulation 20 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. During the year, for meeting Environmental, Social and Governance (ESG) objectives of the Company, the oversight of implementation of ESG related activities were aligned within the scope of the Committee. Subsequently, the said ESG function has been realigned within the Corporate Social Responsibility Committee of the Company.

The SRC is primarily responsible to redress the grievances of shareholders/ investors/ other security holders including complaints related to transfer or transmission of shares, non-receipt of dividends, annual reports and such other grievances as may be raised by the security holders from time to time.

The Committee also reviews:

- Measures taken to ensure the effective exercise of voting rights by the shareholders/ investors;
- Measures and initiatives taken to reduce the quantum of unclaimed dividends and ensure timely receipt of dividend/ annual report/ notices and other information by Shareholders;
- Service standards adopted by the Company in respect of services rendered by our Registrars and Share Transfer Agent.

During the financial year under review, four (4) Meetings were held. The dates of the Meetings were April 22, 2021, July 16, 2021, October 14, 2021 and January 17, 2022.

II. The composition of the Committee and attendance details:

The composition of the Committee and attendance details of the members for the year ended March 31, 2022 are given below:

S. No.	Name of Members	Category	Position	No. of Meetings which director was entitled to attend	No. of Meeting attended	% of Attendance
1	Daniel Mark Bradbury	ID	Chairperson	4	4	100.00
2	Bobby Kanubhai Parikh	ID	Member	4	4	100.00
3	Prof. Ravi Rasendra Mazumdar	NED	Member	4	4	100.00
4	Mary Harney*	ID	Member	1	1	100.00
5	Siddharth Mittal*	ED	Member	NA	NA	NA
6	Eric Vivek Mazumdar*	NED	Member	1	1	100.00

ID - Independent Director; ED - Executive Director; NED - Non-Executive Director

** Eric Vivek Mazumdar & Mary Harney were inducted as members with effect from November 1, 2021 and Siddharth Mittal with effect from January 20, 2022. Further, the aforesaid Directors ceased to be the members of the Committee with effect from March 28, 2022.*

Mayank Verma, Company Secretary of the Company is the Secretary to the Committee. Further, he also acts as the Compliance Officer of the Company.

The table below encompasses the details of the complaints received and disposed off during the year ended March 31, 2022.

Particulars	Complaints
Remaining unsolved at the beginning of the year	-
Received during the year	119
Disposed off during the year	118
Number of complaints not solved to the satisfaction of shareholders	-
Remaining unsolved at the end of the year	1*

**The complaint has been resolved in April, 2022.*

The quarterly statement on investor complaints received and disposed of are filed with Stock Exchanges within 21 (twenty-one) days from the end of each quarter and the statement filed is also placed before the subsequent meeting of Board of Directors.

Further, with regards to the unpaid or unclaimed dividend, the company has sent out reminders to the shareholders to claim their unpaid or unclaimed dividends before the dividend amounts are transferred to Investor Education and Protection Fund ('IEPF').

In terms of the SEBI Circular dated November 3, 2021, the Company had sent out communications to holders of physical securities to furnish their PAN, KYC details and Nomination as per the prescribed conditions embedded in the circular.

Additionally, as mandated by SEBI, the members of the Committee reviewed and took note of the Internal Annual Audit Report and observations along with action taken in this regard for the FY 2020-21 as submitted by the KFin Technologies Limited, Registrar and Share Transfer Agent ('RTA') of the Company.

D. Corporate Social Responsibility and ESG Committee

I. Brief description of terms of reference

The Company is driven by a vision to make a difference in global healthcare through improved access to high quality and life-saving bio therapeutics by making them affordable for patients across the world. The Company's contributions and initiatives towards social welfare and environment sustainability have been integral to its business.

During the year, the Board has delegated oversight over ESG related activities to Corporate Social Responsibility (CSR) Committee and renamed it as "Corporate Social Responsibility and ESG Committee" (hereinafter referred to as "the Committee"). The CSR & ESG activities of the Company shall continuously evolve for a long-term sustainability of business, society and environment at large. The CSR & ESG shall further align and integrate social wellbeing, economic growth and environmental sustainability with the Company's core values, operations and growth.

The terms of reference of the CSR & ESG Committee are in line with the provisions of Section 135 of the Companies Act, 2013, which inter alia includes the following:

- Identifying the areas of CSR activities, its implementation and monitoring;
- Formulate and amend the CSR Policy, from time to time;
- Adoption of Annual Action Plan or modification thereof;
- Oversee Company's ESG program, strategy, initiatives, execution and disclosures. Reporting progress of various initiatives with respect to CSR & ESG.

During the financial year under review, the Committee met 2 (two) time i.e. on April 22, 2021 and October 21, 2021.

II. The composition of the Committee and attendance details:

The composition of the Committee and attendance details of the members for the year ended March 31, 2022 are given below:

S. No.	Name of Members	Category	Position	No. of Meetings which director was entitled to Attend	No. of Meeting attended	% of Attendance
1	Mary Harney	ID	Chairperson	2	2	100.00
2	Dr. Vijay Kumar Kuchroo	ID	Member	2	2	100.00
3	Prof. Ravi Rasendra Mazumdar	NED	Member	2	2	100.00
4	Siddharth Mittal*	ED	Member	NA	NA	NA
5	Eric Vivek Mazumdar*	NED	Member	NA	NA	NA

ID - Independent Director; NED – Non-Executive Director.

** Siddharth Mittal and Eric Vivek Mazumdar were inducted as members of the Committee with effect from March 28, 2022.*

E. Nomination and Remuneration Committee

I. Brief description of terms of reference

The Company has a Nomination and Remuneration Committee ("NRC") pursuant to the provisions of Regulation 19, read with Part D of Schedule II of the SEBI Listing Regulations and Section 178 of the Act. As per the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the NRC of the Company acts as the Compensation Committee for administration of the ESOP plan. The NRC has been vested with the authority to recommend nominations for Board membership, succession planning for the senior management and the Board, develop and recommend policies with respect to composition of the Board commensurate with the size, nature of the business and operations of the Company, establish criteria for selection of Board Members with respect to competencies, qualifications, experience, track record, integrity, devise appropriate succession plans and determine overall compensation policies of the Company.

The scope of the NRC also includes review of the market practices, decision on the remuneration to the Executive Director(s) and laying down of performance parameters for the Chairperson, Managing Director, the Executive Director(s), Key Managerial Personnel and Senior Management.

In addition to the above, the NRC's role includes identifying persons who may be appointed to a senior management position in accordance with the criteria laid down, recommending to the Board their appointment and removal.

The NRC also formulates the criteria for determining qualifications, positive attributes and independence of a Director. The Committee on a periodical basis, recommends to the Board, policies relating to the remuneration of Directors, Key Managerial Personnel and Senior Management. The Policy on Director's Appointment and Remuneration is available on our website at https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/.

The NRC has undertaken the exercise to evaluate the performance of individual Directors. Feedback is sought by way of structured questionnaires covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its committees, Board culture, execution & performance of specific duties, obligations and governances. Performance evaluation is carried out based on the responses received from all Directors.

The performance evaluation of Independent Directors is based on various criteria including experience and expertise, independent judgement, ethics & values, adherence to the corporate governance norms, interpersonal relationships, attendance and contribution at meetings, amongst others.

During the financial year under review, 4 (four) Meetings of the NRC were held. The dates of the Meetings were April 22, 2021, July 19, 2021, October 14, 2021 and January 17, 2022.

II. The composition of the Committee and attendance details:

The composition of the Committee and attendance details of the members for the year ended March 31, 2022 are given below:

S. No.	Name of Members	Category	Position	No. of Meetings which director was entitled to Attend	No. of Meeting attended	% of Attendance
1	Mary Harney	ID	Chairperson	4	4	100.00
2	Dr. Vijay Kumar Kuchroo	ID	Member	4	4	100.00
3	Prof. Ravi Rasendra Mazumdar	NED	Member	4	4	100.00
4	Kiran Mazumdar-Shaw*	ED	Member	3	3	100.00
5	Daniel Bradbury*	ID	Member	1	1	100.00

ID - Independent Director; NED – Non-Executive Director; ED – Executive Director.

** Daniel Bradbury was inducted as a member with effect from November 1, 2021 and Kiran Mazumdar-Shaw had ceased to be a member of this Committee with effect from November 1, 2021.*

III. Remuneration of Directors

A. Remuneration Policy

Your Company has a well-defined policy for remuneration of the Directors, Key Managerial Personnel and Senior Management. The policy of the Company is designed to create a high-performance culture and enables the Company to attract, retain and motivate employees to achieve results. The policy is available on the Company's website at https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/.

The elements of remuneration to the Executive Directors include fixed and variable salary, performance bonus, contribution to provident fund, superannuation, gratuity, perquisites and allowance, reimbursement of expenses, stock options etc., as applicable to employees of the Company. The Executive Directors are employees of the Company and are subject to service conditions as per the Company policy, which is 3 (three) months' notice period, or such period as mutually agreed upon. There is no provision for payment of severance fees to Non-Executive Directors. Independent Directors are paid remuneration in the form of commission, apart from the sitting fees and are not subject to any notice period and severance fees.

B. Remuneration to Non - Executive Directors

The shareholders at their 43rd Annual General Meeting, based on the recommendation of Nomination and Remuneration Committee and Board of Directors, have approved the payment of remuneration to Non-Executive Directors, at an amount not exceeding 3% of the net profit of the Company effective from the financial year 2021-22. The payment of such remuneration would be in addition to the sitting fees for attending Board/ Committee meetings.

C. Remuneration to Executive Directors

The shareholders, at their 42nd Annual General Meeting ("AGM") held on July 24, 2020, have approved the re-appointment of Kiran Mazumdar-Shaw as an Executive Director, designated as an Executive Chairperson for a period of 5 (five) years effective April 1, 2020 on certain terms and conditions, including her remuneration subject to prescribed limit under the rules and regulations. The remuneration includes fixed and variable salary, performance bonus, contribution to provident fund, superannuation, gratuity, perquisites and allowances, reimbursement of expenses, etc. as applicable to employees of the Company.

Further, at the same AGM, the shareholders have approved the appointment of Siddharth Mittal as the Chief Executive Officer and Managing Director of the Company for a period effective from April 1, 2020, till the end of his current tenure of appointment i.e. November 30, 2024. The remuneration includes fixed and variable salary, performance bonus, contribution to provident fund, superannuation, gratuity, perquisites and allowances, reimbursement of expenses, long term rewards etc. as applicable to employees of the Company.

Subsequently, the shareholders at their 43rd AGM held on July 23, 2021, have approved the increase in the limit of managerial remuneration payable to Siddharth Mittal, Managing Director & CEO of the Company, which was in excess of 5% of the net profits of the Company for the financial year 2021-22 and thereafter during his remaining tenure as the Managing Director of the Company. However, the total managerial remuneration paid to the Executive Director(s) of the Company taken together in any financial year have not exceeded the limit of 10% of net profit, and overall managerial remuneration paid to all directors have not exceeded the overall limit of 11% of net profit of the Company as prescribed under Section 197 of the Act read with rules made thereunder or other applicable provisions or any statutory modifications thereof.

D. Criteria for Making Payment to Non-Executive Directors

The Company's Non-Executive Directors are leading professionals with high level of expertise and rich experience in functional areas such as business strategy, financial governance, corporate governance, research and innovation amongst others. The Company's Non-Executive Directors have been shaping and steering the long-term strategy and make invaluable contributions towards Biocon group level strategy, monitoring of risk management and compliances.

The Nomination and Remuneration Committee determines and recommends to the Board the compensation payable to all the Directors from time to time.

Based on the recommendation of Nomination and Remuneration Committee and the Board of Directors, the shareholders at their 43rd AGM held on July 23, 2021 have approved to pay remuneration by way of commission or otherwise to the Non-Executive Directors of the Company for the financial year 2021-22 and thereafter, at an amount not exceeding 3% of the net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013 and the said remuneration is in addition to sitting fees and reimbursement of expenses for attending the meetings of the Board of Directors or Committees thereof and the said remuneration is paid in such amount, proportion and manner as may be decided by the Board of Directors of the Company from time to time.

E. Service Contracts, Notice Period and Severance Fees

As on March 31, 2022, the Board comprised of 9 (nine) members, including 2 (two) Executive Directors and 7 (seven) Non-Executive Directors, of which 5 (five) are Independent Directors. Kiran Mazumdar-Shaw, Executive Chairperson and Siddharth Mittal, Managing Director and CEO are employees of the Company. Hence, the provision for payment of severance fees to them shall be as per the terms mentioned in the Company's policy. However, other Directors are not subject to any notice period and severance fees.

F. All Pecuniary Relationship or Transactions of the Non-Executive Directors

There was no pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company, which has potential conflict with the interest of the organisation at large.

G. Remuneration to Directors

The details of remuneration of Directors for the year ended March 31, 2022 are given below:

Amount in ₹ Million

Directors	Salary and Perquisites			Others		
	Fixed Pay & Bonus	Perquisites^	Retirement Benefits	Commission	Sitting Fees	Total
Kiran Mazumdar-Shaw	24.60	-	-	-	-	24.60
Siddharth Mittal	42.20	-	-	-	-	42.20
Prof. Ravi Rasendra Mazumdar	-	-	-	4.20	1.12	5.32
Eric Vivek Mazumdar*	-	-	-	1.99	0.53	2.52
Mary Harney	-	-	-	4.68	0.82	5.51
Daniel Mark Bradbury	-	-	-	5.10	1.57	6.67
Dr. Vijay Kumar Kuchroo	-	-	-	4.05	0.75	4.80
Meleveetil Damodaran	-	-	-	4.64	1.12	5.77
Bobby Kanubhai Parikh	-	-	-	5.70	1.42	7.12
John Shaw**	-	-	-	0.86	0.07	0.93

**Eric Vivek Mazumdar was appointed as an Additional Director w.e.f. November 1, 2021.*

***John Shaw had stepped down from the Board as a Non-Executive Director with effect from the conclusion of the Company's 43rd Annual General Meeting which was held on July 23, 2021.*

Note:

- ^Perquisites valued as per Income Tax Act, 1961. Excludes perquisite value on account of stock options exercised during the year.
- The remuneration to Executive Directors and Key Managerial Personnel does not include provisions made for gratuity and compensated absences, as they are obtained on an actuarial basis for the Company as a whole.

During the financial year, no options under the Company's ESOP plan were granted to any Executive/Non-Executive Directors of the Company.

IV. General Body Meetings

A. Annual General Meetings

The date, time, location of Annual General Meetings held during the last 3 (three) years and the special resolutions passed thereat are as follows:

Year	Date and Time	Venue	Special Resolution(s) Passed
2020-21	July 23, 2021 at 3.30 pm	*Held through video conferencing ('VC') or other audio-visual means (OAVM)	1. Re-appointment of Mr. Bobby Kanubhai Parikh (DIN: 00019437) as an Independent Director of the Company. 2. To approve revision in remuneration payable to Non-Executive Directors by way of Commission. 3. To approve and increase in the limit of managerial remuneration payable to Mr. Siddharth Mittal, Managing Director in excess of 5% of the net profits of the Company.
2019-20	July 24, 2020 at 3.30 pm	*Held through video conferencing ('VC') or other audio-visual means (OAVM)	1. Re-appointment of Ms. Kiran Mazumdar-Shaw (DIN: 00347229) as an Executive Director (designated as "an Executive Chairperson") of the Company. 2. To approve Biocon Restricted Stock Unit Long Term Incentive Plan FY 2020-24 and grant of Restricted Stock Units to eligible employees of the Company. 3. To approve grant of Restricted Stock Units to the employees of present and future subsidiary company (ies) under Biocon Restricted Stock Unit Long Term Incentive Plan FY 2020-24.
2018-19	July 26, 2019 at 3.30 pm	Sathya Sai Samskruta Sadanam, No. 20, Hosur Main Road, CL Layout, Bengaluru 560 029	1. Re-appointment of Mr. Meleveetil Damodaran (DIN: 02106990) as an Independent Director for five years. 2. Variation in terms of Employees Stock Option Plan 2000 for grant of stock options to Ms. Christiane Hamacher, CEO of Biocon Biologics India Limited.

**The AGM held on July 23, 2021 and July 24, 2020 were in compliance with the applicable provisions of the Companies Act, 2013, General Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 5, 2020, issued by Ministry of Corporate Affairs ('MCA'). The deemed venue for the meeting was registered office of the Company at 20th KM, Hosur Road, Bengaluru, 560 100, Karnataka, India.*

During the financial year under review, no Special Resolution was passed by the Company through Postal Ballot. None of the businesses proposed to be transacted at the ensuing AGM require passing a Special Resolution through Postal Ballot.

B. Means of Communication

I. Quarterly financial results

The quarterly financial results are normally published in nationwide newspaper i.e. Financial Express and Vijayavani (Kannada edition) and are also displayed on Company's website www.biocon.com.

II. News Releases, Presentations

Official news/press releases are disclosed to both the Stock Exchanges i.e. NSE and BSE from time to time and are also displayed on the website of the Company at www.biocon.com.

III. Presentations to Institutional Investors/ Analysts

Presentations are made to institutional investors and financial analysts on the quarterly financial results of the Company. These presentations are also published at the website of the Company and are disclosed to both the Stock Exchanges i.e. NSE and BSE. The schedule of meetings with institutional investors/financial analysts are intimated to the Stock Exchanges and disclosed on website of the Company at www.biocon.com.

IV. Website

The website of the Company i.e. www.biocon.com contains a separate and dedicated "investors" section to serve shareholders, by giving complete information pertaining to the Board of Directors and its Committees, annual reports along with supporting documents, financial results including subsidiaries financials, stock exchange disclosures and compliances such as shareholding pattern, corporate governance report and press releases, Notice of the Board and General Meetings, contact details of Registrar and share Transfer Agents, details of unclaimed or unpaid dividend and Investor Education and Protection Fund ('IEPF') related information, amongst others. These are made available on the website in a user-friendly and downloadable form.

V. NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre

NEAPS and BSE Listing Centre are web-based applications designed by NSE and BSE, respectively, for the Corporates for smooth filing of information with the stock exchanges. All periodical compliance filings like shareholding pattern, corporate governance report, press releases, financial results and other disclosures under SEBI Listing Regulations are electronically filed on NEAPS and BSE Listing Centre.

VI. SEBI Complaints Redress System ('SCORES')

Investor complaints are processed through a centralized web-based complaints redressal system. Centralised database of all complaints received, online upload of the Action Taken Reports (ATRs) by the Company, online viewing by investors of actions taken on the complaint and the current status are updated/ resolved electronically in the SEBI SCORES system.

V. General Shareholders Information

A. Company Registration Details

The registered office of the Company is Biocon Limited, 20th KM, Hosur Road, Electronic City, Bengaluru - 560 100 and it is registered in the State of Karnataka, India. The Corporate Identity Number ('CIN') allotted to the Company by the Ministry of Corporate Affairs ('MCA') is L24234KA1978PLC003417.

B. Annual General Meeting

Day, Date and Time	Thursday, July 28, 2022 at 3:30 P.M. (IST)
Venue *	44th Annual General Meeting of the Company will be held at 20th KM, Hosur Road, Electronic City, Bangalore – 560 100, Karnataka, India (Deemed venue)
Financial Year	April 1, 2021 – March 31, 2022
Dividend Payment date	Within 30 (thirty) days of declaration of dividend
Record Date (Dividend)	July 01, 2022
Cut-off (e-voting)	July 21, 2022
Financial Results Calendar for 2022-23 (tentative)	
Q1- FY 23	July 27, 2022
Q2- FY 23	October 20, 2022
Q3- FY 23	January 24, 2023
Q4- FY 23	April 27, 2023
Listed on Stock Exchanges	**National Stock Exchange of India Limited ('NSE')** Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 **BSE Limited ('BSE')** PJ Towers, Dalal Street, Mumbai - 400 001
Stock Code/Symbol	NSE – BIOCON BSE - 532523
International Securities Identification Number ("ISIN")	INE 376G01013
Payment of Annual listing fees to Stock Exchanges	Paid

* In terms of the MCA Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020, the 44th AGM of the Company shall be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM is annexed to the AGM notice and available at the website of the Company at www.biocon.com.

I. Market price data during 2021-22

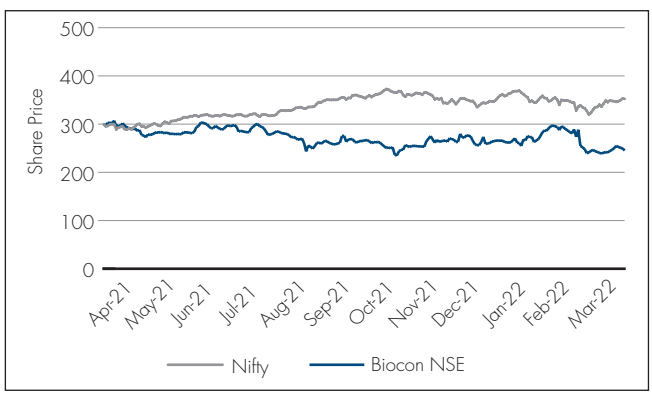
The monthly high/low closing prices and volume of shares of the Company from April 1, 2021 to March 31, 2022 are given below:

Month	BSE			NSE		
	High Price	Low Price	Volume of Equity Shares	High Price	Low Price	Volume of Equity Shares
Apr-21	424.10	378.00	4,042,626	424.40	378.20	84,840,355
May-21	393.70	370.15	2,592,921	393.65	370.15	55,544,400
Jun-21	420.25	382.85	3,537,472	420.25	382.85	60,320,960
Jul-21	414.30	376.95	3,226,466	414.40	376.70	59,979,772
Aug-21	392.35	327.75	2,145,556	392.45	327.55	42,858,605
Sep-21	398.60	350.00	3,062,262	394.15	350.05	58,722,361
Oct-21	370.40	314.90	4,027,520	370.60	314.80	55,033,772
Nov-21	378.00	342.75	8,666,082	377.60	342.50	53,408,750
Dec-21	387.80	343.10	2,729,977	387.90	343.05	71,401,931
Jan-22	382.45	347.10	3,216,556	382.50	347.00	58,285,375
Feb-22	410.50	347.10	3,078,047	410.70	347.00	66,067,524
Mar-22	353.40	319.00	3,138,802	353.45	319.10	79,269,906

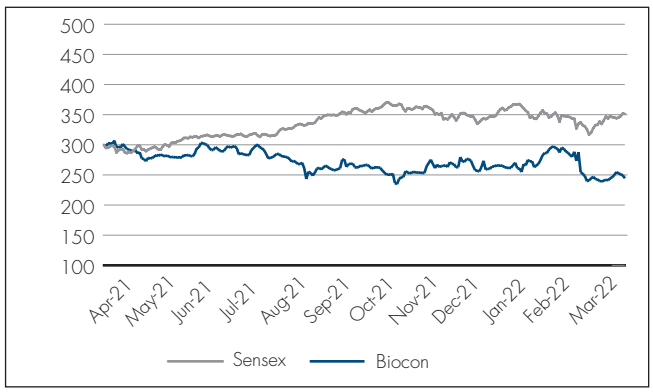
II. Performance in comparison with broad based indices

The chart below depicts the performance of the Company's share price in comparison to broad-based indices, such as BSE Sensex and NSE Nifty. The Biocon Management cautions that the stock movement shown in the graph below should not be considered indicative of potential future stock price performance.

Biocon & Nifty share price movement from April 01, 2021 to March 31, 2022



Biocon & BSE Sensex share price movement from April 01, 2021 to March 31, 2022



III. Share transfer system

The Company has Stakeholders Relationship Committee to review and resolve the complaints by shareholders which may arise from time to time and the status of such complaints or requests is placed before the Board. The Company has complied with the requirements as specified in Regulation 40 of SEBI Listing Regulations for effecting transfer of securities of the Company.

On receipt of proper documentation, the Company registers transfers of securities in the name of the transferee(s) and issue certificates or receipts or advices, as applicable, of such transfers, within a period of 15 (fifteen) days from the date of such receipt of request for transfer, subject to documents being valid and complete in all respects.

In terms of Regulation 40(9) of the SEBI Listing Regulations, the Company obtains an annual compliance certificate, from a Company Secretary in Practice with respect to due compliance of share and security transfer formalities by the Company and the copy of the compliance certificate is submitted to the Stock Exchanges.

SEBI, effective from April 1, 2019, barred physical transfer of shares of the listed companies and mandated transfers only in dematerialised form. However, shareholders are not barred from holding shares in physical form. SEBI vide its notification dated January 24, 2022 further notified that transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

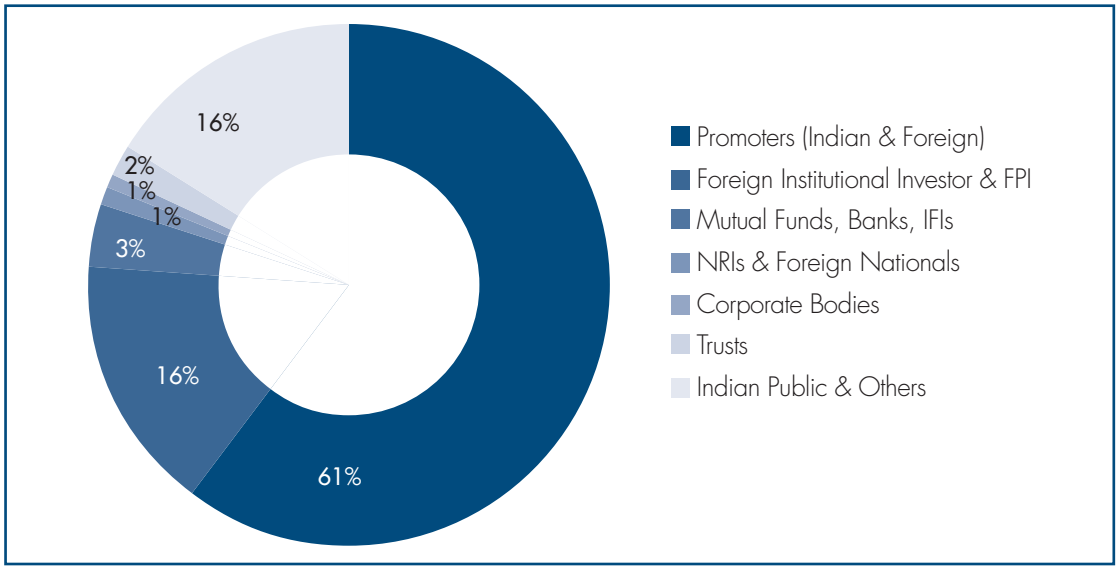
IV. Dematerialization of shares and liquidity

As on March 31, 2022, 99.77% of the equity shares were in electronic form. Trading in equity shares of the Company is permitted only in dematerialized form. The Company's equity shares are actively traded on both National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

Further, as mandated by the Securities and Exchange Board of India ("SEBI"), existing members of the Company, who hold securities in physical form and intend to transfer their securities, can do so only in dematerialised form. Hence, shareholders who hold shares in physical form are requested to dematerialise these shares to ensure such shares are freely transferable.

V. Distribution of shareholding (category wise) as on March 31, 2022 is as under:

S. No	Category	No. of Shares	% to Equity
1	Promoters (Indian & Foreign)	728,024,176	60.64
2	Foreign Institutional Investor & FPI	187,494,014	15.62
3	Mutual Funds, Banks, IFIs	42,564,674	3.54
4	NRIs & Foreign Nationals	9,940,103	0.83
5	Corporate Bodies	12,252,020	1.02
6	Trusts	25,983,892	2.16
7	Indian Public & Others	194,341,121	16.19
	Total	**1,200,600,000**	**100.00**



VI. Distribution of shareholding as on March 31, 2022:

Sl. No	Category (Amount)	No. of Holders	% To Holders	Amount (₹)	% To Equity
1	1 - 5,000	3,32,303	95.51	18,92,13,865.00	3.15
2	5,001 - 10,000	8,346	2.40	5,92,58,425.00	0.99
3	10,001 - 20,000	3,705	1.06	5,20,86,070.00	0.87
4	20,001 - 30,000	1,216	0.35	3,09,99,775.00	0.52
5	30,001 - 40,000	442	0.13	1,54,78,345.00	0.26
6	40,001 - 50,000	341	0.10	1,56,25,775.00	0.26
7	50,001 - 1,00,000	641	0.18	4,51,93,655.00	0.75
8	1,00,001 and above	917	0.26	5,59,51,44,090.00	93.20
	TOTAL:	**3,47,911**	**100.00**	**6,00,30,00,000.00**	**100.00**

VII. Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity.

The Company has not issued any ADRs/GDRs/Warrants or any convertible instruments.

VIII. Commodity price risk or foreign exchange risk and hedging activities

The input pricing risk is managed through appropriate long-term rate contracts and constant evaluation of alternate support sources for key raw materials. The Company has an approved Foreign Exchange Risk Management Policy and accordingly, during the financial year ended March 31, 2022, the Company managed foreign exchange risk and hedged these to the extent considered necessary. The details of foreign currency exposure and hedging are disclosed in Notes to Standalone Financial Statements.

IX. Plant locations

1	2	3	4
20th KM, Hosur Road, Electronics City, Bengaluru, Karnataka - 560 100, India	Biocon Park, Plot No. 2, 3, 4 & 5, Bommasandra- Jigani Link Road, Bengaluru, Karnataka - 560 099, India	Plot 213-215, IDA Phase - II, Pashamylaram, Medak District, 502 307, Andhra Pradesh, India	Plot No. 2, J.N. Pharma City, IDA, Parvada, Vizag, Andhra Pradesh – 531 021, India

X. Address for correspondence

Corporate Governance & Compliance, Investor Grievances Redressal Mr. Mayank Verma Company Secretary, Compliance Officer & Nodal Officer Tel: 91 80-2808 2038 E-mail id: co.secretary@biocon.com	**Financial Disclosure and Information** Mr. Indranil Sen Chief Financial Officer Tel: 91 80 - 2808 2808 E-mail id: indranil.sen@biocon.com
Media & Corporate Communications Ms. Seema Shah Ahuja Senior Vice-President & Global Head Corporate Communications & Corporate Brand Biocon Group Tel: 91 80- 2808 2808 E-mail id: Seema.Ahuja@biocon.com	**Corporate Communications** Mr. Calvin Printer Vice President Corporate Communications Tel: 91 80- 2808 2808 E-mail id: calvin.printer@biocon.com
Investor Relations (Institutional Investors & Research Analysts) Ms. Aishwarya Sitharam Head - Investor Relations Tel: 91 80 2808 2040 E-mail id: investor.relations@biocon.com	**Registrar and Share Transfer Agents ('RTA')** KFin Technologies Limited (Unit: Biocon Limited) Plot 31-32, Selenium, Tower B, Gachibowli, Financial District, Nanakramgud, Hyderabad – 500 032 E-mail id: einward.ris@kfintech.com

XI. Credit Ratings

During the year under review, CRISIL vide its letter dated March 9, 2022, has placed its 'CRISIL AA+' rating on the long-term bank facilities of the Company on 'Watch with Developing Implications'. The rating on the short-term bank facilities has been reaffirmed at 'CRISIL A1+'. Further, ICRA Limited vide its letter dated March 10, 2022 has placed its 'ICRA AA+' and 'ICRA A1+' ratings on the long term and short-term banking facilities of the Company on 'Watch with Developing Implications'.

C. Other Disclosures

I. Materially significant related party transactions

During the financial year under review, no materially significant transactions or arrangements were entered into between the Company and its promoters, management, Directors or their relatives, subsidiaries, etc. that may have potential conflict with the interests of the Company at large. The Company has formulated a policy on dealing with Related Party Transactions, which specifies the manner of entering into Related Party Transactions. This policy has also been posted on the website of the Company at https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/.

II. Details of Non-compliance

During the last 3 (three) years, there were no instances of non-compliances by the Company related to capital markets and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authorities. Further, the securities of the Company were not suspended from trading at any time during the year.

III. Compliance with corporate governance requirements

The Company has complied with the requirements of corporate governance specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

IV. Vigil Mechanism

The vigil mechanism as envisaged in the Companies Act, 2013 and SEBI Listing Regulations is implemented through the Company's Whistle Blower Policy to adequately safeguard against victimisation of persons who use such mechanism. During the year, no personnel was denied access to the Audit Committee of the Company. The address of the Chairperson of the Audit Committee has been given in the policy for the employees, Directors, vendors, suppliers or other stakeholders associated with the Company to report any matter of concern. Vigil mechanism of the Company is available on the website of the Company at https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/.

V. Compliance with mandatory and discretionary requirements

The Company has complied with all mandatory requirements prescribed by SEBI Listing Regulations and the Company has also complied with below mentioned discretionary requirements as stated under Part E of Schedule II to the SEBI Listing Regulations, as under:

- **Modified opinion(s) in audit report:** During the financial year under review, there is no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure regime of unqualified financial statements.

- **Reporting of Internal Auditors:** Internal Auditors report directly to the Audit Committee.

VI. Policy for determining material subsidiary

The Company has formulated a policy for determining Material subsidiaries as defined under the SEBI Listing Regulations. This policy is also published on the website of the Company at https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/.

VII. Policy for determining Related Party transactions

The Company has formulated a policy on materiality of related party transactions and on dealings with such transactions. This policy has also been published on the website of the Company at https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/.

VIII. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) during the financial year 2021-22.

IX. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors of the Company

The details of payment made to them on consolidated basis are available under Note 28 to the Financial Statements of this report.

X. Certificate from Company Secretary in Practice

As required under Regulation 34(3) read with Clause 10(i), Part C of Schedule V of the SEBI Listing Regulations, the Company has received a Certificate from Mr. Pradeep Kulkarni, Company Secretary in Practice, Partner of M/s. V Sreedharan and Associates, certifying that none of our directors on the Board of the Company have been debarred or disqualified from being

appointed or to continue as directors of Company by the SEBI or Ministry of Corporate Affairs or any such statutory authority. This document is annexed to this report.

XI. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The disclosure regarding the complaints of sexual harassment are given in the Board's Report.

XII. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount'

There were no loans and advances provided to firms/companies in which directors are interested.

XIII. Disclosures with respect to demat suspense account/ unclaimed suspense account

The Company does not have any securities in the demat suspense account/unclaimed suspense account.

XIV. Code of Conduct

The Code of Conduct ('the Code') for Board Members and senior management personnel as adopted by the Board, is a comprehensive Code applicable to Directors and senior management personnel. The Code lays down in detail, the standards of business conduct, ethics and strict governance norms for the Board and senior management personnel. A copy of the Code is available on the website of the Company at https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/ . The Code has been circulated to Directors and senior management personnel and its compliance is affirmed by them annually. A declaration signed by the Chief Executive Officer to this effect is annexed with this Report.

XV. Code of Conduct for Prevention of Insider Trading

The Company has formulated a comprehensive Code of Conduct for Prevention of Insider Trading for its designated persons, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. The Directors, officers, designated persons and other connected persons of the Company are governed by the Code. The Code is also posted on the website of the Company at https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/.

XVI. Disclosure by Senior Management Personnel

The senior management of your Company have made disclosures to the Board confirming that there are no material, financial and commercial transactions where they have personal interest that may have a potential conflict of interest with the Company at large.

XVII.CEO and CFO certification

As required by Regulation 17(8) read with Schedule II Part B of the SEBI Listing Regulations, the Chief Executive Officer and the Chief Financial Officer of the Company have furnished to the Board, the requisite compliance certificate for the financial year ended March 31, 2022.

XVIII. Certificate for compliance with Corporate Governance

A certificate from the statutory auditors confirming compliance with conditions of Corporate Governance is annexed to this Report.

XIX. Secretarial Audit

The secretarial audit report of the Company for the year ended March 31, 2022, issued by Mr. Pradeep Kulkarni, Partner of M/s. V. Sreedharan & Associates, Practicing Company Secretaries forms part of the Board's Report as Annexure 4.

As on March 31, 2022, none of the subsidiaries of the Company except Biocon Biologics Limited (BBL) qualified to be material unlisted subsidiaries. Further, pursuant to the provisions of the Regulation 24A of SEBI Listing Regulations, the secretarial audit report of BBL forms part of the Boards' Report as Annexure 4A.

XX. Agreement on compensation of profit sharing in connection with dealings in securities of the Company

During the financial year under review, no employee including Key Managerial Personnel or Director or Promoter of the Company had entered into any agreement, either for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in securities of the Company.

XXI. Declaration on Code of Conduct

Biocon is committed to conducting its business in accordance with the applicable laws, rules and regulations and with the highest standards of business ethics. The Company has adopted a "Code of Ethics and Business Conduct" which is applicable to all Directors, officers and employees.

I hereby certify that the Board Members and senior management personnel of the Company have affirmed compliance with the Code of Ethics and Business conduct for the financial year 2021-22.

For Biocon Limited

Sd/-

Date: April 28, 2022
Place: Bengaluru

Siddharth Mittal
Managing Director and CEO

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
BIOCON LIMITED
20th K.M. Hosur Road,
Electronic City, Bengaluru - 560100

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of BIOCON LIMITED, having CIN L24234KA1978PLC003417 and having registered office at 20th K.M. Hosur Road, Electronic City, Bengaluru - 560100 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs (MCA).

Details of Directors:

S. No.	Name of Director	DIN	Date of appointment in Company
1.	Ms. Kiran Mazumdar-Shaw	00347229	01/04/2010
2.	Mr. Eric Vivek Mazumdar	09381549	01/11/2021
3.	Mr. Bobby Kanubhai Parikh	00019437	27/07/2018
4.	Mr. Ravi Rasendra Mazumdar	00109213	08/08/2000
5.	Mr. Meleveetil Damodaran	02106990	26/04/2016
6	Mr. Siddharth Mittal	03230757	01/12/2019
7.	Ms. Mary Harney	05321964	26/04/2012
8.	Mr. Daniel Mark Bradbury	06599933	25/04/2013
9.	Mr. Vijay Kumar Kuchroo	07071727	22/01/2015

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **V Sreedharan and Associates**

Sd/-
(Pradeep B Kulkarni)
Partner
FCS: 7260; CP No.7835
UDIN Number: F007260D000226237

Place: Bengaluru
Date: April 28, 2022

INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

TO,

The Members of Biocon Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 10 August 2021 and addendum to the engagement letter dated 18 April 2022.

2. We have examined the compliance of conditions of Corporate Governance by Biocon Limited ("the Company"), for the year ended 31 March 2022, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2022.

6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

sd/-
Sampad Guha Thakurta
Partner
Membership Number: 060573
Unique Document Identification Number (UDIN):
22060573AIAMAP7120

Place: Bengaluru
Date: 28 April 2022

Independent Auditor Report

To the Members of Biocon Limited

Report on the Audit of the Standalone Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Taxation

The key audit matters	How the matter was addressed in our audit
The Company is subject to complexities with respect to various tax positions on matters such as: - deductibility of transactions - availability of tax incentives and exemptions, - cross border transfer pricing arrangements etc. Judgment is required in assessing the range of possible outcomes for some of these tax matters. These judgments could change over time as each of the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents. The Company makes an assessment to determine the outcome of these uncertain tax positions and decides to make an accrual or consider it to be a possible contingent liability.	Our audit procedures in relation to Taxation include the following: • Tested the design of key internal financial controls and operating effectiveness of the relevant key controls around the tax computation and tax matters; • We obtained an understanding of the key uncertain tax positions based on list of ongoing litigations and tax computation for the current year; • We analysed select key correspondences with the tax authorities to identify any additional uncertain tax positions;

Taxation	
The key audit matters	**How the matter was addressed in our audit**
Where the amount of tax liabilities are uncertain, the Company recognizes accruals which reflect its best estimate of the outcome based on the facts known. Accordingly, we focused on this area. For further information refer to: - Significant accounting policies which includes General accounting principles, Key accounting judgements, estimates and assumptions - Note 2(m) - financial disclosures set out in Note 33 for Tax expense and Note 34 for contingent liabilities. in the standalone financial statements for the year ended March 31, 2022.	• We analysed the Company's judgment regarding the eventual resolution of matters with various tax authorities. In this regard, we understood how the Company has considered past experience, where available, with the tax authorities; • We also considered external legal opinions and consultations made by the Company for key uncertain tax positions during current and past periods; and • We used our own tax specialists' expertise to assess key assumptions made by the Company.

Revenue and receivables	
The key audit matter	**How the matter was addressed in our audit**
Revenue from sale of goods is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control is usually transferred upon shipment, delivery to certain named location, or upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers and other terms generally recognised under internationally accepted commercial arrangements. The amount of revenue to be recognised is based on the consideration expected to be received in exchange for goods, excluding trade discounts, volume discounts, sales returns and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, goods and services tax etc., where applicable. Revenue is one of the key performance indicators of the Group and there could be a risk that revenue is recognized in the incorrect period or before the control has been transferred to the customer. Further, the Company has significant trade receivables at year end including certain balances with related parties. Given the size of the balances and the risk of some of the trade receivables not being recoverable, judgment is required to evaluate the adequacy of allowance recorded to reflect the risk. Refer to Note 2(k) of the summary of significant accounting policies to the standalone financial statements	Our audit procedures in relation to revenue recognition includes the following: • Assessed the appropriateness of the Group's revenue recognition accounting policies and assessed compliance with the policies in terms of applicable accounting standards. • Tested the design and operating effectiveness of the Group's controls around revenue recognition. • Performed substantive testing (including year-end cutoff testing) by selecting samples of revenue transactions recorded during the year and verifying the underlying documents, which includes sales invoices/contracts and shipping documents. • Assessing journal entries posted to revenue to identify unusual items not already covered by our audit testing • Evaluated management's assessment of the impact on revenue recognition and consequential impact on the expected credit loss allowance on receivables.

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

The Company's Management and Board of Directors are responsible for the other information. The other information comprises of Management Reports such as Board's Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report (but does not include the Standalone Financial Statements and our Auditors' Report thereon) which we have obtained prior to the date of this Auditors' Report, and the remaining sections of the Company's Annual Report, which are expected to be made available to us after that date.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this Auditors' Report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections of the Annual Report (other than those mentioned above), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

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

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

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

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

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

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

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

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

circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

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

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

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

   a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 34 to the standalone financial statements.

b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 36 to the standalone financial statements.

c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company; or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

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

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

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

e) As stated in Note 46 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

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

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

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

Sampad Guha Thakurta
Partner
Membership Number: 060573
UDIN: 22060573AIAPOM9875

Place: Bangalore
Date: 28 April 2022

Annexure A to the Independent Auditors' Report

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

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

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

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

(i) (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which is not held in the name of the Company:

Description of property	Gross carrying value (INR in million)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company Also indicate if in dispute
Freehold Land	35	Telangana State Industrial Infrastructure Corporation Limited	No	6 to 7 years	The land will be transferred to the Company once certain terms and conditions of the sale agreement are complied with which is currently pending. There is no dispute.

(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 provided any security or granted any advances in the nature of loans, secured or unsecured to companies, limited liability partnership and other parties during the year. The Company has made investments, provided guarantees and granted loans to companies during the year, in respect of which the requisite information is as below. The Company has not provided any guarantee and granted any loans, secured or unsecured, to limited liability partnership or any other parties during the year.

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

Particulars	Guarantees	Loans
Aggregate amount during the year - Subsidiaries*	16,009 millions	474 millions
Balance outstanding as at balance sheet date - Subsidiaries*	3,398 millions	413 millions

*As per the Companies Act, 2013

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

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided during the year and the terms and conditions of the grant of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the principal and interest is repayable on demand. As informed to us, the Company has not demanded repayment of the loan and interest during the year. Thus, there has been no default on the part of the party to whom the money has been lent. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment except for the following loans to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

	Related Parties
Aggregate of loans	
- Repayable on demand (A)	474 millions
- Agreement does not specify any terms or period of Repayment (B)	Nil
Total (A+B)	**474 millions**
Percentage of loans to the total loans	100%

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

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

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

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

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

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

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to GST, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any disputes, other than those set out in Appendix 1.

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

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising of Management Reports such as Board's Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report which we obtained prior to the date of this Auditor's report and the remaining sections of the Company's Annual Report are expected to be made available to us after the date of this auditor's report.

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

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

Sampad Guha Thakurta
Partner
Membership Number: 060573
UDIN: 22060573AIAPOM9875

Place: Bangalore
Date: 28 April 2022

Appendix I Referred to in paragraph vii (b) of Annexure A to the Independent Auditors' Report

Name of the statute	Nature of the dues	Amount (INR In Million)	Amount paid in protest (INR In Million)	Period to which the amount relates	Forum where dispute is pending
Income-Tax Act, 1961	Income Tax	4	4	FY 1996 - 97	Supreme Court
Income-Tax Act, 1961	Income Tax	1,348	635	FY 2009-10 to FY 2016-17	Income Tax Appellate Tribunal ("ITAT")
Income-Tax Act, 1961	Income Tax	13	12	FY 1997-98, FY 2003-04 to FY 2004-05	High Court of Karnataka
Income-Tax Act, 1961	Income Tax	62	62	FY 2013-14	Commissioner (Appeals)
Finance Act, 1994	Service-Tax	-*	-	FY 2017-18	Deputy Commissioner
Finance Act, 1994	Service-Tax	188	-	FY 2006-07 to FY 2016-17	Customs, Excise and Service Tax Appellate Tribunal ("CESTAT")
Entry Tax (The West Bengal Tax on Entry of goods into Local Areas Act, 2012)	Entry Tax	20	-	FY 2012-13 to FY 2016-17	High Court of West Bengal
Value Added Tax Act, 2005	Value Added Tax	2	1	FY 2005-06	Commissioner (Appeals)
Value Added Tax Act, 2005	Value Added Tax	84	11	FY 2008-09 to FY 2015-16	Joint Commissioner Appeals
Central Sales Tax Act 1956	CST	38	1	FY 2008-09 to FY 2013-14	Joint Commissioner Appeals
The Central Excise Act, 1944	Excise Duty	273	53	FY 2005-06 to FY 2009-10 and FY 2011-12 to FY 2013-14	Customs, Excise and Service Tax Appellate Tribunal ("CESTAT")
The Central Excise Act, 1944	Excise Duty	56	-	FY 2008-09 to FY 2013-14	Commissioner (Appeals)
The Customs Act, 1962	Customs duty	45	45	FY 1994-95, FY 2004-05 to FY 2008-09	Customs, Excise and Service Tax Appellate Tribunal ("CESTAT")
The Customs Act, 1962	Customs duty	5	1	FY 2003-04, FY 2005-06, FY 2007-08, FY 2008-09, FY 2010-11, FY 2011-12, FY 2013-14 & 2014-15	Commissioner (Appeals)
The Customs Act, 1962		47	-	FY 2012 -16	Karnataka High Court

* Amounts are not presented since the amounts are rounded off to INR million.

Annexure B to the Independent Auditor's report on the standalone financial statements of Biocon Limited for the year 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 (2h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to the standalone financial statements of Biocon Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial controls with Reference to Standalone Financial Statements

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

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

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

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

Sampad Guha Thakurta
Partner
Membership Number: 060573
UDIN: 22060573AIAPOM9875

Place: Bangalore
Date: 28 April 2022

Balance Sheet as at March 31, 2022

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

	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	7,466	6,691
Capital work-in-progress	3	2,703	1,646
Investment properties	4(a)	655	695
Right-of-use-assets	4(b)	377	391
Other intangible assets	5	204	204
Intangible assets under development	5	146	146
Financial assets			
(i) Investments	6	50,178	50,734
(ii) Loans	7(a)	190	-
(iii) Other financial assets	8(a)	331	704
Income-tax asset (net)		887	887
Deferred tax assets (net)	18	1,200	1,464
Other non-current assets	9(a)	331	482
Total Non-Current Assets		**64,668**	**64,044**
CURRENT ASSETS			
Inventories	10	5,415	4,309
Financial Assets			
(i) Investments	11	2,622	3,393
(ii) Trade receivables	12	7,006	6,054
(iii) Cash and cash equivalents	13(a)	1,110	2,535
(iv) Bank balances other than (iii) above	13(b)	5,783	3,477
(v) Loans	7(b)	223	-
(vi) Other financial assets	8(b)	1,318	1,223
Other Current Assets	9(b)	545	702
Total Current Assets		**24,022**	**21,693**
TOTAL ASSETS		**88,690**	**85,737**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	14(a)	6,003	6,000
Other Equity	14(b)	74,926	73,071
Total equity		**80,929**	**79,071**
NON-CURRENT LIABILITIES			
Financial Liabilities			
(i) Lease Liabilities	38	1	12
(ii) Borrowings	15(a)	759	-
(iii) Other financial liabilities	16(a)	141	144
Provisions	17(a)	256	263
Other non-current liabilities	19(a)	695	745
Total Non-Current Liabilities		**1,852**	**1,164**
CURRENT LIABILITIES			
Financial Liabilities			
(i) Lease liabilities	38	9	12
(ii) Borrowings	15(b)	-	7
(iii) Trade payables			
Total Outstanding Dues of Micro Enterprises and Small Enterprises		413	198
Total outstanding dues of creditors other than micro and small enterprises	20	3,396	3,522
(iv) Other financial liabilities	16(b)	683	448
Provisions	17(b)	248	255
Current Tax Liabilities (Net)		909	872
Other current liabilities	19(b)	251	188
Total Current Liabilities		**5,909**	**5,502**
TOTAL EQUITY AND LIABILITIES		**88,690**	**85,737**

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

As per our report of even date attached

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

Sampad Guha Thakurta
Partner
Membership No. 060573

Bengaluru
April 28, 2022

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

Kiran Mazumdar-Shaw
Executive Chairperson
DIN: 00347229

Siddharth Mittal
Managing Director & CEO
DIN: 03230757

Indranil Sen
Chief Financial Officer
Bengaluru
April 28, 2022

Mayank Verma
Company Secretary

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 No.	Year ended March 31, 2022	Year ended March 31, 2021
Income			
Revenue from operations	21	17,382	20,284
Other income	22	1,872	1,502
Total income		**19,254**	**21,786**
Expenses			
Cost of materials consumed	23	9,123	7,607
Purchases of stock-in-trade		17	9
Changes in inventories of stock-in-trade, finished goods and work-in-progress	24	(1,058)	367
Employee benefits expense	25	3,677	3,902
Finance costs	26	4	4
Depreciation and amortisation expense	27	1,082	1,035
Other expenses	28	5,012	5,287
		17,857	**18,211**
Less: Recovery of cost from co-development partners (net)		-	(13)
Total expenses		**17,857**	**18,198**
Profit before tax		1,397	3,588
Tax expense			
Current tax	33	322	462
Deferred tax			
MAT credit utilised/(entitlement)		285	273
Other deferred tax (credit)/charge		(71)	48
Total tax expense		**536**	**783**
Profit after tax		861	2,805
Other comprehensive income/(expense)			
(i) Items that will not be reclassified subsequently to profit or loss			
Re-measurement on defined benefit plans		22	14
Equity investments through other comprehensive income - net change in fair value		(35)	(25)
Income tax effect		1	6
		(12)	**(5)**
(ii) Items that will be reclassified subsequently to profit or loss			
Effective portion of gains/(losses) on hedging instrument in cash flow hedges		142	45
Income tax effect		(50)	(16)
		92	**29**
Other comprehensive income for the year, net of taxes		**80**	**24**
Total comprehensive income for the year		**941**	**2,829**
Earning per equity share	31		
Basic (in ₹)		0.72	2.36
Diluted (in ₹)		0.72	2.34

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
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Bengaluru
April 28, 2022

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Managing Director & CEO
DIN: 03230757

Indranil Sen
Chief Financial Officer
Bengaluru
April 28, 2022

Mayank Verma
Company Secretary

Statement of Changes in Equity for the year ended March 31, 2022

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

	As at March 31, 2022	As at March 31, 2021
(A) Equity share capital		
Opening balance	6,000	6,000
Issued during the year	3	-
Closing balance	**6,003**	**6,000**

(B) Other equity

Particulars	Reserves and surplus							Items of other comprehensive income		Total other equity
	Securities Premium	Revaluation reserve	General reserve	Retained earnings	SEZ reinvestment reserve	Share based payment reserve	Treasury shares	Cash flow hedging reserves	Other items of other comprehensive income	
Balance at April 01, 2020	**238**	**9**	**1,616**	**67,952**	**-**	**835**	**(1,345)**	**(7)**	**75**	**69,373**
Profit for the year	-	-	-	2,805	-	-	-	-	-	2,805
Other comprehensive income, net of tax	-	-	-	-	-	-	-	29	(5)	24
Total comprehensive income for the year	**-**	**-**	**-**	**2,805**	**-**	**-**	**-**	**29**	**(5)**	**2,829**
Transactions recorded directly in equity										
Share based payment	-	-	-	-	-	563	-	-	-	563
Purchase of treasury shares	-	-	-	-	-	-	(93)	-	-	(93)
Transfer to SEZ reinvestment reserve	-	-	-	(539)	539	-	-	-	-	-
Transfer from SEZ reinvestment reserve on utilisation	-	-	-	539	(539)	-	-	-	-	-
Exercise of share options	381	-	-	304	-	(381)	95	-	-	399
Balance at March 31, 2021	**619**	**9**	**1,616**	**71,061**	**-**	**1,017**	**(1,343)**	**22**	**70**	**73,071**
Profit for the year	-	-	-	861	-	-	-	-	-	861
Other comprehensive income, net of tax	-	-	-	-	-	-	-	92	(12)	80
Total comprehensive income for the year	**-**	**-**	**-**	**861**	**-**	**-**	**-**	**92**	**(12)**	**941**
Transactions recorded directly in equity										
Share based payment	-	-	-	-	-	489	-	-	-	489
Purchase of treasury shares	-	-	-	-	-	-	(3)	-	-	(3)
Exercise of share options	573	-	-	(594)	-	(573)	1,022	-	-	428
Balance at March 31, 2022	**1,192**	**9**	**1,616**	**71,328**	**-**	**933**	**(324)**	**114**	**58**	**74,926**

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

As per our report of even date attached

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

Sampad Guha Thakurta
Partner
Membership No. 060573

Bengaluru
April 28, 2022

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

Kiran Mazumdar-Shaw
Executive Chairperson
DIN: 00347229

Siddharth Mittal
Managing Director & CEO
DIN: 03230757

Indranil Sen
Chief Financial Officer
Bengaluru
April 28, 2022

Mayank Verma
Company Secretary

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)

	Particulars	March 31, 2022	March 31, 2021
I	**Cash flows from operating activities**		
	Profit for the year	**861**	**2,805**
	Adjustments to reconcile profit for the year to net cash flows		
	Depreciation and amortisation expense	1,082	1,035
	Unrealised foreign exchange (gain)/loss	(45)	106
	Share based compensation expense	295	388
	Provision/(reversal of provision) for doubtful debts, (net)	201	-
	Interest expense	4	4
	Interest income	(415)	(288)
	Net (gain)/ loss on financial assets measured at fair value through profit or loss	(1)	(32)
	Profit on property, plant and equipment sold, (net)	(8)	(16)
	Net gain on sale of investments	(30)	(19)
	Tax expense	536	783
	Operating profit before changes in operating assets and liabilities	**2,480**	**4,766**
	Movements in operating assets and liabilities		
	Decrease/(increase) in inventories	(1,106)	1,038
	Increase in trade receivables	(1,136)	(321)
	Decrease in other assets	466	1,772
	Increase/(decrease) in trade payable, other liabilities and provisions	56	(929)
	Cash generated from operations	**760**	**6,326**
	Income taxes paid (net of refunds)	(284)	(613)
	Net cash flow generated from operating activities	**476**	**5,713**
II	**Cash flows from investing activities**		
	Purchase of Property, plant and equipment	(2,392)	(1,477)
	Purchase of other intangible assets	(75)	(151)
	Proceeds from sale of Property, plant and equipment	21	96
	Proceeds from sales of other intangible assets	-	16
	Loan given to subsidiaries	(960)	(5,750)
	Recovery of loans from subsidiaries	30	2,390
	Purchase of investments	(11,065)	(24,832)
	Proceeds from sale of current investments	12,332	24,039
	Proceeds from sale of investments in subsidiary	-	5,000
	Investment in bank deposits and inter corporate deposits	(7,629)	(7,324)
	Redemption/maturity of bank deposits and inter corporate deposits	6,397	800
	Interest received	285	81
	Net cash flow used in investing activities	**(3,056)**	**(7,112)**
III	**Cash flows from financing activities**		
	Purchase of Treasury shares	(3)	(93)
	Exercise of share options	428	399
	Repayment of long-term borrowings	(7)	(7)
	Proceeds from long-term borrowings	733	-
	Repayment of principal portion of lease liabilities	(17)	(21)
	Interest Paid	(14)	-
	Net cash flow generated from financing activities	**1,120**	**278**

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)			
Particulars		**March 31, 2022**	**March 31, 2021**
IV	**Net decrease in cash and cash equivalents (I + II + III)**	**(1,460)**	**(1,121)**
V	**Effect of exchange differences on cash and cash equivalents held in foreign currency**	35	(94)
VI	**Cash and cash equivalents at the beginning of the year**	2,535	3,750
VII	**Cash and cash equivalents at the end o f the year (IV + V + VI)**	**1,110**	**2,535**
	Reconciliation of cash and cash equivalents as per statement of cash flow		
	Cash and cash equivalents (Note 13)		
	Balances with banks - on current accounts	1,106	2,530
	Balances with Banks - on unpaid dividend accounts#	4	5
	Balance as per statement of cash flows	**1,110**	**2,535**

#The Company can utilize these balances only towards settlement of the respective unpaid dividend liabilities.

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities as at March 31, 2022

Particulars	Opening balance April 1, 2021	Cash flows	Non-cash movement	Closing balance March 31, 2022
Borrowings (including current maturities)	7	726	26	759
Interest accrued but not due	1	(14)	15	2
Total liabilities from financing activities	**8**	**712**	**41**	**761**

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities as at March 31, 2021

Particulars	Opening balance April 1, 2020	Cash flows	Non-cash movement	Closing balance March 31, 2021
Borrowings (including current maturities)	14	(7)	-	7
Interest accrued but not due	1	-*	-	1
Total liabilities from financing activities	**15**	**(7)**	**-**	**8**

(a) Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

* Amounts are not presented since the amounts are rounded off to Rupees million.

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

As per our report of even date attached

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

Sampad Guha Thakurta
Partner
Membership No. 060573

Bengaluru
April 28, 2022

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

Kiran Mazumdar-Shaw
Executive Chairperson
DIN: 00347229

Siddharth Mittal
Managing Director & CEO
DIN: 03230757

Indranil Sen
Chief Financial Officer
Bengaluru
April 28, 2022

Mayank Verma
Company Secretary

Notes to the Standalone Financial Statements

for the year ended March 31, 2022

1. Company Overview

1.1 Reporting entity

Biocon Limited ("Biocon" or "the Company"), is engaged in the manufacture of biotechnology products and research services. The Company is a public limited company incorporated and domiciled in India and has its registered office in Bengaluru, Karnataka, India. The Company's shares are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) in India.

1.2 Basis of preparation of financial statements

a) Statement of compliance

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

These standalone financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, March 31, 2022. These standalone financial statements were authorised for issuance by the Company's Board of Directors on April 28, 2022.

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

b) Functional and presentation currency

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

c) Basis of measurement

These standalone financial statements have been prepared on the historical cost basis (i.e on accrual basis), except for the following items:

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

d) Use of estimates and judgements

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

Judgements

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

- Note 2(a) and 36 — Financial instruments;
- Note 2(b), 2(c) and 2(d) — Useful lives of property, plant and equipment, intangible assets and investment property;
- Note 2(p) and 38 — Lease, whether an agreement contains a lease;
- Note 35 — Measurement of defined benefit obligation; key actuarial assumptions;
- Note 30 — Share based payments;
- Note 2(m) and 33 — Provision for income taxes and related tax contingencies and Evaluation of recoverability of deferred tax assets.
- Note 2(k) and 21 — Revenue Recognition: whether revenue from sale of product and licensing income is recognised over time or at a point in time;

1.3 Assumptions and estimation uncertainties

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

- Note 2(h)(ii) – impairment test of non-financial assets; key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets;
- Note 18 and 33 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 36 – impairment of financial assets; and
- Note 17 and 34 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

1.4 Measurement of fair values

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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

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

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

- Note 30 – share based payment arrangements;
- Note 4 (a) – investment property; and
- Note 2(a) and 36 – financial instruments.

2. Significant accounting policies

a. Financial instruments

i. Recognition and initial measurement

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

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

ii. Classification and subsequent measurement

Financial assets

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

— amortised cost;

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

— Fair value through profit and loss (FVTPL)

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

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

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

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

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

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

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

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

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

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss to retained earnings. Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Investments in subsidiaries

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss. However, see Note 36 for derivatives designated as hedging instruments.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

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

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

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

Financial liabilities

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

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

iv. Offsetting

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

v. Derivative financial instruments and hedge accounting

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

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

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

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

vi. Cash flow hedges

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

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

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

vii. Treasury shares

The Company has created an Employee Welfare Trust (EWT) for providing share-based payment to its employees. Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. When the treasury shares are issued to the employees by EWT, the amount received is recognised as an increase in equity and the resultant gain / (loss) is transferred to / from securities premium.

viii. Cash and cash equivalents

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

Cash dividend to equity holders

The Company recognises a liability to make cash to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

b. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price including import duty and non refundable taxes or levies , any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Property, plant and equipment (continued)

Expenditure incurred on startup and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised.If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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

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

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

ii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method. Freehold land is not depreciated.

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

Asset	Assets Classification	Management estimate of useful life	Useful life as per Schedule II
Building	Building	25 years	30 years
Roads	Building	5 years	5 years
Plant and equipment (including Electrical installation and Lab equipment)	Plant and Machinery	9-11 years	8-20 years
Computers and servers	Plant and Machinery	3 years	3-6 years
Office equipment	Plant and Machinery	5 years	5 years
Research and development equipment	Research and development equipment	9 years	5-10 years
Furniture and fixtures	Furniture and fixtures	6 years	10 years
Vehicles	Vehicles	6 years	6-10 years
Leasehold improvements	Leasehold improvements	5 years or lease period whichever is lower	
Leasehold land	Land and Right to use-assets	90 years or lease period whichever is lower	

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

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

Property, plant and equipment (continued)

iii. Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

c. Intangible assets

Internally generated: Research and development

Expenditure on research activities is recognised in statement of profit and loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in statement of profit and loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Others

Other intangible assets are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

i. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on brands, is recognised in statement of profit and loss as incurred.

ii. Amortisation

Intangible assets are amortised on a straight line basis over the estimated useful life as follows:

— Computer software	3-5 years
— Marketing and Manufacturing rights	5-10 years
— Customer related intangibles	5 years
— Intellectual property rights	5-10 years

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

d. Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Based on technical evaluation and consequent advice, the management believes a period of 25 years as representing the best estimate of the period over which investment properties (which are quite similar) are expected to be used. Accordingly, the Company depreciates investment properties over a period of 25 years on a straight-line basis. The useful life estimate of 25 years is different from the indicative useful life of relevant type of buildings mentioned in Part C of Schedule II to the Act i.e. 30 years. Any gain or loss on disposal of an investment property is recognised in statement of profit and loss.

e. Business combination

In accordance with Ind AS 103, Business combinations, the Company accounts for business combinations after acquisition date using the acquisition method when control is transferred to the Company. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration and deferred consideration, if any. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred.

Business combinations between entities under common control is accounted for at carrying value.

f. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

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

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

g. Foreign currency Transactions and translations:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of

monetary assets and liabilities denominated in foreign currencies at balance sheet date exchange rates are generally recognised in Statement of Profit and Loss.

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

h. Impairment

i. Impairment of financial assets

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

— financial assets measured at amortised cost; and

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

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

ii. Impairment of non-financial assets

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

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

The Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

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

i. Employee benefits

i. Short-term employee benefits:

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

ii. Post-employment benefits:

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

Gratuity

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

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

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

Provident Fund

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

iii. Compensated absences:]

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

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

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

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

iv. Share-based compensation

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

The grant date fair value of options granted (net of estimated forfeiture) to employees of the Company is recognised as an employee expense.

The Company has adopted the policy to account for Employees Welfare Trust as a legal entity separate from the Company but as a subsidiary of the Company. Any loan from the Company to the trust is accounted for as a loan in accordance with its term.

The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under "share based payment reserve". The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black-Scholes-Merton). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

j. Provisions (other than for employee benefits)

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

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

Onerous contracts

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

k. Revenue from contracts with customers

i. Sale of goods

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

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

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

ii. Milestone payments and out licensing arrangements

The Company enters into certain dossier sales, licensing and supply arrangements that, in certain instances, include certain performance obligations. Based on an evaluation of whether or not these obligations are inconsequential or perfunctory, the Company recognise or defer the upfront payments received under these arrangements.

Income from out-licensing agreements typically arises from the receipt of upfront, milestone and other similar payments from third parties for granting a license to product- or technology- related intellectual property (IP). These agreements may be entered into with no further obligation or may include commitments to regulatory approval, co-marketing or manufacturing. These may be settled by a combination of upfront payments, milestone payments and other fees. These arrangements typically also consist of subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement. Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, if the milestones are considered substantive, or over the period we have continuing performance obligations, if the milestones are not considered substantive. Whether to consider these commitments as a single performance obligation or separate ones, or even being in scope of Ind-AS 115'Revenues from Contracts with Customers, is not straightforward and requires some judgement. Depending on the conclusion, this may result in all revenue being calculated at inception and either being recognised at point in time or spread over the term of a longer performance obligation. Where performance obligations may not be distinct, this will bundled with the subsequent product supply obligations. The new standard provides an exemption for sales-based royalties for licenses of intellectual property which will continue to be recognised as revenue as underlying sales are incurred.

The Company recognises a deferred income (contract liability) if consideration has been received (or has become receivable) before the company transfers the promised goods or services to the customer. Deferred income mainly relates to remaining performance obligations in (partially) unsatisfied long-term contracts or are related to amounts the Company expects to receive for goods and services that have not yet been transferred to customers under existing, non-cancellable or otherwise enforceable contracts.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

iii. Royalty income and profit share

The Royalty income and profit share earned through a License or collaboration partners is recognised as the underlying sales are recorded by the Licensee or collaboration partners.

iv. Sales Return Allowances

The Company accounts for sales return by recording an allowance for sales return concurrent with the recognition of revenue at the time of a product sale. The allowance is based on Company's estimate of expected sales returns. The estimate of sales return is determined primarily by the Company's historical experience in the markets in which the Company operates.

v. Dividends

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

vi. Rental income

Rental income from investment property is recognised in statement of profit and loss on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

vii. Contribution received from customers/co-development partners towards plant and equipment

Contributions received from customers/co-development partners towards items of property, plant and equipment which require an obligation to supply goods to the customer in the future, are recognised as a credit to deferred revenue. The contribution received is recognised as revenue from operations over the useful life of the assets. The Company capitalises the gross cost of these assets as the Company controls these assets.

viii. Interest income and expense

Interest income or expense is recognised using the effective interest method.

l. Government grants

The Company recognises government grants at their fair value only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants received in relation to assets are recognised as deferred income and amortised over the useful life of such asset. Government grants, which are revenue in nature are either recognised as income or deducted in reporting the related expense based on the terms of the grant, as applicable.

m. Income taxes

Income tax comprises of current and deferred income tax. Income tax expense is recognised in statement of profit and loss except to the extent that it relates to an item recognised directly in equity in which case it is recognised in other comprehensive income. Current income tax for current year and prior periods is recognised at the amount expected to be paid or recovered from the tax authorities, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when:

— temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction; and

— temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Deferred income tax assets and liabilities are measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or substantive enactment date. A deferred income tax assets is recognised to the extent it is probable that future taxable income will be available against which the deductible temporary timing differences and tax losses can be utilised. The Company offsets income-tax assets and liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used

n. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

o. Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be anti-dilutive.

p. Leases

(i) The Company as lessee:

The Company assesses whether a contract contains a lease, at the inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assesses whether a contract conveys the right to control use of an identified asset, the Company assesses whether:

- The contract involves use of an identified asset;
- The Company has substantially all the economic benefits from the use of the asset through the period of lease; and
- The Company has the right to direct the use of an asset.

At the date of commencement of lease, the Company recognises a Right-of-use asset ("ROU") and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with the term of twelve months or less (short term leases) and low value leases. For short term and low value leases, the Company recognises the lease payment as an operating expense on straight line basis over the term of lease. Certain lease agreements include an option to extend or terminate the lease before the end of lease term. ROU assets and the lease liabilities includes these options when it is reasonably certain that they will be exercised.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., higher of fair value less cost to sell and the value-in-use) is determined on individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate explicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right-of- use assets if the Company changes its assessment if whether it will exercise an extension or a termination of option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and the lease payments have been classified as financing cash flows.

(ii) The Company as a Lessor:

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating lease.

q. Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

r. Exceptional items

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

s. Recent accounting developments

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. Property, plant and equipment and Capital work-in-progress

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated) (₹ in lakh)

	Land [Refer note (c)]	Buildings	Leasehold improvements	Plant and equipment [Refer note (a)]	Research and development equipments	Furniture and fixtures	Vehicles	Total	Capital work-in-progress
Gross carrying amount									
At April 01, 2020	**542**	**3,925**	**3**	**11,442**	**1,052**	**456**	**118**	**17,538**	**1,519**
Additions	35	84	-	853	-	22	6	1,000	1,200
Disposals/transfers	-	-	-	-	-	-	(34)	(34)	(1,073)
Transfer to investment property	(8)	(4)	-	-	-	-	-	(12)	-
At March 31, 2021	**569**	**4,005**	**3**	**12,295**	**1,052**	**478**	**90**	**18,492**	**1,646**
Additions	61	233	-	1,398	1	15	25	1,733	2,790
Disposals/transfers	-	-	-	(5)	-	-	(8)	(13)	(1,733)
Transfer to investment property	-	-	-	-	-	-	-	-	-
At March 31, 2022	**630**	**4,238**	**3**	**13,688**	**1,053**	**493**	**107**	**20,212**	**2,703**
Accumulated depreciation									
At April 01, 2020	-	**1,491**	**3**	**8,178**	**818**	**383**	**75**	**10,948**	-
Depreciation for the year	-	174	-	626	55	21	13	889	-
Disposals/transfers	-	-	-	-	-	-	(34)	(34)	-
Transfer to investment property	-	(2)	-	-	-	-	-	(2)	-
At March 31, 2021	**-**	**1,663**	**3**	**8,804**	**873**	**404**	**54**	**11,801**	**-**
Depreciation for the year	-	180	-	693	46	23	12	954	-
Disposals/transfers	-	-	-	(5)	-	-	(4)	(9)	-
Transfer to investment property	-	-	-	-	-	-	-	-	-
At March 31, 2022	**-**	**1,843**	**3**	**9,492**	**919**	**427**	**62**	**12,746**	**-**
Net carrying amount									
At March 31, 2021	**569**	**2,342**	**-**	**3,491**	**179**	**74**	**36**	**6,691**	**1,646**
At March 31, 2022	**630**	**2,395**	**-**	**4,196**	**134**	**66**	**45**	**7,466**	**2,703**

(a) Plant and equipment include computers and office equipment.

(b) Refer note 34 (b) (ii) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(c)

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Freehold Land	35	Telangana state Industrial Infrastructure Corporation limited	NA	November 30, 2015	The land will be transferred to the company once certain terms and conditions of the sale agreement are complied with which is currently pending. There is no dispute.

(d) Borrowing costs capitalised during the year amounted to ₹ 41 (March 31, 2021 - ₹ Nil).

3. Property, plant and equipment and Capital work-in-progress (continued)

3 (a) Capital work in progress ageing schedule

As at March 31, 2022

Particulars	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	2,480	180	43	-	2,703
Projects temporarily suspended	-	-	-	-	-
Total	**2,480**	**180**	**43**	**-**	**2,703**

As at March 31, 2021

Particulars	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	793	679	172	2	1,646
Projects temporarily suspended	-	-	-	-	-
Total	**793**	**679**	**172**	**2**	**1,646**

(i) There are no capital work-in-process whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2022 and March 31, 2021

4 (a) Investment property

Gross carrying amount	
At April 01, 2020	1,089
Transfer from property, plant and equipment	12
At March 31, 2021	**1,101**
Transfer from property, plant and equipment	-
At March 31, 2022	**1,101**
Accumulated depreciation	
At April 01, 2020	364
Depreciation for the year	40
Transfer from property, plant and equipment	2
At March 31, 2021	**406**
Depreciation for the year	40
Transfer from property, plant and equipment	-
At March 31, 2022	**446**
Net carrying amount	
At March 31, 2021	695
At March 31, 2022	**655**

(a) During the year, the Company has recognised rental income of ₹ 303 (March 31, 2021 ₹ 283) in the statement of profit and loss for investment property.

(b) The fair value of investment property is ₹ 2,194 (March 31, 2021 ₹ 2,234), based on market observable data. The company has not engaged any registered valuer for determining the above fair value.

(c) Company's investment properties consist of land and building in Bangalore.

4(b) Right-of-use assets

Particulars	Land	Buildings	Vehicles	Total
Gross carrying amount				
At April 01, 2020	374	3	32	409
Additions	-	-	15	15
Disposals/transfer	-	-	(6)	(6)
At March 31, 2021	**374**	**3**	**41**	**418**
Additions	-	-	-	-
Disposals/transfer	-	-	(5)	(5)
At March 31, 2022	**374**	**3**	**36**	**413**
Accumulated depreciation				
At April 01, 2020	2	1	10	13
Disposals/transfer	-	-	(2)	(2)
Depreciation for the year	2	2	12	16
At March 31, 2021	**4**	**3**	**20**	**27**
Disposals/transfer	-	-	(4)	(4)
Depreciation for the year	2	-	11	13
At March 31, 2022	**6**	**3**	**27**	**36**
Net carrying amount				
At March 31, 2021	370	-	21	391
At March 31, 2022	**368**	**-**	**9**	**377**

5. Other intangible assets

Particulars	Intellectual property rights	Computer software	Marketing and Manufacturing rights	Customer related intangible	Total	Intangible assets under development
Gross carrying amount						
At April 01, 2020	81	448	294	77	900	-
Additions	-	73	-	-	73	146
Disposals	-	-	-	-	-	-
At March 31, 2021	**81**	**521**	**294**	**77**	**973**	**146**
Additions	-	75	-	-	75	-
Disposals	-	-	-	-	-	-
At March 31, 2022	**81**	**596**	**294**	**77**	**1,048**	**146**
Accumulated amortisation						
As at April 01, 2020	81	269	264	65	679	-
Disposals	-	-	-		-	-
Amortisation for the year	-	61	17	12	90	-
At March 31, 2021	**81**	**330**	**281**	**77**	**769**	**-**
Disposals	-	-	-	-	-	-
Amortisation for the year	-	68	7	-	75	-
At March 31, 2022	**81**	**398**	**288**	**77**	**844**	**-**
Net carrying amount						
At March 31, 2021	-	191	13	-	204	146
At March 31, 2022	**-**	**198**	**6**	**-**	**204**	**146**

Refer note 34 (b) (ii) for disclosure of contractual commitments for the acquisition of other intangible assets.

5 (a) Intangible assets under development ageing schedule

As at March 31, 2022

Particulars	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	-	-	146	-	146
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**146**	**-**	**146**

As at March 31, 2021

Particulars	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	-	146	-	-	146
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**146**	**-**	**-**	**146**

(i) There are no intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2022 and as at March 31, 2021.

6. Non-current investments

		March 31, 2022	March 31, 2021
I.	**Quoted equity instruments**		
	In subsidiary company at cost:		
	Syngene International Limited - 282,276,145 (March 31, 2021 - 282,276,145) equity shares of ₹10 each	26,692	26,692
	In others at fair value through other comprehensive income:		
	Vaccinex Inc.,USA - 299,226 (March 31, 2021 - 299,226) common stock of USD 0.0001 each	30	65
	Total quoted non-current investments	**26,722**	**26,757**
II.	**Unquoted equity instruments**		
	In subsidiary companies at cost:		
	Biocon Pharma Limited - 14,050,000 (March 31, 2021 - 14,050,000) equity shares of ₹ 10 each	141	141
	Biocon SA, Switzerland - 100,000 (March 31, 2021 - 100,000) equity shares of CHF 1 each	4	4
	Biocon FZ LLC, UAE - 150 (March 31, 2021 - 150) equity shares of AED 1,000 each	3	3
	Biocon Academy - 50,000 (March 31, 2021 - 50,000) equity shares of ₹ 10 each	1	1
	Biocon Biologics Limited 1,000,526,870 (March 31, 2021 - 1,000,526,870) equity shares of ₹ 10 each (Formely known as Biocon Biologics India Limited)	605	605
	Biofusion Therapeutics Limited -50,000 (March 31, 2021 - Nil) equity shares of ₹ 10 each	1	-
	Biocon Biosphere Limited -50,000 (March 31, 2021 - 50,000) equity shares of ₹ 10 each	1	1
	In joint venture company at cost:		
	NeoBiocon FZ LLC, UAE - 147 (March 31, 2021 - 147) equity shares of AED 1,000 each	2	2
	In associate company at cost:		
	Bicara Therapeutics Inc. : 2,500,000 (March 31, 2021 - 2,500,000) equity shares of USD 0.0001 each	-*	-*
	In others at fair value through profit or loss:		
	Energon KN Wind Power Private Limited - 38,500 (March 31, 2021 - 38,500) equity shares of ₹ 10 each	1	1
	Less: Provision for decline, other than temporary, in the value of non current investments	(1)	(1)
	Four Ef Renewables Private Limited - 164,271 (March 31, 2021 - 164,271) equity share of ₹ 100 each	16	16
	Hinduja Renewables Two Private Limited - 5,913,566 equity shares (March 31, 2021 - 2,369,000) of ₹ 10 each	59	24
	Total unquoted investments in equity instruments	**833**	**797**
III.	**Unquoted preference shares**		
	In subsidiary company at fair value through profit or loss:		
	Biocon Biologics Limited (Formely known as Biocon Biologics India Limited) :		
	4% Optionally convertible redeemable- non cumulative preference shares of ₹ 10 each	10,810	10,810
	1,081,000,000 (March 31, 2021 - 1,081,000,000) fully paid		
	9% Non cumulative redeemable preference shares of ₹ 10 each	2,054	2,054
	205,420,000 (March 31, 2021 - 205,420,000) fully paid		
	Biocon Pharma Limited: 873,000,000 (March 31, 2021 - 873,000,000)		
	0.01% Optionally convertible redeemable non- cumulative preference shares of ₹ 10 each fully paid.	8,862	8,862
	Biocon Biosphere Limited: 63,812,289 (March 31, 2021 - 12,082,125)		
	0.01% Optionally convertible Redeemable non- cumulative preference shares of ₹ 10 each fully paid	638	121

		March 31, 2022	March 31, 2021
	In associate company at cost:		
	IATRICa Inc., USA - 4,285,714 (March 31, 2021 - 4,285,714) Series A preferred stock at US$ 0.70 each, par value US $ 0.00001 each	139	139
	Less: Provision for decline, other than temporary, in the value of non-current investments	(139)	(139)
	Others at fair value through profit or Loss:		
	Four Ef Renewables Private Limited : 328,541 (March 31, 2021 - 328,541)		
	0.001% Compulsorily convertible preference Shares of ₹ 100 each fully paid [refer note (a)]	33	33
	Energon KN Wind Power Private Limited - 14,666 (March 31, 2021 - 14,666) convertible preference shares, par value ₹ 100 each	1	1
	Less: Provision for decline, other than temporary, in the value of non current investments	(1)	(1)
	Total unquoted investments in preference shares	**22,397**	**21,880**
IV.	**Inter corporate deposits with financial institutions and banks carried at amortised cost**	226	1,300
	Total non-current investments	**50,178**	**50,734**
	Aggregate book value of quoted investments	26,722	26,757
	Aggregate market value of quoted investments	168,718	153,468
	Aggregate value of unquoted investments	23,597	24,118
	Aggregate amount of impairment in value of investments	141	141

(a) Terms of conversion: 1 compulsory convertible preference share of face value ₹ 100/- each will convert to 1 equity share of face value ₹ 100/- at end of the tenure of 20 years from allotment.
* Amounts are not presented since the amounts are rounded off to Rupees million. w.e.f. January 9, 2021, Investment in Bicara Therapeutics Inc. is an associate of the Company.

7. Loans

		March 31, 2022	March 31, 2021
Unsecured considered good			
(a)	**Non-current**		
	Loans to related parties [refer note 32]	190	-
		190	**-**
(b)	**Current**		
	Loans to related parties [refer note 32]	223	-
		223	**-**
Loans to related parties comprise loans to the following:			
(i)	Biocon Pharma Limited	-	-
	Maximum amount outstanding during the year	-	2,392
(ii)	Bicara Therapeutics Inc.	-	-
	Maximum amount outstanding during the year	-	1,384
(iii)	Biocon Biologics Limited	-	-
	Maximum amount outstanding during the year	-	1,006
(iv)	Biocon Biosphere Limited	190	-
	Maximum amount outstanding during the year	251	87
(v)	Biofusion Therapeutics Limited	223	-
	Maximum amount outstanding during the year	223	-

Loans are granted to related parties (as defined under Companies Act, 2013) that are repayable on demand:

Name of borrower		Amount of loan outstanding	Percentage to the total Loans	Amount of loan outstanding	Percentage to the total Loans
(i)	Biocon Biosphere Limited	190	46%	-	-
(ii)	Biofusion Therapeutics Limited	223	54%	-	-

The Company has not granted any advances in the nature of loans to promoters, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly

	March 31, 2022	March 31, 2021
8. Other financial assets		
(a) Non-current		
Derivative assets	132	7
Non-current cash and bank balances	-	500
Deposits	199	197
	331	704
(b) Current		
Derivative assets	29	13
Interest accrued but not due	232	107
Other receivables (considered good - Unsecured) from:		
Related parties [refer note 32]	1,050	1,099
Others	7	4
	1,318	**1,223**
9. Other assets		
(Unsecured considered good, unless otherwise stated)		
(a) Non-current		
Capital advances	53	136
Duty drawback receivables	46	47
Balances with statutory/government authorities	213	285
Prepayments	19	14
	331	**482**
(b) Current		
Advance to suppliers	63	115
Contract assets	-	25
Balances with statutory/government authorities	262	375
Prepayments	220	187
	545	**702**
10. Inventories		
Raw materials, including goods-in-transit*	1,640	1,594
Packing materials	22	20
Work-in-progress	3,606	1,483
Finished goods	147	1,212
	5,415	4,**309**

* includes goods in-transit ₹ 68 (March 31, 2021 - ₹ 74)

Write-down of inventories to net realisable value amounted to ₹ 145 (March 31, 2021 - ₹ 166). These were recognised as an expense during the year and included in 'changes in inventories of finished goods and work-in-progress' in statement of profit and loss.

	March 31, 2022	March 31, 2021
11. Current investments		
Quoted		
At fair value through profit or Loss:		
Investment in mutual funds	72	1,343
Unquoted		
At amortised cost:		
Inter corporate deposits with financial institutions	2,550	2,050
Total current investments	**2,622**	**3,393**
Aggregate book and market value of quoted investments	72	1,343
Aggregate value of unquoted investments	2,550	2,050
12. Trade receivables		
(a) Trade receivables considered good - Unsecured	7,006	6,054
(b) Trade receivables - credit impaired	235	34
	7,241	**6,088**
Allowance for credit loss	(235)	(34)
Total Trade Receivable	**7,006**	**6,054**

(i) The Company's exposure to credit and currency risk, and loss allowances are disclosed in Note 36

(ii) Includes receivables from related parties [refer note 32]

Trade receivables Ageing Schedule

	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	277	3,541	2,374	747	44	12	11	7,006
Undisputed Trade receivables - credit impaired	-	-	-	27	177	5	26	235
As at March 31, 2022	**277**	**3,541**	**2,374**	**774**	**221**	**17**	**37**	**7,241**
Undisputed Trade Receivables – considered good	175	3,433	2,062	88	124	145	27	6,054
Undisputed Trade receivables - credit impaired	-	-	-	-	7	7	20	34
As at March 31, 2021	**175**	**3,433**	**2,062**	**88**	**131**	**152**	**47**	**6,088**

	March 31, 2022	March 31, 2021
13(a) Cash and cash equivalents		
Balances with banks:		
On current accounts	1,106	2,530
On unpaid dividend account	4	5
Total cash and cash equivalents	**1,110**	**2,535**
13(b) Other bank balances		
Deposits with maturity of less than 12 months	5,780	3,474
Margin money deposit [refer note (a) below]	3	3
Total other bank balances	**5,783**	**3,477**

(a) Margin money deposits with carrying amount of ₹ 3 (March 31, 2021 - ₹ 3) are subject to first charge against bank guarantees obtained.

(b) The Company has cash on hand which are not disclosed above since amounts are rounded off to Rupees million.

	March 31, 2022	March 31, 2021
14(a). Equity share capital		
Authorised		
1,250,000,000 (March 31, 2021 - 1,250,000,000) equity shares of ₹ 5 each (March 31, 2021 - ₹ 5 each)	6,250	6,250
Issued, subscribed and fully paid-up		
1,200,600,000 (March 31, 2021 - 1,200,000,000) equity shares of ₹ 5 each (March 31, 2021 - ₹ 5 each)	6,003	6,000

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	March 31, 2022		March 31, 2021	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	1,200,000,000	6,000	1,200,000,000	6,000
Equity Share Capital issued during the year	600,000	3	-	-
Outstanding at the end of the year	**1,200,600,000**	**6,003**	**1,200,000,000**	**6,000**

(ii) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of shareholders holding more than 5% shares in the Company

Equity shares	March 31, 2022		March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹ 5 each fully paid				
Kiran Mazumdar-Shaw	475,725,384	39.62%	475,725,384	39.64%
Glentec International Limited	237,211,164	19.76%	237,211,164	19.77%

As per records of the Company, including its register of shareholders/members, the above shareholding represents both legal and beneficial ownerships of shares.

(iv) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:

Particulars	Year ended March 31				
	2022	2021	2020	2019	2018
Equity shares of ₹ 5 each fully paid	-	-	600,000,000	-	400,000,000

The Company had allotted 600,000,000 equity shares of ₹ 5 each fully paid up as bonus shares on June 19, 2019 in the ratio of 1:1 (one equity shares of ₹ 5 each for every one equity share of ₹ 5 each held in the Company as on the record date i.e. June 13, 2019) by capitalisation of securities premium and general reserve. In accordance with Ind AS 33, the Earnings per share data adjusted to give effect to the bonus issue.

(v) Shares reserved for issue under options

For details of shares reserved for issue under the Share based payment plan of the company, please refer note 30.

(vi) Details of shares held by promoters

March 31, 2022

Name of the Promoter	No. of shares at the end of the year	% of Total Shares	% change during the year
Kiran Mazumdar Shaw	475,725,384	39.62%	-0.02%
Yamini R Mazumdar	1,308,712	0.11%	-
J M M Shaw	8,445,348	0.70%	-
Ravi Mazumdar	4,815,084	0.40%	-
Dev Mazumdar	518,484	0.04%	-
Glentec International Limited	237,211,164	19.76%	-0.01%
Total	**728,024,176**	**60.64%**	**-0.03%**

March 31, 2021

Name of the Promoter	No. of shares at the end of the year	% of Total Shares	% change during the year
Kiran Mazumdar Shaw	475,725,384	39.64%	-
Yamini R Mazumdar	1,308,712	0.11%	0.001%
J M M Shaw	8,445,348	0.70%	-
Ravi Mazumdar	4,815,084	0.40%	-
Dev Mazumdar	518,484	0.04%	-
Glentec International Limited	237,211,164	19.77%	-
Total	**728,024,176**	**60.67%**	**0.001%**

14(b). Other equity

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

Retained earnings

The amount that can be distributed by the Company as dividends to its equity shareholders.

SEZ re-investment reserve

The Special Economic Zone (SEZ) re-investment reserve has been created out of profit of eligible SEZ units in terms of the provisions of section 10AA(1)(ii) of the Income-tax Act, 1961. The reserve has been utilised for acquiring new plant and machinery for the purpose of its business in terms of section 10AA(2) of the Income-tax Act, 1961.

Share based payment reserve

The Company has established equity settled share based payment plans for certain categories of employees of the Company and its subsidiaries / joint venture company. Refer note 30 for further details on these plans.

Treasury shares

Own equity instruments that are reacquired [treasury shares] are recognised at cost and disclosed as deducted from equity.

Cash flow hedging reserves

The cash flow hedging reserve represents the cumulative effective portion of gains or losses (net of taxes, if any) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges.

Other Items of other comprehensive income

Other Items of other comprehensive income represents mark to market gain or loss on financial assets classified as FVTOCI and re-measurements of the defined benefits plan.

	March 31, 2022	March 31, 2021
15. Borrowings		
(a) Non-current		
Loans from banks (secured)	759	-
Term loan [refer note (a) below]	**759**	**-**
(b) Current		
Other loans and advances (unsecured)	-	7
Financial assistance from DST [refer note (b) below]	**-**	**7**
The above amount includes		
Secured borrowings	759	-
Unsecured borrowings	-	7
Net amount	**759**	**7**

(a) During the year ended March 31, 2021, HDFC bank has sanctioned external commercial borrowing (ECB) facility of USD 25 million to the Company. During the current year, the Company has drawn ECB of USD 10 million, carrying interest @ Libor + 1.75% per annum. The loan is repayable in 3 yearly instalments commencing from June 16, 2025. The loan is secured by exclusive charge on the property, plant and equipments created out of the term loan facility. The Company has entered into interest rate swap converting the floating rate to fixed rate of interest. [Refer note 36]

(b) On August 25, 2010, the Department of Science and Technology ('DST') under the Drugs and Pharmaceutical Research Programme ('DPRP') had sanctioned financial assistance for a sum of ₹ 70 to the Company for financing one of its research projects. The loan was repayable over 10 annual instalments of ₹ 7 each starting from July 1, 2012, and carried an interest rate of 3% p.a. The Company was required to utilise the funds for the specified projects and was required to obtain prior approvals from the said authorities for disposal of assets/ Intellectual property rights acquired/developed under the above programmes. The Company has repaid the loan during the year ended March 31, 2022

(c) The Company's exposure to liquidity, interest rate and currency risks are disclosed in note 36.

	March 31, 2022	March 31, 2021
16. Other financial liabilities		
(a) Non-current		
Derivative liabilities	141	144
	141	**144**
(b) Current		
Unpaid dividends	4	5
Payables for capital goods	673	390
Interest accrued but not due	2	1
Book overdraft	-	50
Derivative liabilities	4	2
	683	**448**
17. Provisions		
(a) Non-current		
Provision for employee benefits		
Gratuity [refer note 35]	256	263
	256	**263**
(b) Current		
Provision for employee benefits		
Gratuity [refer note 35]	79	85
Compensated absences	169	170
	248	**255**

		Gratuity	Compensated absences
(i)	**Movement in provisions**		
	Opening balance as at April 01, 2021	348	170
	Provision recognised/(utilised) during the year	(13)	(1)
	Closing balance as at March 31, 2022	**335**	**169**
	Opening balance as at April 01, 2020	297	161
	Provision recognised/(utilised) during the year	51	9
	Closing balance as at March 31, 2021	**348**	**170**

	March 31, 2022	March 31, 2021
18. Deferred tax liabilities/(assets) (net)		
Deferred tax liabilities		
Property, plant and equipment, investment property and intangible assets	498	485
Derivative liabilities	54	5
Gross deferred tax liabilities	**552**	**490**
Deferred tax assets		
Employee benefit obligations	242	248
Allowance for doubtful debts	82	12
Other disallowable expenses	93	89
Deferred revenue	24	32
MAT credit entitlement	1,071	1,356
Others	240	217
Gross deferred tax assets	1,752	1,954
Net deferred tax liabilities/(assets)	**(1,200)**	**(1,464)**
19. Other liabilities		
(a) Non-current	695	745
Contract Liabilities	**695**	**745**
(b) Current		
Contract Liabilities	101	59
Advances from customers	73	44
Statutory taxes and dues payable	77	85
	251	**188**

	March 31, 2022	March 31, 2021
20. Trade payables		
Trade payables		
Total outstanding dues of micro and small enterprises [refer note (a) below]	413	198
Total outstanding dues of creditors other than micro and small enterprises*	3,396	3,522
	3,809	**3,720**

*Includes dues to related parties [refer note 32]

(a) Trade payables Ageing Schedule

	Unbilled	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	
Total outstanding dues of micro enterprises and small enterprises	-	352	58	3	-*	-*	413
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,564	926	825	13	24	44	3,396
As at March 31, 2022	**1,564**	**1,278**	**883**	**16**	**24**	**44**	**3,809**
Total outstanding dues of micro enterprises and small enterprises	-	143	55	-*	-*	-	198
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,737	765	914	43	15	48	3,522
As at March 31, 2021	**1,737**	**908**	**969**	**43**	**15**	**48**	**3,720**

* Amounts are not presented since the amounts are rounded off to Rupees million.

(b) Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006

		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	413	198
	Interest due on the above	-*	1
(ii)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	501	954
(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.	3	6
(iv)	The amount of interest accrued and remaining un-paid at the end of each accounting year.	-	-
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	67	64

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.

(c) All Trade Payables are 'current'. The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 36.

* Amounts are not presented since the amounts are rounded off to Rupees million.

	Year ended March 31, 2022	Year ended March 31, 2021
21. Revenue from operations		
Sale of products		
Finished goods	14,907	18,166
Traded goods	42	22
Sale of services		
Licensing and development fees	25	40
Other operating revenue		
Sale of process waste	203	130
Others [refer note (a) below]	2,205	1,926
Revenue from operations	**17,382**	**20,284**
(a) Others include, rentals and cross charge of research and development, power and other facilities by the SEZ Developer/SEZ unit of the Company.		
21.1 Disaggregated revenue information		
Set out below is the disaggregation of the Company's revenue from contracts with customers:		
Revenues by Geography		
India	6,260	7,098
Brazil	1,925	2,037
United States of America	1,341	2,850
Rest of the world	5,448	6,243
Total revenues by Geography	**14,974**	**18,228**
Revenue from other sources		
Other operating revenue	2,408	2,056
	2,408	**2,056**
Total revenue from operations	17,382	20,284
Geographical revenue is allocated based on the location of the customers.		

	March 31, 2022	March 31, 2021
21.2 Changes in contract liabilities:		
Balance at the beginning of the year	848	351
Add:- Increase due to invoicing during the year	132	718
Less:- Amount recognised as revenue/other adjustments during the year	(111)	(221)
Balance at the end of the year	**869**	**848**
Expected revenue recognition from remaining performance obligations:		
- within one year	174	103
- More than one year	695	745
	869	**848**
21.3 Contract balances		
Trade receivables (including unbilled revenue)	7,006	6,054
Contract assets	-	25
Contract liabilities	869	848
Trade receivables are non-interest bearing.		
Contract liabilities include deferred revenue and advance from customers.		

21.4 Performance obligation:

In relation to information about Company's performance obligations in contracts with customers [refer note 2(k)].

	Year ended March 31, 2022	Year ended March 31, 2021
22. Other income		
Interest income on:		
Deposits with banks and financial institutions	389	125
Others	26	163
Net gain on sale of current investments	30	19
Net gain on financial assets measured at fair value through profit or loss	1	16
Net gain on derivative liability measured at fair value through profit or loss	-	16
Profit on property, plant and equipment sold, (net)	8	16
Foreign exchange gain, net	126	-
Other non-operating income [refer note (a)]	1,292	1,147
	1,872	**1,502**
(a) Others non operating income includes, rentals, cross charge of power and other facilities.		
23. Cost of materials consumed		
Inventory at the beginning of the year	1,614	2,285
Add: Purchases	9,171	6,936
Less: Inventory at the end of the year	(1,662)	(1,614)
Cost of materials consumed	**9,123**	**7,607**
24. Changes in inventories of stock-in-trade, finished goods and work-in-progress		
Inventory at the beginning of the year		
Finished goods	1,212	1,751
Work-in-progress	1,483	1,311
	2,695	**3,062**
Inventory at the end of the year		
Finished goods	147	1,212
Work-in-progress	3,606	1,483
	3,753	**2,695**
	(1,058)	**367**
25. Employee benefits expenses		
Salaries, wages and bonus	2,881	2,999
Contribution to provident and other funds	134	132
Gratuity [refer note 35]	54	52
Share based compensation expense [refer note 30]	295	388
Staff welfare expenses	313	331
	3,677	**3,902**
26. Finance costs		
Interest on finance lease [refer note 38]	4	4
	4	**4**
27. Depreciation and amortisation expense		
Depreciation on Property, plant and equipment [refer note 3]	954	889
Depreciation on Investment property [refer note 4 (a)]	40	40
Amortisation on intangible assets [refer note 5]	75	90
Depreciation on Right-of-use-assets [refer note 4(b)]	13	16
	1,082	**1,035**

	Year ended March 31, 2022	Year ended March 31, 2021
28. Other expenses		
Rent	4	3
Communication expenses	30	27
Travelling and conveyance	44	16
Professional charges	126	294
Payments to auditors [refer note 29 below]	8	8
Directors' fees including commission	39	22
Power and fuel	2,310	1,860
Insurance	108	104
Rates, taxes and fees	23	27
Lab consumables	186	314
Repairs and maintenance		
Plant and machinery	636	661
Buildings	106	114
Others	377	381
Selling expenses		
Freight outwards and clearing charges	119	131
Sales promotion expenses	7	3
Commission and brokerage (other than sole selling agents)	61	65
Provision/(reversal) for doubtful debts, net	201	-
Foreign exchange fluctuation, net	-	103
Printing and stationery	32	31
Research and development expenses	466	553
CSR expenditure [refer note 40]	70	66
Miscellaneous expenses [refer note 32]	59	504
	5,012	**5,287**
29. Payments to auditors		
As auditor:		
Statutory audit fee	3	3
Tax audit fee	1	1
Limited review	1	1
In other capacity:		
Other services (certification fees)	2	2
Reimbursement of out-of-pocket expenses	1	1
	8	**8**

30. Employee stock compensation

(a) Biocon ESOP Plan

On September 27, 2001, Biocon's Board of Directors approved the Biocon Employee Stock Option Plan ('ESOP Plan 2000') for the grant of stock options to the employees of the Company and its subsidiaries / joint venture company. The Nomination and Remuneration Committee ('Remuneration Committee') administers the plan through a trust established specifically for this purpose, called the Biocon India Limited Employee Welfare Trust (ESOP Trust).

The ESOP Trust shall make additional purchase of equity shares of the Company using the proceeds from the loan obtained from the Company, other cash inflows from allotment of shares to employees under the ESOP Plan and shall subscribe, when allotted to such number of shares as is necessary for transferring to the employees. The ESOP Trust may also receive shares from the promoters for the purpose of issuance to the employees under the ESOP Plan. The Remuneration Committee shall determine the exercise price which will not be less than the face value of the shares.

Grant V

In April 2008, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 25%, 35% and 40% of the total grant at the end of first, second and third year from the date of grant for existing employees and at the end of 3rd, 4th and 5th year from the date of grant for new employees. Exercise period is 3 years for each grant. The conditions for number of options granted include service terms and performance grade of the employees. These options are exercisable at the market price of Company's shares on the date of grant.

Particulars	March 31, 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	-	-	87,000	75
Granted during the year	-	-	-	-
Lapses/Forfeited during the year	-	-	-	-
Exercised during the year	-	-	(87,000)	75
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years)	-	-	-	-
Range of exercise prices for outstanding options at the end of year	-	-	-	-

Grant VI

In July 2014, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. These options are exercisable at the closing market price of Company's shares existing on the date preceding to the date of grant.

Particulars	March 31, 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	-	-	33,000	78
Granted during the year	-	-	-	-
Lapses/Forfeited during the year	-	-	-	-
Exercised during the year	-	-	(33,000)	78
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years)	-	-	-	-
Weighted average fair value of options granted (₹)	-	-	-	-
Range of exercise prices for outstanding options at the end of year	-	-	-	-

Grant VII

In July 2014, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. These options are exercisable at the closing market price of Company's shares existing on the date preceding to the date of grant.

Particulars	March 31, 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	2,008,750	82	3,392,275	81
Granted during the year	-	-	-	-
Lapses/Forfeited during the year	(84,000)	77	(120,000)	75
Exercised during the year	(1,335,750)	79	(1,263,525)	81
Expired during the year	-	-	-	-
Outstanding at the end of the year	**589,000**	88	**2,008,750**	82
Exercisable at the end of the year	103,000	82	357,250	79
Weighted average remaining contractual life (in years)	0.9	-	1.6	-
Weighted average fair value of options granted (₹)	-	-	-	-
Range of exercise prices for outstanding options at the end of year	76-124	-	69-124	-

Grant VIII

In July 2015, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. These options are exercisable at the closing price as per National Stock Exchange as on the last day of the month preceding the month of first grant.

Particulars	March 31, 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	147,000	75	711,500	80
Granted during the year	-	-	-	-
Lapses/Forfeited during the year	-	-	(136,500)	38
Exercised during the year	(42,000)	73	(428,000)	73
Expired during the year	-	-	-	-
Outstanding at the end of the year	**105,000**	76	**147,000**	75
Exercisable at the end of the year	105,000	76	99,000	76
Weighted average remaining contractual life (in years)	-	-	1	-
Weighted average fair value of options granted (₹)	-	-	-	-
Range of exercise prices for outstanding options at the end of year	76	-	71-76	-

Grant IX

In June 2016, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. These options are exercisable at 50% of the closing price as per National Stock Exchange as on the preceding day to the date of grant.

Particulars	March 31, 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	5,307,574	124	7,351,312	127
Granted during the year	-	-	-	-
Lapses/Forfeited during the year	(1,390,500)	135	(1,780,875)	136
Exercised during the year	(470,870)	95	(262,863)	98
Expired during the year	-	-	-	-
Outstanding at the end of the year	**3,446,204**	125	**5,307,574**	124
Exercisable at the end of the year	205,079	98	105,762	81
Weighted average remaining contractual life (in years)	3.0	-	4.1	-
Weighted average fair value of options granted (₹)	-	-	-	-
Range of exercise prices for outstanding options at the end of year	69-173	-	69-173	-

Grant X

In June 2016, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. These options are exercisable at 50% of the closing price as per National Stock Exchange as on the preceding day to the date of grant.

Particulars	March 31, 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	4,857,076	142	7,010,758	137
Granted during the year	-	-	-	-
Lapses/Forfeited during the year	(256,125)	148	(340,498)	152
Exercised during the year	(1,969,077)	130	(1,813,184)	120
Expired during the year	-	-	-	-
Outstanding at the end of the year	**2,631,874**	151	**4,857,076**	142
Exercisable at the end of the year	951,249	139	777,449	125
Weighted average remaining contractual life (in years)	1.3	-	2.2	-
Weighted average fair value of options granted (₹)	-	-	-	-
Range of exercise prices for outstanding options at the end of year	69-167	-	62-167	-

The average market price of the Company's share during the year ended March 31, 2022 is ₹ 373 (March 31, 2021 - ₹ 407) per share .

(b) RSU Plan 2015

On March 11, 2015, Biocon's Remuneration Committee approved the Biocon - Restricted Stock Units (RSUs) of Syngene ('RSU Plan 2015') for the grant of RSUs to the employees of the Company and its subsidiaries other than Syngene. The Remuneration Committee administers the plan through a trust, called the Biocon Limited Employee Welfare Trust. For this purpose, on March 31, 2015, the Company transferred 2,000,000 equity shares of Syngene to Biocon Limited Employees Welfare Trust.

In April 2015, the Company approved the grant to its employees under the RSU Plan 2015. The RSUs under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. Exercise price of RSUs will be Nil.

Particulars	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	285,974	-	750,819	-
Granted during the year	-	-	-	-
Lapses/Forfeited during the year	(50,398)	-	(28,749)	-
Exercised during the year	(122,640)	-	(436,096)	-
Expired during the year	(9,178)	-	-	-
Outstanding at the end of the year	**103,758**	-	**285,974**	-
Exercisable at the end of the year	58,797	-	49,873	-
Weighted average remaining contractual life (in years)	1.1	-	2.8	-
Weighted average fair value of options granted (₹)	-		-	

(c) RSU Plan 2019

On January 7, 2019, Biocon's Nomination and Remuneration Committee ('NRC') and the Board of Directors approved the Biocon Biologics - Restricted Stock Units (RSUs) of Biocon Biologics India Limited ('RSU Plan 2019') for grant of RSUs to employees of the Group. The NRC administers the plan though a trust called, Biocon Limited Employee Welfare Trust. For this purpose on January 8, 2020, the Company transferred 2,161,904 equity shares of Biocon Biologics India Limited to Biocon Limited Employee Welfare Trust.

The RSUs under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year, respectively, from the date of grant or from the date of occurrence of certain future events, whichever is later, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees.

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	8,514,615	2	9,960,570	2
Granted during the year	-	-	1,125,470	2
Lapses/Forfeited during the year	(1,511,608)	2	(2,571,425)	2
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	**7,003,007**	2	**8,514,615**	2
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years)	6.0	-	7.0	-
Weighted average fair value of options granted (₹)	244		244	

Assumptions used in determination of the fair value of the stock options under the Black Scholes Model are as follows:

Particulars	March 31, 2022	March 31, 2021
Weighted Average Exercise Price	-	2
Expected volatility	-	33.7% to 36.9%
Life of the options granted (vesting and exercise period) in years	-	7
Average risk-free interest rate	-	5.4%
Expected dividend rate	-	0%

(d) RSU Plan 2020

On May 14, 2020, Biocon's Nomination and Remuneration Committee ('NRC') and the Board of Directors approved the Biocon Restricted Stock Units (RSUs) Long Term Incentive Plan FY2020-24 ("RSU Plan 2020") for grant of RSUs to present and/or future employees of the Company and its present and future subsidiary companies. The plan is implemented though a trust called, Biocon India Limited Employee Welfare Trust wherein the Company will issue shares to the trust by way of fresh allotment over a period of time.

The RSUs granted under this Plan shall vest over a period of time (service condition) and based upon the performance of the employee. The period of vesting shall be determined as per the date of grant and the maximum period of vesting shall not extend beyond August 1, 2024. The actual number of RSUs to be vested each year for each Grantee shall be based on his individual performance conditions, the key parameters of which shall be measured through growth in revenue and profits, delivering on key strategic initiatives and shareholders' value creation and such other conditions as may be determined by the Managing Director and Chief Executive Officer of the Company in accordance with the overall terms set by the NRC.

Particulars	March 31, 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	2,630,000	5	-	-
Granted during the year	724,083	5	2,930,000	5
Lapses/Forfeited during the year	(408,345)	5	(300,000)	5
Exercised during the year	(430,762)	5	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	**2,514,976**	5	**2,630,000**	5
Exercisable at the end of the year	46,147	5	-	-
Weighted average remaining contractual life (in years)	3.3	-	4.2	-
Weighted average fair value of options granted (Rs)	369		337	

Assumptions used in determination of the fair value of the stock options under the Black Scholes Model are as follows:

Particulars	March 31, 2022	March 31, 2021
Weighted Average Exercise Price	5	5
Expected volatility	33.0% to 36.2%	34.0% to 36.4%
Life of the options granted (vesting and exercise period) in years	4.03	5
Average risk-free interest rate	5.6%	5.3%
Expected dividend rate	0.6%	0.8%

Particulars	March 31, 2022	March 31, 2021
Summary of movement in respect of shares held by ESOP Trust is as follows:		
Opening balance	11,168,774	14,811,872
Add: Shares purchased by the ESOP trust	-	244,474
Add: Shares issued by the Company	600,000	
Less: Shares exercised by employees	(4,248,459)	(3,887,572)
Closing balance	**7,520,315**	**11,168,774**
Options granted and eligible for exercise at end of the year	1,410,475	1,339,461
Options granted but not eligible for exercise at end of the year	7,876,579	10,980,980
Summary of movement in respect of equity shares of Syngene held by the RSU Trust is as follows:		
Opening balance	1,301,373	1,737,469
Less: Shares exercised by employees	(122,640)	(436,096)
Closing balance	**1,178,733**	**1,301,373**
Options granted and eligible for exercise at end of the year	58,797	49,873
Options granted but not eligible for exercise at end of the year	44,961	236,101
Summary of movement in respect of equity shares of BBIL held by the RSU Trust is as follows:		
Opening balance	10,809,520	10,809,520
Add: Shares purchased by the RSU Trust from Biocon Limited	-	-
Closing balance	**10,809,520**	**10,809,520**
Options granted and eligible for exercise at end of the year	-	-
Options granted but not eligible for exercise at end of the year	7,003,007	8,514,615

Particulars	March 31, 2022	March 31, 2021
31. Earnings per share (EPS)		
Earnings		
Profit for the year	**861**	**2,805**
Shares		
Basic outstanding shares	1,200,550,000	1,200,000,000
Less: Weighted average shares held with the ESOP Trust	(9,475,319)	(12,869,238)
Weighted average shares used for computing basic EPS	**1,191,074,681**	**1,187,130,762**
Add: Effect of dilutive options granted but not yet exercised/not yet eligible for exercise	5,276,990	9,630,143
Weighted average shares used for computing diluted EPS	**1,196,351,671**	**1,196,760,905**
Earnings per equity share:		
Basic (in ₹)	0.72	2.36
Diluted (in ₹)	0.72	2.34

32. Related party transactions

List of related parties:

Particulars	Nature of relationship
Key management personnel	
Kiran Mazumdar Shaw	Executive Chairperson
Siddharth Mittal	Managing Director & Chief Executive Officer
Indranil Sen	Chief Financial Officer (w.e.f April 28, 2021) Interim Chief Financial Officer (w.e.f May 15, 2020 upto September 22, 2020)
Anupam Jindal	Chief Financial Officer (w.e.f September 22, 2020 upto April 28, 2021)
Mayank Verma	Company Secretary
Daniel Mark Bradbury	Independent director
Mary Harney	Independent director
Vijay Kumar Kuchroo	Independent director
Meleveetil Damodaran	Independent director
Bobby Kanubhai Parikh	Independent director
Ravi Rasendra Mazumdar	Non-executive director
Eric Vivek Mazumdar	Non-executive director (w.e.f November 01, 2021)
John Shaw	Non-executive director (upto July 23, 2021)
Subsidiaries	
Syngene International Limited	Subsidiary
Syngene USA Inc.	Wholly-owned subsidiary of Syngene International Limited
Biocon Pharma Limited	Wholly-owned subsidiary
Biocon Biologics Limited (Formely known as Biocon Biologics India Limited)	Subsidiary
Biocon Academy	Wholly-owned subsidiary
Biocon SA	Wholly-owned subsidiary
Biocon Biologics UK Limited (Formely known as Biocon Biologics Limited)	Wholly-owned subsidiary of Biocon Biologics Limited
Biocon FZ LLC	Wholly-owned subsidiary
Biocon Biologics Healthcare Sdn Bhd (Formely known as Biocon Healthcare Sdn Bhd)	Wholly-owned subsidiary of Biocon Biologics UK Limited
Biocon Biosphere Limited	Wholly-owned subsidiary
Bicara Therapeutics Inc.	Subsidiary (Upto January 09, 2021)
Biocon Pharma Inc	Wholly-owned subsidiary of Biocon Pharma Limited
Biocon Sdn.Bhd.	Wholly-owned subsidiary of Biocon Biologics UK Limited
Biocon Pharma Ireland Limited	Wholly-owned subsidiary of Biocon Pharma Limited

Particulars	Nature of relationship
Biocon Pharma UK Limited	Wholly-owned subsidiary of Biocon Pharma Limited
Biocon Biologics Inc. USA	Wholly-owned subsidiary of Biocon Biologics UK Limited
Biocon Biologics FZ LLC	Wholly-owned subsidiary of Biocon Biologics UK Limited
Biocon Biologics Do Brasil Ltda	Wholly-owned subsidiary of Biocon Biologics UK Limited
Biocon Pharma Malta Limited	Wholly-owned subsidiary of Biocon Pharma Limited
Biocon Pharma Malta I Limited	Wholly-owned subsidiary of Biocon Pharma Limited
Biofusion Therapeutics Limited	Wholly-owned subsidiary
Associate	
Bicara Therapeutics Inc.	Associate (w.e.f. January 09, 2021)
Joint Ventures	
NeoBiocon FZ LLC	Joint-venture
Other related parties	
Biocon Foundation	Trust in which key management personnel are the Board of Trustees
Mazumdar Shaw Medical Foundation	Trust in which key management personnel are the Board of Trustees
Glentec International Limited	Enterprise owned by key management personnel
Narayana Hrudayalaya Limited	Enterprise in which a director of the Company is a member of board of directors
Immuneel Therapeutics Private Limited	Enterprise in which a director of the Company is a member of board of directors
Jeeves	Enterprise in which relative to a director of the Company is proprietor

The Company has the following related parties transactions

Particulars	Transaction / Balances	Year ended March 31, 2022	Year ended March 31, 2021
Key management personnel	Salary and perquisites [refer note (d) & (e) below]	82	101
	Sitting fees and commission	39	21
	Outstanding as at the year end:		
	- Trade and other payables	-	4
Subsidiaries	Sale of goods/other products	2,676	1,907
	Sales on behalf of a subsidiary	-	164
	Purchase on behalf of a subsidiary	-	424
	Rent income [refer note (b) below]	300	283
	Cross charges towards facility and other expenses [refer note (a) &(b)]	2,562	1,851
	Interest income	11	161
	Expenses incurred on behalf of the related party	423	354
	Guarantee income	45	42
	Research services received	104	164
	Purchase of goods	12	188
	Capacity Reservation Fees	-	450
	Settlement Income	370	-
	Professional charges	13	27
	CSR expenditure	33	42
	Expenses incurred by related party on behalf of the Company	25	30
	Funding received towards Property, plant and equipment	53	610
	Transfer of Capital work in progress	85	96
	Transfer of Other intangible assets	12	16
	Investment in preference shares	517	6,091
	Redemption of preference shares	-	5,000
	Loans given/(repaid), net [refer note (g) below]	413	(2573)
	Outstanding as at the year end:		
	- Trade and other receivables	3,892	2,897
	- Trade and other payables	243	99
	- Loans receivable [refer note (g) below]	413	-
	Guarantee given on behalf of related party	3,398	14,087
Associate	Cross charges towards facility and other expenses [refer note (a) &(b)]	105	102

Particulars	Transaction / Balances	Year ended March 31, 2022	Year ended March 31, 2021
	Expenses incurred on behalf of the related party	10	-
	Interest income	-	2
	Outstanding as at the year end:		
	- Trade and other receivables	449	328
	- Provision for Expected credit loss	190	-
Joint venture	Expenses incurred on behalf of the related party	1	1
	Outstanding as at the year end:		
	- Trade and other receivables	-	-*
Other related parties	CSR expenditure	37	24
	Other expenses	20	19
	Expenses towards Scientific and Research services	1	1
	Outstanding as at the year end:		
	- Trade and other receivables	1	1

* Amounts are not presented since the amounts are rounded off to Rupees million.

(a) Expenses incurred on behalf of the related party include ESOP cost and amount paid on behalf of the related party to vendors.

(b) The Company's SEZ Developer division has entered into agreements to lease land and provide certain facilities such as power, utilities etc. to SEZ units of Biocon Biologics Limited, Biocon Pharma Limited and Syngene International Limited, in respect of which the Company recovers rent and facilities usage charges.

(c) The above disclosures include related parties as per Ind AS 24 on "Related Party Disclosures" and Companies Act, 2013.

(d) The remuneration to key management personnel doesn't include the provisions made for gratuity and compensated absences, as they are obtained on an actuarial basis for the Company as a whole.

(e) Share based compensation expense allocable to key management personnel is ₹ 65 (March 31, 2021 - ₹ 71), which is not included in the remuneration disclosed above.

(f) All transactions with these related parties are priced on an arm's length basis and none of the balances are secured.

(g) The loans to related parties is presented net of repayments due to multiple transactions. Loans repaid includes loan subsequently converted into preference shares. The loan given to subsidiaries are for Business purposes and interest rates are at arm's length. The Loans are payables on demand.

33. Tax expense

		Year ended March 31, 2022	Year ended March 31, 2021
(a)	**Amount recognised in Statement of profit and loss**		
	Current tax	322	462
	Deferred tax expense/(income) related to:		
	MAT credit utilisation/ (entitlement)	285	273
	Origination and reversal of temporary differences:	(71)	48
	Tax expense for the year#	**536**	**783**
	# Includes credit for reversal of tax provision for earlier years amounting to ₹ 278 for the year ended March 31, 2021.		
(b)	**Reconciliation of effective tax rate**		
	Profit before tax	**1,397**	**3,588**
	Tax at statutory income tax rate 34.94% (March 31, 2021 - 34.94%)	488	1,254
	Tax effects of amounts which are not deductible/(taxable) in calculating taxable income:		
	Exempt income and other deductions	(12)	(200)
	Non-deductible expense	24	23
	Basis difference that will reverse during the tax holiday period	10	(13)
	Reversal of provision for tax for earlier years	-	(278)
	Others	26	(3)
	Income tax expense	**536**	**783**

(c) Recognised deferred tax assets and liabilities

The following is the movement of deferred tax assets/liabilities presented in the balance sheet

For the Year ended March 31, 2022	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Deferred tax liabilities				
Property, plant and equipment, investment property and intangible assets	485	13	-	498
Derivative liabilities	5	-	49	54
Gross deferred tax liabilities	**490**	**13**	**49**	**552**
Deferred tax assets				
Defined benefit obligations	248	2	(8)	242
Allowance for doubtful debts	12	70	-	82
Other disallowable expenses	89	4	-	93
MAT credit entitlement	1,356	(285)	-	1,071
Deferred revenue	32	(8)	-	24
Others	217	16	8	240
Gross deferred tax assets	**1,954**	**(201)**	**-**	**1,752**
Net deferred tax assets	**1,464**	**(214)**	**(49)**	**1,200**

For the Year ended March 31, 2021	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Deferred tax liability				
Property, plant and equipment, investment property and intangible assets	468	17	-	485
Derivative liability	-	-	5	5
Gross deferred tax liability	**468**	**17**	**5**	**490**
Deferred tax assets				
Defined benefit obligations	235	18	(5)	248
Derivative assets	11	-	(11)	-
Allowance for doubtful debts	12	-	-	12
Other disallowable expenses	127	(38)	-	89
MAT credit entitlement	1,629	(273)	-	1,356
Deferred revenue	42	(10)	-	32
Others	207	(1)	11	217
Gross deferred tax assets	**2,263**	**(304)**	**(5)**	**1,954**
Net deferred tax assets	**1,795**	**(321)**	**(10)**	**1,464**

34. Contingent liabilities and commitments

(to the extent not provided for)

Particulars			March 31, 2022	March 31, 2021
(i)	Contingent liabilities:			
	(a)	Claims against the Company not acknowledged as debt	**1,859**	**1,662**
	The above includes:			
	(i)	Direct taxation	775	685
	(ii)	Indirect taxation (includes matters pertaining to disputes on central excise, custom duty, service tax, VAT, CST, Entry tax and GST)	736	629
	(iii)	Other matters	348	348

The Company is subject to complexities with respect to various tax positions on deductibility of transactions and availability of tax incentives / exemptions, impact of group restructuring and on cross border transfer pricing arrangements. Judgment is required in assessing the range of possible outcomes for some of these tax matters, which could change over time as each of the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents. Based on its internal assessment supported by external legal counsel views, if any, the Company believes that it will be able to sustain its positions if challenged by the authorities and accordingly no additional provision is required for these matters.

Other than the matter disclosed above, the Company is involved in disputes, lawsuits, proceedings etc. including patent and commercial matters that arise from time to time in the ordinary course of business. Management is of the view that above matters are not tenable and will not have any material adverse effect on the Company's financial position and results of operations.

Particulars		March 31, 2022	March 31, 2021
(b)	**Guarantees:**		
(i)	Corporate guarantees given in favour of the Central Excise Department in respect of certain performance obligations of the subsidiaries		
	Syngene International Limited	148	148
(ii)	Corporate guarantees given in favour of banks towards loans obtained by subsidiaries/step - down subsidiaries	3,250	13,939
(ii)	**Commitments:**		
(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	1,126	1,747

(b) During FY 2019-20, the Company and Biocon Biologics Limited had entered into an agreement with Active Pine LLP ('Investor I) whereby the Investor has infused ₹ 5,363 against issuance of equity shares of a subsidiary company, Biocon Biologics Limited. As per the agreement, the Company will be required to provide various options to enable the Investor to exit over a period of time. In the event, such exit events do not occur, the Investor may require the Company, to buy them out at certain prices agreed under the arrangement.

(c) During the previous year, the Company and Biocon Biologics Limited had entered into an agreement with Beta Oryx Limited, a wholly owned subsidiary of ADQ (Investor II) whereby the Investor has infused ₹ 5,550 against issuance of equity shares of a subsidiary company, Biocon Biologics Limited. As per the agreement, the Company will be required to provide various options to enable the Investor to exit over a period of time. In the event, such exit events do not occur, the Investor may require the Company, to buy them out at certain prices agreed under the arrangement.

(d) During the previous year, the Company and Biocon Biologics Limited has entered into an agreement with Tata Capital Growth Fund II (Investor III) whereby the Investor has infused ₹ 2,250 against issuance of equity shares of a subsidiary company, Biocon Biologics Limited. As per the agreement, the Company will be required to provide various options to enable the Investor to exit over a period of time. In the event, such exit events do not occur, the Investor may require the Company, to buy them out at certain prices agreed under the arrangement.

35. Employee benefit plans

(i) The Company has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972. Under this legislation, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement/termination age and does not have any maximum monetary limit for payments. The gratuity plan is a funded plan and the Company makes contributions to a recognised fund in India.

The plans assets are maintained with HDFC Life in respect of gratuity scheme for certain employees of the Company. The details of investments maintained by Life Insurance Corporation are not available with the Company, hence not disclosed. The expected rate of return on plan assets is 6.1 % p.a. (31 March 2021: 5.8% p.a.).

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. Actuarial valuations involve making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability
Balance as on April 01, 2021	355	(7)	348
Current service cost	35	-	35
Interest expense/(income)	19	-*	19
Amount recognised in Statement of profit and loss	**54**	**-***	**54**
Liability transferred in/ Acquisitions	6	-	6
(Liability transferred out/ Divestments)	(10)	-	(10)

Particulars	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability
Remeasurements:			
Actuarial (gain)/loss arising from:			
Financial assumptions	(9)	-	(9)
Experience adjustment	(13)	-	(13)
Amount recognised in other comprehensive income	**(22)**	**-**	**(22)**
Employers contribution	-	-	-
Benefits paid	(41)	-	(41)
Balance as at March 31, 2022	**342**	**(7)**	**335**

Particulars	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability
Balance as on April 01, 2020	338	(41)	297
Current service cost	34	-	34
Interest expense/(income)	20	(2)	18
Amount recognised in Statement of profit and loss	**54**	**(2)**	**52**
Liability transferred in/ Acquisitions	-	-	-
Liability transferred out/ Divestments	-	-	-
Remeasurements:			
Actuarial (gain)/loss arising from:			
Financial assumptions	3	-	3
Experience adjustment	(17)	-	(17)
Amount recognised in other comprehensive income	**(14)**	**-**	**(14)**
Employers contribution	-	36	36
Benefits paid	(23)	-	(23)
Balance as at March 31, 2021	**355**	**(7)**	**348**

Particulars	March 31, 2022	March 31, 2021
Non-current	256	263
Current	79	85
	335	**348**

* Amounts are not presented since the amounts are rounded off to Rupees million.

(ii) The assumptions used for gratuity valuation are as below:

	March 31, 2022	March 31, 2021
Interest rate	6.1%	5.8%
Discount rate	6.1%	5.6%
Expected return on plan assets	6.1%	5.8%
Salary increase	9.0%	9.0%
Attrition rate	14% - 30%	14% - 30%
Retirement age - Years	58	58

Assumptions regarding future mortality experience are set in accordance with published statistics and mortality tables as per IALM (2012-14)

The weighted average duration of the defined benefit obligation was 6 years (March 31, 2021 - 6 years).

The defined benefit plan exposes the Company to actuarial risks, such as longevity and interest rate risk.

(iii) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are as below:

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% Change)	(16)	18	(16)	19
Salary increase (1% Change)	18	(16)	18	(17)
Attrition rate (1% Change)	(3)	4	(4)	4

Sensitivity of significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.

As of March 31, 2022 and March 31, 2021, the plan assets have been invested in insurer managed funds and the expected contribution to the fund during the year ending March 31, 2023, is approximately ₹ 64 (March 31, 2022 - ₹ 74).

Maturity profile of defined benefit obligation amount

Particulars	March 31, 2022	March 31, 2021
1st Following year	64	74
2nd Following year	36	38
3rd Following year	37	35
4th Following year	34	33
5th Following year	30	33
Years 6 to 10	142	129
Years 11 and above	153	156

(iv) Risk Exposure

These defined benefit plans typically expose the Company to actuarial risks as under:

a) Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

b) Interest rate risk: A decrease in bond interest rate will increase the plan liability.

c) Longevity risk: The present value of the defined plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy will increase the plan's liability.

d) Salary risk: Higher than expected increase in salary will increase the defined benefit obligation.

(v) Other Long term benefits

Present value of other long term benefits (i.e. compensated absences) obligations at the end of the year

Particulars	March 31, 2022	March 31, 2021
Compensated absences	169	170

36. Financial instruments: Fair value and risk managements

A. Accounting classification and fair values

March 31, 2022	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current investments	22,472	30	27,676*	50,178	30	-	22,472#	22,502
Loans	-	-	413	413	-	-	-	-
Current investments	72	-	2,550	2,622	72	-	-	72
Trade receivables	-	-	7,006	7,006	-	-	-	-
Cash and cash equivalent	-	-	1,110	1,110	-	-	-	-
Other bank balances	-	-	5,783	5,783	-	-	-	-
Other financial asset	-	161	1,488	1,649	-	161	-	161
	22,544	**191**	**46,026**	**68,761**	**102**	**161**	**22,472**	**22,735**
Financial liabilities								
Lease liabilities	-	-	10	10	-	-	-	-
Borrowings	-	-	759	759	-	-	-	-
Trade payables	-	-	3,809	3,809	-	-	-	-
Other financial liabilities	140	5	679	824	-	5	140	145
	140	**5**	**5,257**	**5,402**	**-**	**5**	**140**	**145**

March 31, 2021	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current investments	21,920	65	28,749*	50,734	65	-	21,920#	21,985
Current investments	1,343	-	2,050	3,393	1,343	-	-	1,343
Trade receivables	-	-	6,054	6,054	-	-	-	-
Cash and cash equivalents	-	-	2,535	2,535	-	-	-	-
Other bank balances			3,477	3,477	-	-	-	-
Other financial asset	-	20	1,907	1,927	-	20	-	20
	23,263	**85**	**44,772**	**68,120**	**1,408**	**20**	**21,920**	**23,348**
Financial liabilities								
Lease liabilities	-	-	24	24	-	-	-	-
Borrowings	-	-	7	7	-	-	-	-
Trade payables	-	-	3,720	3,720	-	-	-	-
Other financial liabilities	140	6	446	592	-	6	140	146
	140	**6**	**4,197**	**4,343**	**-**	**6**	**140**	**146**

(a) The fair value of trade receivables, trade payables and other financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short – term nature

(b) There have been no transfers between level 1, 2 and 3 needs to be made.

(c) The Company enters into derivative financial instruments with various counterparties. Derivatives are valued using valuation techniques in consultation with market expert. The most frequently applied valuation technique include forward pricing, swap models and Black Scholes Merton Model (for options valuation), using present value calculations. The models incorporate various inputs including foreign exchange forward rates, interest rate curve and forward rates curve.

* Investment in equity shares in subsidiaries, associate and joint venture and investment in preference shares of associates has been accounted at cost as per Ind AS 27 "Consolidated and Separate Financial Statements".

These includes investment in preference shares in subsidiaries which are convertible (variable number of equity shares) / redeemable, at its face value, any time during the tenure of the instrument at the option of the holder. Owing to this feature, the instrument has been disclosed at its fair value which is equivalent to the face value.

B. Measurement of fair values

Fair value of liquid mutual funds are based on quoted price. Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

Sensitivity analysis

For the fair values of forward contracts of foreign currencies, reasonably possible changes at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effects in other comprehensive income (OCI).

	March 31, 2022 Impact on other equity		March 31, 2021 Impact on other equity	
	Increase	Decrease	Increase	Decrease
Significant observable inputs				
Spot rate of the foreign currency (1% movement)	(12)	6	(8)	8
Interest rates (100 bps movement)	74	(74)	-	-

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(i) Risk management framework

The Company's risk management is carried out by the treasury department under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investment of excess liquidity.

(ii) Credit risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

Customer credit risk is managed by each business unit subject to Company's established policy, procedures and control relating to customer credit risk management. The Audit and Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, where available, and other publicly available financial information. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to ₹ 7,006 (March 31, 2021: ₹ 6,054). The movement in allowance for impairment in respect of trade and other receivables during the year was as follows:

Allowance for Impairment	March 31, 2022	March 31, 2021
Opening balance	34	34
Impairment loss recognised	201	8
Impairment loss reversed/transferred	-	(8)
Closing balance	**235**	**34**

Receivable from none of the customers of the Company is more than 10 percent of the Company's total trade receivables as at March 31, 2022 (March 31, 2021 two customers - ₹ 2,321).

Refer note 12 for ageing of trade receivables.

Other than trade receivables, the Company has no significant class of financial assets that is past due but not impaired.

Credit risk on cash and cash equivalent and derivatives is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies which are rated A+ or AAA. Investments primarily include investment in liquid mutual fund units, bonds and non-convertible debentures.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The following are the contractual maturities of financial liabilities and excluding interest payments. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay:

March 31, 2022

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Borrowings	-	-	455	304	759
Trade payables	3,809	-	-	-	3,809
Other financial liabilities	683	1	140	-	824
Lease Liabilities	10	2	-	-	12
Total	**4,502**	**3**	**595**	**304**	**5,404**

March 31, 2021

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Borrowings	7	-	-	-	7
Trade payables	3,720	-	-	-	3,720
Other financial liabilities	448	4	140	-	592
Lease Liabilities	17	10	2	-	29
Total	**4,192**	**14**	**142**	**-**	**4,348**

(iv) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices.

Foreign currency risk

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently, the Company is exposed to foreign exchange risk through operating and borrowing activities in foreign currency. The Company holds derivative instruments such as foreign exchange forward, interest rate swaps and option contracts to mitigate the risk of changes in exchange rates and foreign currency exposure.

The currency profile of financial assets and financial liabilities as at March 31, 2022 and March 31, 2021 are as below:

March 31, 2022	USD	EUR	Others	Total
Financial assets				
Trade receivables	2,717	294	1	3,012
Cash and cash equivalents	628	127	3	758
Other financial assets	227	_*	-	227
Financial liabilities				
Trade payables	(615)	(14)	(42)	(671)
Borrowings	(759)	-	-	(759)
Other financial liabilities	(88)	(10)	(9)	(107)
Net assets/(liabilities)	**2,110**	**397**	**(47)**	**2,460**

March 31, 2021	USD	EUR	Others	Total
Financial assets				
Trade receivables	2,275	230	12	2,517
Cash and cash equivalents	1,924	345	1	2,270
Other current financial assets	68	_*	-	68
Financial liabilities				
Trade payables	(620)	(83)	(30)	(733)
Other current financial liabilities	(78)	(6)	-	(84)
Net assets/(liabilities)	**3,569**	**486**	**(17)**	**4,038**

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%	21	36	10	28
INR/USD - Decrease by 1%	(21)	(36)	(15)	(28)
EUR Sensitivity				
INR/EUR - Increase by 1%	4	5	4	5
INR/EUR - Decrease by 1%	(4)	(5)	(4)	(5)

* Amounts are not presented since the amounts are rounded off to Rupees million.

Derivative financial instruments

The Company uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The Company's treasury team manages its foreign currency risk by hedging forecasted transactions like sales, purchases and capital expenditures. When a derivative is entered for hedging, the Company matches the terms of those derivatives to the underlying exposure. All identified exposures are managed as per the policy duly approved by the Board of Directors.

The following table gives details in respect of outstanding foreign exchange forward, option and interest rate swaps contracts:

(in Million)

Particulars	March 31, 2022	March 31, 2021
Interest rate swaps used for hedging LIBOR component in External Commercial Borrowings with periodical maturity dates between 0-6 Years	USD 10	-
Foreign exchange forward contracts to sell USD maturity between 0-1 Years	USD 12	USD 8
European style range forward contracts with periodical maturity dates between 0-2 Years	USD 56	USD 57

Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During the year ended March 31, 2022 the Company's borrowings at variable rate were mainly denominated in USD.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	March 31, 2022	March 31, 2021
Fixed rate borrowings	759	7
Total borrowings	**759**	**7**

(b) Sensitivity

The Company policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. They are therefore not subject to interest rate risk as defined under Ind AS 107.

37. Capital management

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business. The Company focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute annual dividends in future periods.

The amount of future dividends of equity shares will be balanced with efforts to continue to maintain an adequate liquidity status.

The capital structure as of March 31, 2022 and March 31, 2021 was as follows:

Particulars	March 31, 2022	March 31, 2021
Total equity attributable to the equity shareholders of the Company	80,929	79,071
As a percentage of total capital	99%	100%
Borrowings	759	7
Total borrowings	**759**	**7**
As a percentage of total capital	**1%**	**0%**
Total capital (Equity and Borrowings)	**81,688**	**79,078**

38. Lease

The Company has entered into lease agreements for use of land, buildings and vehicles which expires over a period ranging upto the year of 2117. Gross payments for the year aggregate to ₹ 17.

The following is the movement in lease liabilities during the year ended March 31, 2022:

Particulars	Land	Buildings	Vehicles	Total
Balance as the beginning	2	-	22	24
Addition during the year	-	-	-	-
Finance cost accrued during the year	1	-	3	4
Disposals	-	-	-	-
Payment of lease liabilities	(2)	-	(16)	(18)
Balance as at March 31, 2022	**1**	**-**	**9**	**10**

Particulars	Land	Buildings	Vehicles	Total
Balance as the beginning	5	2	23	30
Addition during the year	-	-	15	15
Finance cost accrued during the year	-	-	4	4
Disposals	-	-	(4)	(4)
Payment of lease liabilities	(3)	(2)	(16)	(21)
Balance as at March 31, 2021	**2**	**-**	**22**	**24**

	March 31, 2022	March 31, 2021
The following is the breakup of current and non current lease liability:		
Current lease liabilities	9	12
Non current lease liabilities	1	12
	10	**24**
The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:		
Less than one year	10	17
More than one less than five year	2	12
Total	**12**	**29**
The following are the amounts recognised in the statement of Profit or Loss :		
Depreciation expenses on right of use-assets	13	16
Interest expenses on lease liabilities	4	4
Total amount recognised in Profit or loss	**17**	**20**

39. Segmental information

In accordance with Ind AS 108 - Operating segments, segment information has been provided in the consolidated financial statements of the Company and therefore no separate disclosure on segment information is given in these standalone financial statements.

40. Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

	Particulars	In Cash	Yet to be paid in cash	Total
	March 31, 2022			
(i)	Construction/acquisition of any asset*	-	-	-
(ii)	On purposes other than (i) above	70	-	70
		70	**-**	**70**
	March 31, 2021			
(i)	Construction/acquisition of any asset*	3	-	3
(ii)	On purposes other than (i) above	63	-	63
		66	**-**	**66**

* Not owned by the Company.

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Amount required to be spent by the Company during the year:	70	66
Amount of expenditure incurred	70	66
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-

Nature of CSR activities conducted by the company during year ended March 31, 2022 and March 31, 2021 are as follows:

1. Promoting Education
2. Mass Transit System
3. Lake Rejuvenation
4. Government School Construction

Refer Note 32 for details of related party transactions

41. The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the financial year. The Company is required to update and put in place the information latest by the due date of filing its income tax return. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for tax.

42. Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988).

(ii) The Company does not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company is not declared as wilful defaulter by any bank or financial institution or government or any government authority.

43. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries).

Further, The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

44. Ratio Analysis and its elements

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	4.07	3.94	3.11%	-
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.01	0.00	10493.92%	Increased due to debt obtained during the current year.
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Interest	Debt service = Interest & Lease Payments + Principal Repayments	51.95	137.29	-62.16%	Profit after tax has reduced in the current year.
Return on Equity	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	1.08%	3.63%	-70.37%	Profit after tax has reduced in the current year.
Inventory Turnover ratio	Cost of goods sold	Average Inventory	1.66	1.65	0.53%	-
Trade Receivable Turnover Ratio	Net credit sales = Revenue from operations	Average Trade Receivable	2.66	3.44	-22.67%	
Trade Payable Turnover Ratio	Net credit purchases = Purchases of traded goods + Purchases of raw materials and packing materials + other expenses	Average Trade Payables	3.72	2.72	36.92%	Increase in purchases during the current year.
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Average Working capital = Current assets – Current liabilities	1.01	1.36	-25.69%	Decrease in sales during the current year.
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	4.95%	13.83%	-64.18%	Profit after tax has reduced in the current year.
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth (Total equity - Intangibles assets) + Total Borrowings - Deferred Tax Asset	1.75%	4.65%	-62.40%	Earnings before interest and taxes has reduced in the current year.
Return on Investment	Interest income on deposits + Net gain on mutual funds	Average Investment in deposits and mutual funds	5.00%	3.15%	58.76%	Increased due to higher yields on treasury investments.

45. In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption.

The Company has considered internal and external information while finalising various estimates in relation to its financial statement captions upto the date of approval of the financial statements by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

46. Events after reporting period

On April 28, 2022, the Board of Directors of the Company has proposed a final dividend of 10% i.e. ₹ 0.50 per equity share of face value of ₹ 5/- each as on the record date for distribution of final dividend. The proposed dividend is subject to approval of the shareholders in the ensuing Annual General Meeting of the Company. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

47. Previous period figures have been re-grouped/ re-classified wherever necessary, to confirm to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective from April 1, 2021.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No. 060573

Bengaluru
April 28, 2022

For **and on behalf of the Board of Directors of Biocon Limited**

Kiran Mazumdar-Shaw
Executive Chairperson
DIN: 00347229

Siddharth Mittal
Managing Director & CEO
DIN: 03230757

Indranil Sen
Chief Financial Officer
Bengaluru
April 28, 2022

Mayank Verma
Company Secretary

Independent Auditor's Report

To the Members of Biocon Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Biocon Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint venture, which comprise the consolidated balance sheet as at31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements /financial information of such subsidiary and joint venture as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint venture as at 31 March 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Impairment of intangible assets under development and property, plant and equipment	
The key audit matter	**How the matter was addressed in our audit**
The Group has significant intangible assets under development and property, plant and equipment where certain products are under development or in their early stage of commercialisation in certain key developed markets as of 31 March 2022. As the products are yet to be launched or in their initial stages of commercialisation, revenue and profitability are yet to reach its desired levels and hence, there is a risk of impairment in the event the carrying amount of the aforesaid assets are lower than its recoverable value. Company's assessment of recoverable value to test for impairment contains a number of parameters which involve significant judgements and estimates including weighted average cost of capital, revenue growth, expected market share and price erosion. Changes in these assumptions could lead to an impairment to the carrying value of these assets. Accordingly, we have focused our audit work in this area. For further information on the carrying value of intangible assets and property, plant and equipment refer to: - Significant accounting policies which includes General accounting principles, Key accounting judgements, estimates and assumptions - Note 2(i), and - financial disclosures as disclosed in Intangible assets - Note 4(a) of the Consolidated Financial Statements for the year ended March 31, 2022.	Our audit procedures in relation to impairment testing includes the following: • Tested the design and operating effectiveness of the Group's controls around the impairment testing; • Evaluating assumptions used by the Company in assessing the recoverability of assets - in particular, revenue and cash flow projections; • Involving our valuation specialists to assist us in evaluating the valuation methodologies and assumptions used by the Company; • Evaluating Company's assessment of key inputs by considering third party sources and the impact on future cash inflows due to actions by competitors or changes in relevant market conditions; • Inquired with the Company about potential impact of COVID-19 situation and its assessment of the likelihood of delay in product approvals, thereby impacting valuation; • Evaluating the sensitivity analysis carried out by the Company in respect of certain key estimates to assess the level of sensitivity to key assumptions.

Taxation	
The key audit matter	**How the matter was addressed in our audit**
The Group operates across different tax jurisdictions around the world and is subject to complexities with respect to various tax positions on matters such as: - deductibility of transactions - availability of tax incentives / exemptions, - cross border transfer pricing arrangements etc. Judgment is required in assessing the range of possible outcomes for some of these tax matters. These judgments could change over time as each of the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents. The Company makes an assessment to determine the outcome of these uncertain tax positions and decides to make an accrual or consider it to be a possible contingent liability.	Our audit procedures in relation to Taxation include the following: • Tested the design and operating effectiveness of the Group's controls around the tax computation and tax matters; • We obtained an understanding of the key uncertain tax positions based on list of ongoing litigations and tax computations for the current year; • We analysed select key correspondences with the tax authorities to identify any additional uncertain tax positions; • We analysed the Company's judgment regarding the eventual resolution of matters with various tax authorities. In this regard, we understood how the Company has considered past experience, where available, with the tax authorities in the respective jurisdictions;

Taxation	
The key audit matter	**How the matter was addressed in our audit**
Where the amount of tax liabilities are uncertain, the Group recognizes accruals which reflect its best estimate of the outcome based on the facts known in the relevant jurisdiction. Accordingly, we focused on this area. The Group also has significant deferred tax assets in a subsidiary primarily comprising of Minimum Alternate Tax ('MAT') entitlement credits on account of tax holiday benefits, which would expire over a period of 15 years. Assessment of recoverability of such MAT credits require Group to prepare forecasts for future profitability and potential tax liabilities, which involves significant judgment and accordingly was an area of focus for us. For further information refer to: - the Significant accounting policies which includes General accounting principles, Key accounting judgements, estimates and assumptions - Note 2(n) and - financial disclosures set out in Note 38 for Tax expense and Note 34 for contingent liabilities in the Consolidated Financial Statements for the year ended March 31, 2022.	• We also considered external legal opinions and consultations made by the Company for key matters during current and past periods; • We used our own tax specialists' expertise to assess key assumptions made by the Company; • With respect to our assessment of recoverability of MAT, our audit procedures included: - Assessing the revenue and profit forecast against the historical performance and assessing the relevant component's plans with respect to new undertakings being setup having tax holiday benefits; and - Assessing the sensitivity of key assumptions including the growth rate and tax holiday benefit for future years on the ability to utilize the MAT credits.

Financial instrument- hedge accounting	
The key audit matter	**How the matter was addressed in our audit**
The Group enters into forward, option and interest rate swap contracts to hedge its foreign exchange and interest rate risks. Foreign exchange risks arise from sales to customers as significant part of its revenues are denominated in foreign currency with most of the costs denominated in Indian Rupees (INR). Foreign exchange risks also arise from foreign currency borrowings. The interest rate risks arises from the variable rate of interest on its foreign currency borrowings. The Group designates a significant portion of its derivatives as cash flow hedges of highly probable forecasted transactions. Derivative financial instruments are recognized at their fair value as of the balance sheet date on the basis of valuation report obtained from third party specialists. Basis such valuations, effective portion of derivative movements are recognized within equity. These matters are of importance to our audit due to complexity in the valuation of derivative contracts and complex accounting and documentation requirements under Ind AS 109: "Financial Instruments". COVID-19 has an impact on operations and thereby impacted Group's estimates relating to occurrence of the highly probable forecasted transactions. A hedging relationship can no longer be continued if the Company concludes forecasted transactions are not likely to occur. Given the uncertainties relating to COVID-19, judgments and estimates relating to hedge accounting were inherently complex. Refer Note 2(c) and 36 to the Consolidated Financial Statements	Our audit procedures in relation to hedge accounting include the following, amongst others: • Tested the design and operating effectiveness of the Group's controls around hedge accounting; • We involved our internal valuation specialists to assess the fair value of the derivatives by testing sample contracts. • We analyzed critical terms (such as nominal amount, maturity and underlying) of the hedging instrument and the hedged item to assess they are closely aligned. • We analysed the revised estimate of highly probable forecasted transactions and tested the impact of ineffective hedges. • We challenged Company's assertion relating to its ability to meet its forecasts on account of COVID-19, to be able to assert that hedge accounting can be continued by analysing various scenarios to conclude there was no significant impact on the year-end financial statements.

Revenue and receivables	
The key audit matter	**How the matter was addressed in our audit**
Revenue from sale of goods is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control is usually transferred upon shipment, delivery to certain named location, or upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers and other terms generally recognised under internationally accepted commercial arrangements. Additionally under certain bill and hold arrangements revenues are recognised based on specific requests from the customer to invoice certain goods pending deliveries at period end based on the specific criteria as required under IndAS 115: Revenue from Contracts with Customers. The Group also recognises revenues from certain profit-sharing arrangements which requires the Group to make certain estimates based on information received from its customers which in certain instances involves judgments. The amount of revenue to be recognised is based on the consideration expected to be received in exchange for goods, excluding trade discounts, volume discounts, sales returns and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, goods and services tax etc., where applicable. Revenue is one of the key performance indicators of the Group and there could be a risk that revenue is recognized in the incorrect period or before the control has been transferred to the customer. Further, the Company has significant trade receivables at year end including certain balances with related parties. Given the size of the balances and the risk of some of the trade receivables not being recoverable, judgment is required to evaluate the adequacy of allowance recorded to reflect the risk. Refer to Note 2(l) of the summary of significant accounting policies to the consolidated financial statements	Our audit procedures in relation to revenue recognition includes the following: • Assessed the appropriateness of the Group's revenue recognition accounting policies and assessed compliance with the policies in terms of applicable accounting standards. • Tested the design and operating effectiveness of the Group's controls around revenue recognition. • Performed substantive testing (including year-end cutoff testing) by selecting samples of revenue transactions recorded during the year and verifying the underlying documents, which includes sales invoices/contracts and shipping documents. • For bill and hold arrangements substantively tested the specific requests from customers at the period end to evaluate transfer of control. • For revenue from profit share arrangements we verified communications from customers and other correspondences to assess the amounts to be recognised at period end. • Assessing journal entries posted to revenue to identify unusual items not already covered by our audit testing • Evaluated management's assessment of the impact on revenue recognition and consequential impact on the expected credit loss allowance on receivables.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises of Management Reports such as Board Reports, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report (but does not include the consolidated financial statements and our Auditors' Report thereon) which we obtained prior to the date of this Auditor's Report and the remaining section of the Annual Report, which are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this Auditor's Report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections of Annual Report (other than those mentioned above), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial statements/financial information of such entities or business activities within the Group and its associates and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements/financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements / financial information of a subsidiary, whose financial statements/financial information reflect total assets (before consolidation adjustments) of ₹ 34,644 million as at 31 March 2022, total revenues (before consolidation adjustments) of ₹ 7,867 million and net cash flows (before consolidation adjustments) amounting to ₹ 106 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of ₹ 39 million for the year ended 31 March 2022, in respect of a joint venture, whose financial statements/financial information have not been audited by us. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and joint venture, and our report in terms of sub-section (3) of Section 143

of the Act, in so far as it relates to the aforesaid subsidiary and joint venture is based solely on the reports of the other auditors.

This subsidiary and joint venture are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements/financial information of such subsidiary and joint venture located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary and joint venture located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiary and joint venture as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of a subsidiary and a joint venture, as noted in the "Other Matters" paragraph:

a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group, its associates and joint venture. Refer Note 34 to the consolidated financial statements.

b) Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 36 to the consolidated financial statements in respect of such items as it relates to the Group, its associates and joint venture.

c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2022.

d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 45 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies incorporated in India or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 45 to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) As stated in Note 47 to the consolidated financial statements, the Board of Directors of the Holding Company and a subsidiary company incorporated in India has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company and its subsidiary companies which are incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies are not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership Number: 060573
UDIN: 22060573AIAOXY1686

Place: Bangalore
Date: 28 April 2022

Annexure A to the Independent Auditors' Report

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the consolidated financial statements for the year ended 31 March 2022, we report the following:

xxi. In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Biocon Limited	L24234KA1978PLC003417	Holding Company	3(i)(c)
2	Biocon Pharma Limited	U24232KA2014PLC077036	Subsidiary	3(xvii)
3	Biocon Biosphere Limited	U24304KA2019PLC130965	Subsidiary	3(ix)(d); 3(xvii)
4	Biofusion Therapeutics Limited	U73100KA2021PLC145487	Subsidiary	3(ix)(d)

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership Number: 060573
UDIN: 22060573AIAOXY1686

Place: Bangalore
Date: 28 April 2022

Annexure B to the Independent Auditors' report on the consolidated financial statements of Biocon 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 Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable

detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership Number: 060573
UDIN: 22060573AIAOXY1686

Place: Bangalore
Date: 28 April 2022

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 No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	56,767	55,573
Capital work-in-progress	3	34,203	22,535
Right-of-use assets	4 (b)	2,673	1,533
Goodwill	4 (a)	264	264
Other intangible assets	4 (a)	5,986	6,269
Intangible assets under development	4 (a)	6,901	5,467
Investment in associates and a joint venture	39 (d)	80	1,795
Financial assets			
(i) Investments	5	3,622	5,637
(ii) Derivative assets		1,468	656
(iii) Other financial assets	6(a)(i)	454	2,009
Income-tax assets (net)		3,135	2,648
Deferred tax assets (net)	7	2,933	3,077
Other non-current assets	8(a)	1,631	1,756
Total non-current assets		1,20,117	1,09,219
Current assets			
Inventories	9	22,982	18,666
Financial assets			
(i) Investments	10	12,177	12,087
(ii) Trade receivables	11	20,582	15,033
(iii) Cash and cash equivalents	12	6,630	9,531
(iv) Bank balances other than (iii) above	12	10,845	10,623
(v) Derivative assets		1,223	833
(vi) Loans	6(b)	671	-
(vi) Other financial assets	6(a)(ii)	4,506	5,071
Other current assets	8(b)	4,207	3,638
Assets classified as held for sale	42	-	522
Total Current Assets		83,823	76,004
Total Assets		2,03,940	1,85,223
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13(a)	6,003	6,000
Other equity	13(b)	78,322	70,269
Equity attributable to owners of the Company		84,325	76,269
Non-controlling interests		10,375	8,807
Total equity		94,700	85,076
Non-current liabilities			
Financial liabilities			
(i) Borrowings	14	39,985	29,616
(ii) Lease liabilities	15	2,215	1,141
(iii) Derivative liabilities		136	618
(iv) Other financial liabilities	16(a)	15,033	15,033
Provisions	17(a)	917	1,062
Deferred tax liabilities (net)	7	523	323
Other non-current liabilities	18(a)	12,151	10,253
Total non-current liabilities		70,960	58,046
Current liabilities			
Financial liabilities			
(i) Borrowings	19	9,055	13,970
(ii) Lease liabilities	15	211	84
(iii) Trade payables	20		
- total outstanding dues of micro and small enterprises		1,036	770
- total outstanding dues of creditors other than micro and small enterprises		15,049	14,369
(iv) Derivative liabilities		124	260
(v) Other financial liabilities	16(b)	3,632	3,816
Provisions	17(b)	1,305	1,094
Current tax liabilities, net		1,618	1,524
Other current liabilities	18(b)	6,250	5,810
Liabilities directly associated with assets classified as held for sale	42	-	404
Total current liabilities		38,280	42,101
Total		2,03,940	1,85,223

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No. 060573

Bengaluru
April 28, 2022

For **and on behalf of the Board of Directors of Biocon Limited**

Kiran Mazumdar-Shaw
Executive Chairperson
DIN: 00347229

Siddharth Mittal
Managing Director & CEO
DIN: 03230757

Indranil Sen
Chief Financial Officer

Mayank Verma
Company Secretary

Bengaluru
April 28, 2022

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 No.	Year ended March 31, 2022	Year ended March 31, 2021
Income			
Revenue from operations	21	81,840	71,431
Other income	22	2,127	2,545
Total income (I)		83,967	73,976
Expenses			
Cost of materials consumed	23	28,139	24,302
Purchases of stock-in-trade		1,611	1,036
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(2,566)	(2,901)
Employee benefits expense	25	18,801	17,410
Finance costs	26	676	577
Depreciation and amortisation expense	27	8,142	7,151
Other expenses	28	20,917	18,563
		75,720	66,138
Less: Recovery of cost from co-development partners (net)		(4,764)	(3,507)
Total expenses (II)		70,956	62,631
Profit before tax, share of profit/(loss) of joint venture and associate and exceptional items (I-II)		13,011	11,345
Share of loss of joint venture and associates, net		(2,069)	(794)
Profit before tax and exceptional items		10,942	10,551
Exceptional items, net	32	(1,111)	126
Profit before tax		9,831	10,677
Tax expense			
Current tax	38	2,204	1,966
Deferred tax (credit) / charge			
MAT credit utilised/(entitlement), net		235	(259)
Other deferred tax		(324)	508
Total tax expense		2,115	2,215
Profit for the year		7,716	8,462
Other comprehensive income (OCI)			
(i) Items that will not be reclassified subsequently to profit or loss			
Re-measurement on defined benefit plans		103	(20)
Equity instruments through OCI		(736)	731
Income tax effect		75	(48)
		(558)	663
(ii) Items that may be reclassified subsequently to profit or loss			
Effective portion of gains/ (losses) on hedging instrument in cash flow hedges		1,410	2,013
Exchange difference on translation of foreign operations		717	(171)
Income tax effect		(467)	(360)
		1,660	1,482
Other comprehensive income for the year, net of taxes		1,102	2,145
Total comprehensive income for the year		8,818	10,607
Profit attributable to:			
Shareholders of the Company		6,484	7,405
Non-controlling interests		1,232	1,057
Profit for the year		7,716	8,462
Other comprehensive income attributable to:			
Shareholders of the Company		967	1,582
Non-controlling interests		135	563
Other comprehensive income for the year		1,102	2,145
Total comprehensive income attributable to:			
Shareholders of the Company		7,451	8,987
Non-controlling interests		1,367	1,620
Total comprehensive income for the year		8,818	10,607
Earnings per equity share	31		
Basic (in ₹)		5.44	6.24
Diluted (in ₹)		5.42	6.19

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No. 060573

Bengaluru
April 28, 2022

For **and on behalf of the Board of Directors of Biocon Limited**

Kiran Mazumdar-Shaw
Executive Chairperson
DIN: 00347229

Siddharth Mittal
Managing Director & CEO
DIN: 03230757

Indranil Sen
Chief Financial Officer

Mayank Verma
Company Secretary

Bengaluru
April 28, 2022

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) Equity share capital	As at March 31, 2022	As at March 31, 2021
Opening balance	6,000	6,000
Issued during the year	3	-
Closing balance	**6,003**	**6,000**

(B) Other equity

Particulars	Attributable to owners of the Company																
	Reserves and surplus											Items of other comprehensive income					
	Securities premium	Equity portion of optionally convertible debentures [refer note 14 (I)]	Revaluation reserve	Debenture redemption reserve	Capital redemption reserve	Capital reserve	General reserve	Retained earnings	SEZ Re-investment reserve	Share based payment reserve	Treasury shares	Foreign currency translation reserve	Cash flow hedging reserves	Other items of other comprehensive income	Total other equity	Non-controlling interests	Total
Balance at April 01, 2020	238	-	9	-	-	801	1,617	59,141	-	1,088	(1,345)	2,186	(1,290)	(1,387)	61,058	6,773	67,831
Profit for the year	-		-	-		-	-	7,405	-	-	-	-	-	-	7,405	1,057	8,462
Other comprehensive income, net of tax	-	-	-	-		-	-	-	-	-	-	(171)	1,083	670	1,582	563	2,145
Total comprehensive income for the year	-	-	-	-	-	-	-	7,405	-	-	-	(171)	1,083	670	8,987	1,620	10,607
Transfer to Special Economic Zone ('SEZ') re-investment reserve	-	-	-	-	-	-	-	(2,362)	2,362	-	-	-	-	-	-	-	-
Transfer from SEZ re-investment reserve on utilisation	-	-	-	-	-	-	-	2,362	(2,362)	-	-	-	-	-	-	-	-
Transactions with Owners directly recorded in equity:																	
Share based payment	-	-	-	-	-	-	-	-	-	1,062	-	-	-	-	1,062	-	1,062
Loss of control in subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	188	188
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	(93)	-	-		(93)	-	(93)
Change in fair value of gross liability on written put options	-	-	-	-	-	-	-	(1,871)	-	-	-	-	-	-	(1,871)	-	(1,871)
Equity component of optionally convertible debentures	-	959	-	-	-	-	-	-	-	-	-	-	-	-	959	-	959
Transfer to capital redemption reserve	-	-	-	-	1,292	-	-	(1,292)	-	-	-	-	-	-	-	-	-
Transfer to debenture redemption reserve	-	-	-	1,325	-	-	-	(1,325)	-	-	-	-	-	-	-	-	-
Exercise of share options	381	-	-	-	-	-	-	300	-	(609)	95	-	-	-	167	226	393
Balance at March 31, 2021	619	959	9	1,325	1,292	801	1,617	62,358	-	1,541	(1,343)	2,015	(207)	(717)	70,269	8,807	79,076
Profit for the year	-		-	-		-	-	6,484	-	-	-	-	-	-	6,484	1,232	7,716
Other comprehensive income, net of tax	-	-	-	-		-	-	-	-	-	-	717	786	(536)	967	135	1,102
Total comprehensive income for the year	-	-	-	-	-	-	-	6,484	-	-	-	717	786	(536)	7,451	1,367	8,818
Transfer to Special Economic Zone ('SEZ') re-investment reserve	-	-	-	-	-	-	-	(1,603)	1,603	-	-	-	-	-	-	-	-
Transfer from SEZ re-investment reserve on utilisation	-	-	-	-	-	-	-	1,603	(1,603)	-	-	-	-	-	-	-	-
Transactions with Owners directly recorded in equity:																	
Share based payment	-	-	-	-	-	-	-	-	-	1,257	-	-	-	-	1,257	-	1,257
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	(3)	-	-	-	(3)	-	(3)
Modification impact of OCD [refer note 14 (I)]	-	(959)						60	-	-	-	-	-	-	(899)	-	(899)
Transfer to debenture redemption reserve	-	-	-	38	-	-	-	(38)	-	-	-	-	-	-	-	-	-
Exercise of share options	573	-	-	-	-	-	-	(591)	-	(757)	1,022	-	-	-	247	201	448
Balance at March 31, 2022	1,192	-	9	1,363	1,292	801	1,617	68,273	-	2,041	(324)	2,732	579	(1,253)	78,322	10,375	88,697

The accompanying notes are an integral part of the Consolidated financial statements.
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No. 060573

Bengaluru
April 28, 2022

For **and on behalf of the Board of Directors of Biocon Limited**

Kiran Mazumdar-Shaw
Executive Chairperson
DIN: 00347229

Siddharth Mittal
Managing Director & CEO
DIN: 03230757

Indranil Sen
Chief Financial Officer

Mayank Verma
Company Secretary

Bengaluru
April 28, 2022

Statement of Consolidated Cash Flows for the year ended March 31, 2022

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

	Particulars	March 31, 2022	March 31, 2021
I	**Cash flows from operating activities**		
	Profit for the year	**7,716**	**8,462**
	Adjustments to reconcile profit for the year to net cash flows		
	Depreciation and amortisation expense	8,142	7,151
	Tax expense	2,115	2,215
	Unrealised foreign exchange loss	86	9
	Share-based compensation expense	1,257	1,060
	Provision/(reversal) of doubtful debts, net	240	-
	Bad debts written off	8	17
	Interest expense	676	577
	Interest income	(1,121)	(770)
	Net loss/(gain) on financial assets measured at fair value through profit or loss	286	(29)
	Net gain on sale of current investments	(133)	(84)
	Loss on sale of property, plant and equipment (net)	23	73
	Gain on dilution of interest in a associate / subsidiary	(299)	(1,597)
	Share of loss of joint venture/ associates	2,069	794
	Proceeds from insurance company	105	245
	Exceptional items, net	1,111	(350)
	Operating profit before changes in operating assets and liabilities	**22,281**	**17,773**
	Movement in operating assets and liabilities		
	(Increase) in inventories	(4,140)	(4,454)
	(Increase) in trade receivables	(4,736)	(2,788)
	(Increase) in other assets	(637)	(98)
	Increase in trade payable, other liabilities and provisions	1,618	3,102
	Cash generated from operations	**14,386**	**13,535**
	Income taxes paid (net of refunds)	(2,620)	(1,938)
	Net cash flow generated from operating activities	**11,766**	**11,597**
II	**Cash flows from investing activities**		
	Purchase of property, plant and equipment	(16,978)	(15,169)
	Payment of intangible assets	(2,270)	(2,294)
	Proceeds from sale of property, plant and equipment	21	96
	Purchase of investments	(43,020)	(68,433)
	Proceeds from sale of current investments	46,456	62,763
	Investment in bank deposits and inter-corporate deposits	(34,916)	(28,559)
	Redemption/ maturity of bank deposits and inter-corporate deposits	33,794	15,717
	Decrease in cash arising from loss of control	-	(1,020)
	Loan given to associate	(674)	-
	Interest received	596	652
	Net cash flow used in investing activities	**(16,991)**	**(36,247)**
III	**Cash flows from financing activities**		
	Purchase of treasury shares	(3)	(93)
	Proceeds from exercise of share options	428	407
	Proceeds from issuance of shares by subsidiary, net of expense	-	7,663

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)			
Particulars		**March 31, 2022**	**March 31, 2021**
	Proceeds from issuance of non convertible debentures by subsidiary	-	2,000
	Proceeds from issuance of optionally convertible debentures by subsidiary	-	11,016
	Proceeds from non- current borrowings	10,701	13,553
	Repayment of non- current borrowings	(10,949)	(7,336)
	Proceeds/ (Repayment) of current borrowings (net)	3,461	(345)
	Repayment of lease liabilities, net	(121)	(65)
	Interest paid	(1,096)	(1,160)
	Net cash flow generated from financing activities	**2,421**	**25,640**
IV	**Net (decrease)/ increase in cash and cash equivalents (I + II + III)**	**(2,804)**	**990**
V	Effect of exchange differences on cash and cash equivalents held in foreign currency	33	71
VI	Cash and cash equivalents at the beginning of the year	8,970	8,247
VII	Cash and cash equivalents classified as held for sale	338	(338)
VIII	**Cash and cash equivalents at the end of the year (IV + V + VI + VII)**	**6,537**	**8,970**

Reconciliation of cash and cash equivalents as per statement of cash flows

Cash and cash equivalents [note 12]		
Balances with banks - on current accounts	6,326	9,372
Balances with Banks - on unpaid dividend accounts*	4	5
Deposits with original maturity of less than 3 months	300	154
	6,630	**9,531**
Cash credits [note 19]	(93)	(561)
Balance as per statement of cash flows	**6,537**	**8,970**

*The Group can utilize these balances only towards settlement of the respective unpaid dividend liabilities.

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities as at March 31, 2022

Particulars	Opening balance April 1, 2021	Cash flows	Non-cash movement	Closing balance March 31, 2022
Non- current borrowings (including current maturities)	37,644	(248)	2,684	40,080
Current borrowings	5,381	3,461	25	8,867
Interest accrued but not due	125	(1,096)	1,111	140
Total liabilities from financing activities	**43,150**	**2,117**	**3,820**	**49,087**

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities as at March 31, 2021

Particulars	Opening balance April 1, 2020	Cash flows	Non -cash movement ^	Closing balance March 31, 2021
Non- current borrowings (including current maturities)	19,578	19,233	(1,167)	37,644
Current borrowings	5,822	(345)	(96)	5,381
Interest accrued but not due	14	(1,160)	1,271	125
Total liabilities from financing activities	**25,414**	**17,728**	**8**	**43,150**

^ includes equity component of Optionally convertible debentures ("OCD") amounting to ₹ 959. [Refer note 14 (l)]

The accompanying notes are an integral part of the consolidated financial statements.
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No. 060573

Bengaluru
April 28, 2022

For **and on behalf of the Board of Directors of Biocon Limited**

Kiran Mazumdar-Shaw
Executive Chairperson
DIN: 00347229

Siddharth Mittal
Managing Director & CEO
DIN: 03230757

Indranil Sen
Chief Financial Officer

Mayank Verma
Company Secretary

Bengaluru
April 28, 2022

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

1. Company Overview

1.1 Reporting entity

Biocon Limited ("Biocon" or the "parent company" or "the Company"), together with its subsidiaries, joint venture and associates (collectively, the "Group") is engaged in the manufacture of biotechnology products and research services. The Company is a public limited company incorporated and domiciled in India and has its registered office in Bengaluru, Karnataka, India. The Company's shares are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) in India.

0.2 Basis of preparation of financial statements

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

These consolidated financial statements have been prepared for the Group as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, March 31, 2022. These consolidated financial statements were authorised for issuance by the Company's Board of Directors on April 28, 2022.

Details of the Group's accounting policies are included in Note 2.

b. Functional and presentation currency

These consolidated financial statements are presented in Indian rupees (INR), which is also the functional currency of the parent Company. All amounts have been rounded-off to the nearest million, unless otherwise indicated. In respect of subsidiaries and associates whose operations are self-contained and integrated, the functional currency has been determined to be the currency of the primary economic environment in which the entity operates.

c. Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis (i.e on accrual basis), except for the following items:

- Certain financial assets and liabilities (including derivative instruments) are measured at fair value; and
- Net defined benefit assets/(liability) are measured at fair value of plan assets, less present value of defined benefit obligations

d. Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

• Note 1.2(b)	— Assessment of functional currency;
• Note 2(c) and 36	— Financial instruments;
• Note 2(d), 2(e) and 2(f)	— Useful lives of property, plant and equipment and intangible assets
• Note 2(r) and 15	— Lease, whether an agreement contains a lease;
• Note 2(j) and 35	— measurement of defined benefit obligation; key actuarial assumptions;
• Note 30	— Share based payments;
• Note 2(n), 7 and 38	— Provision for income taxes and related tax contingencies and evaluation of recoverability of deferred tax assets
• Note 2(l) and 21	— Revenue Recognition: whether revenue from sale of product and licensing income is recognized over time or at a point in time;
• Note 16	— Liability on written put options;

e. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2022 is included in the following notes:

— Note 2(i) – impairment test of non-financial assets; key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets;

— Note 2(n), 7 and 38 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

— Note 17 and 34– recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

— Note 2(j) and 35 – measurement of defined benefit obligations: key actuarial assumptions; and

— Note 36 – impairment of financial assets.

f. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

— Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

— Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

— Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

— Note 30 – share-based payment arrangements;

— Note 2(c) & 36 – financial instruments.

2. Significant accounting policies

a. Basis of consolidation

i. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The financial statements of the Group are consolidated on line-by-line basis. Intra-group transactions, balances and any unrealised gains arising from intra-group transactions, are eliminated. Unrealised losses are eliminated, but only to the extent that there is no evidence of impairment. All temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions are recognised as per Ind AS 12, Income Taxes.

For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

ii. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in statement of profit or loss.

iii. Associates and joint arrangements (equity accounted investees)

The Group's interests in equity accounted investees comprise interests in associates and a joint venture.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint venture are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income (OCI) of equity - accounted investees until the date on which significant influence or joint control ceases.

b. Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of companies at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in statement of profit or loss, except exchange differences arising from the translation of the qualifying cash flow hedges to the extent that the hedges are effective which are recognised in OCI.

Under previous GAAP exchange differences arising on restatement of long-term foreign currency monetary items related to acquisition of depreciable assets was added to/ deducted from the cost of the depreciable assets. In accordance with Ind AS 101 First time adoption of Indian Accounting Standards the Group continues the above accounting treatment in respect of the long-term foreign currency monetary items recognised in the financial statements as on March 31, 2016.

ii. Foreign operations

The assets and liabilities of foreign operations (subsidiaries, associates, joint arrangements) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Foreign currency translation differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

c. Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

— amortised cost;

— Fair value through other comprehensive income (FVOCI) – debt investment;

— Fair value through other comprehensive income – equity investment; or

— Fair value through profit and loss

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

— the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

— the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

— the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

— the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit or loss. However, see Note 36 for derivatives designated as hedging instruments.

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit or loss. Any gain or loss on derecognition is recognised in statement of profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in statement of profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit or loss. Any gain or loss on derecognition is also recognised in statement of profit or loss.

iii. De-recognition of financial instruments

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial liabilities

The Group de-recognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also de-recognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in statement of profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in statement of profit or loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

vi. Treasury shares

The Group has created an Employee Welfare Trust (EWT) for providing share-based payment to its employees. Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. When the treasury shares are issued to the employees by EWT, the amount received is recognised as an increase in equity and the resultant gain / (loss) is transferred to / from securities premium.

vii. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

viii. Cash dividend to equity holders

The Group recognises a liability to make cash distribution to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

d. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price including import duty and non refundable taxes or levies, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Expenditure incurred on startup and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

ii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Assets Classification	Management estimate of useful life	Useful life as per Schedule II
Building	Building	25-30 years	30 years
Roads	Building	5-12 years	5 years
Plant and equipment (including Electrical installation and Lab equipment)	Plant and Machinery	9-15 years	8-20 years
Computers and servers	Plant and Machinery	3 years	3-6 years
Office equipment	Plant and Machinery	3- 5 years	5 years
Research and development equipment	Research and development equipment	9 years	5-10 years
Furniture and fixtures	Furniture and fixtures	6 years	10 years
Vehicles	Vehicles	6 years	6-10 years

Asset	Assets Classification	Management estimate of useful life	Useful life as per Schedule II
Leasehold improvements	Leasehold improvements	5 years or lease period whichever is lower	
Leasehold land	Land and Right to use-assets	90 years or lease period whichever is lower	

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

iii. Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

e. Goodwill and other intangible assets

i. Goodwill

For measurement of goodwill that arises on a business combination. Subsequent measurement is at cost less any accumulated impairment losses.

ii. Other intangible assets

Internally generated: Research and development

Expenditure on research activities is recognised in statement of profit or loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in statement of profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Others

Other intangible assets are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses.

iii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in statement of profit or loss as incurred.

iv. Amortisation

Goodwill is not amortised and is tested for impairment annually.

Other intangible assets are amortised on a straight line basis over the estimated useful life as follows:

— Computer software	3-5 years
— Marketing and Manufacturing rights	5-10 years
— Developed technology rights	5-10 years
— Customer related intangibles	5 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

f. Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Based on technical evaluation and consequent advice, the management believes a period of 25 years as representing the best estimate of the period over which investment properties (which are quite similar) are expected to be used. Accordingly, the Group depreciates investment properties over a period of 25 years on a straight-line basis. The useful life estimate of 25 years is different from the indicative useful life of relevant type of buildings mentioned in Part C of Schedule II to the Act i.e. 30 years.

Any gain or loss on disposal of an investment property is recognised in statement of profit or loss.

g. Business combination

In accordance with Ind AS 103, Business combinations, the Group accounts for business combinations after acquisition date using the acquisition method when control is transferred to the Group. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration and deferred consideration, if any. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred.

h. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Provisions are made towards slow-moving and obsolete items based on historical experience of utilisation on a product category basis, which consideration of product lines and market conditions.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

i. Impairment

i. Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Group applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on following:

— financial assets measured at amortised cost; and

— financial assets measured at FVOCI - debt investments.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

ii. Impairment of non-financial assets

The Group assesses at each reporting date whether there is any indication that the carrying amount may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated and an impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount in the statement of profit or loss.

Goodwill is tested annually for impairment. For the purpose of impairment testing, goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flow, discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to CGU (or the asset).

The Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or Group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent

that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

j. Employee benefits

i. Short-term employee benefits:

All employee benefits falling due within twelve months from the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly."

ii. Post- employment benefits

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:"

Gratuity

The Group provides for gratuity, a defined benefit plan ("the Gratuity Plan") covering the eligible employees of the Company and its Indian subsidiaries. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of the employment with the Group.

Liability with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The defined benefit plan is administered by a trust formed for this purpose through the group gratuity scheme.

The Group recognises the net obligation of a defined benefit plan as a liability in its balance sheet. Gains or losses through re-measurement of the net defined benefit liability are recognised in other comprehensive income and are not reclassified to profit and loss in the subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognised in other comprehensive income. The effect of any plan amendments are recognised in the statement of profit and loss.

Provident Fund

Eligible employees of the Company and its Indian subsidiaries receive benefits from provident fund, which is a defined contribution plan. Both the eligible employees and the respective Companies make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee's salary. Amounts collected under the provident fund plan are deposited with in a government administered provident fund. The Companies have no further obligation to the plan beyond its monthly contributions.

iii. Compensated absences

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using the projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised is the period in which the absences occur.

The liability in respect of all defined benefit plans and other long term benefits is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses on other long term benefits are recognised in the Statement of Profit and Loss in the year in which they arise. Remeasurement gains and losses in respect of all defined benefit plans arising from

experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial

valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

iv. Share-based compensation

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

The grant date fair value of options granted (net of estimated forfeiture) to employees of the Group is recognised as an employee expense.

The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under "share based payment reserve". The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black-Scholes-Merton). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

k. Provisions (other than for employee benefits)

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected

net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

l. Revenue from contracts with customers

The Group has implemented new standard Ind-AS 115 'Revenue from Contracts with Customers' effective April 1, 2018 using cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application. The Group has evaluated its open arrangements on out-licensing with reference to upfront non-refundable fees received in earlier periods and concluded that some of the performance obligations may not be distinct and hence would need to be bundled with the subsequent product supply obligations. Accordingly standard is applied retrospectively only to contracts that were not completed as at the date of initial application.

i. Sale of goods

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. However, in certain cases, revenue is recognized on sale of products where shipment is on hold at specific request of the customer provided performance obligation conditions has been satisfied and control is transferred, with customer taking title of the goods. The amount of revenue to be recognized (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

For contracts with distributors, no sales are recognised when goods are physically transferred to the distributor under a consignment arrangement, or if the distributor acts as an agent. In such cases, sales are recognised when control over the goods transfers to the end-customer, and distributor's commissions are presented within marketing and distribution.

The consideration received by the Group in exchange for its goods may be fixed or variable. Variable consideration is only recognised when it is considered highly probable that a significant revenue reversal will not occur once the underlying uncertainty related to variable consideration is subsequently resolved.

ii. Milestone payments and out licensing arrangements

The Group enters into certain dossier sales, licensing and supply arrangements that, in certain instances, include certain performance obligations. Based on an evaluation of whether or not these obligations are inconsequential or perfunctory, the Group recognise or defer the upfront payments received under these arrangements.

Income from out-licensing agreements typically arises from the receipt of upfront, milestone and other similar payments from third parties for granting a license to product- or technology- related intellectual property (IP). These agreements may be entered into with no further obligation or may include commitments to regulatory approval, co-marketing or manufacturing. These may be settled by a combination of upfront payments, milestone payments and other fees. These arrangements typically also consist of subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement. Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, if the milestones are considered substantive, or over the period of continuing performance obligations, if the milestones are not considered substantive. Whether to consider these commitments as a single performance obligation or separate ones, or even being in scope of Ind-AS 115 'Revenues from Contracts with Customers', is not straightforward and requires some judgement. Depending on the conclusion, this may result in all revenue being calculated at inception and either being recognised at point in time or spread over the term of a longer performance obligation. Where performance obligations may not be distinct, this will bundled with the subsequent product supply obligations.

The new standard provides an exemption for sales-based royalties for licenses of intellectual property which will continue to be recognised as revenue as underlying sales are incurred.

The Group recognises a deferred income (contract liability) if consideration has been received (or has become receivable) before the Group transfers the promised goods or services to the customer. Deferred income mainly relates to remaining performance obligations in (partially) unsatisfied long-term contracts or are related to amounts the Group expects to receive for goods and services that have not yet been transferred to customers under existing, non-cancellable or otherwise enforceable contracts.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

iii. Contract research and manufacturing services income:

Revenue is recognised upon transfer of control of promised services or compounds to customers in an amount that reflects the consideration we expect to receive in exchange for those services or compounds.

Arrangement with customers for Contract research and manufacturing services income are either on a time-and-material basis, fixed price or on a sale of compounds.

In respect of contracts involving research services, in case of 'time and materials' contracts, contract research fee are recognised as services are rendered, in accordance with the terms of the contracts.

Revenues relating to fixed price contracts are recognised based on the percentage of completion method determined based on efforts expended as a proportion to total estimated efforts. The Group monitors estimates of total contract revenue and cost on a routine basis throughout the contract period. The cumulative impact of any change in estimates of the contract revenue or costs is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.

In respect of contracts involving sale of compounds arising out of contract research, revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment to the customer. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

The consideration received by the group in exchange for its goods may be fixed or variable. Variable consideration is only recognised when it is considered highly probable that a significant revenue reversal will not occur once the underlying uncertainty related to variable consideration is subsequently resolved.

iv. Royalty income and profit share

The Royalty income and profit share earned through a License or collaboration partners is recognized as the underlying sales are recorded by the Licensee or collaboration partners.

v. Sales Return Allowances

The Group accounts for sales return by recording an allowance for sales return concurrent with the recognition of revenue at the time of a product sale. The allowance is based on Group's estimate of expected sales returns. The estimate of sales return is determined primarily by the Group's historical experience in the markets in which the Group operates.

vi. Dividends

Dividend is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

vii. Rental income

Rental income from investment property is recognised in statement of profit or loss on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

viii. Contribution received from customers/co-development partners towards plant and equipment

Contributions received from customers/co-development partners towards items of property, plant and equipment which require an obligation to supply goods to the customer in the future, are recognised as a credit to deferred revenue. The contribution received is recognised as revenue from operations over the useful life of the assets. The Group capitalises the gross cost of these assets as the Group controls these assets.

ix. Interest income and expense

Interest income or expense is recognised using the effective interest method.

m. Government grants

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants received in relation to assets are recognised as deferred income and amortized over the useful life of such asset. Government grants, which are revenue in nature are either recognised as income or deducted in reporting the related expense based on the terms of the grant, as applicable.

n. Income taxes

Income tax comprises of current and deferred income tax. Income tax expense is recognised in statement of profit or loss except to the extent that it relates to an item recognised directly in equity in which case it is recognised in other comprehensive income. Current income tax for current year and prior periods is recognised at the amount expected to be paid or recovered from the tax authorities, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when:

— taxable temporary differences arising on the initial recognition of goodwill;

— temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction;

— temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Deferred income tax assets and liabilities are measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or substantive enactment date. A deferred income tax assets is recognised to the extent it is probable that future taxable income will be available against which the deductible temporary timing differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future. The Group offsets income-tax assets and liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

o. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset.

Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

p. Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be anti-dilutive.

q. Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairperson and Managing Director of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the Chief Operating Decision Maker (CODM). All operating segments' operating results are reviewed regularly by the CODM to make decisions about resources to be allocated to the segments and assess their performance.

r. Leases

(i) The Group as lessee:

The Group assesses whether a contract contains a lease, at the inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assesses whether a contract conveys the right to control use of an identified asset, the Group assesses whether:

- The contract involves use of an identified asset;
- The Group has substantially all the economic benefits from the use of the asset through the period of lease; and
- The Group has the right to direct the use of an asset.

At the date of commencement of lease, the Group recognises a Right-of-use asset ("ROU") and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with the term of twelve months or less (short term leases) and low value leases. For short term and low value leases, the Group recognises the lease payment as an operating expense on straight line basis over the term of lease.

Certain lease agreements include an option to extend or terminate the lease before the end of lease term. ROU assets and the lease liabilities includes these options when it is reasonably certain that they will be exercised.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., higher of fair value less cost to sell and the value-in-use) is determined on individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate explicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right-of- use assets if the Group changes its assessment if whether it will exercise an extension or a termination of option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and the lease payments have been classified as financing cash flows.

(ii) The Group as a Lessor:

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating lease.

d. Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

e. Exceptional items

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group.

f. Recent accounting developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments 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 group is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

3. Property, plant and equipment and Capital work-in-progress

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated) (₹ in lakh)

	Land [Refer note (a)]	Buildings	Leasehold improvements	Plant and equipment [Refer note (c)]	Research & development equipment	Furniture and fixtures	Vehicles	Total	Capital work-in-progress [Refer note (e)]
Gross carrying amount									
At April 01, 2020	**2,687**	**18,395**	**29**	**58,803**	**2,952**	**1,225**	**174**	**84,265**	**15,765**
Additions	46	739	52	6,507	571	260	28	8,203	14,997
Disposals/transfers	-	(59)	-	(179)	-	(4)	(45)	(287)	(8,203)
Other adjustments									
- Foreign currency translation adjustment	(38)	(195)	-	(425)	-	(2)	-	(660)	(24)
At March 31, 2021	**2,695**	**18,880**	**81**	**64,706**	**3,523**	**1,479**	**157**	**91,521**	**22,535**
Additions	61	644	35	6,218	105	183	42	7,288	18,886
Disposals/transfers	-	(5)	-	(302)	(103)	(2)	(13)	(425)	(7,288)
Other adjustments									
- Foreign currency translation adjustment	49	247	-	557	-	3	-	856	70
At March 31, 2022	**2,805**	**19,766**	**116**	**71,179**	**3,525**	**1,663**	**186**	**99,240**	**34,203**
Accumulated depreciation									
At April 01, 2020	-	**3,647**	**9**	**23,861**	**1,931**	**781**	**104**	**30,333**	-
Depreciation for the year	-	740	4	4,823	183	125	21	5,896	-
Disposals	-	(2)	-	(114)	-	(3)	(44)	(163)	-
Other adjustments									
- Foreign currency translation adjustment	-	(27)	-	(90)	-	(1)	-	(118)	-
At March 31, 2021	**-**	**4,358**	**13**	**28,480**	**2,114**	**902**	**81**	**35,948**	**-**
Depreciation for the year	-	770	19	5,478	221	162	21	6,671	-
Disposals	-	(5)	-	(289)	(43)	(2)	(6)	(345)	-
Other adjustments									
- Foreign currency translation adjustment	-	43	-	154	-	2	-	199	-
At March 31, 2022	**-**	**5,166**	**32**	**33,823**	**2,292**	**1,064**	**96**	**42,473**	**-**
Net carrying amount									
At March 31, 2021	**2,695**	**14,522**	**68**	**36,226**	**1,409**	**577**	**76**	**55,573**	**22,535**
At March 31, 2022	**2,805**	**14,600**	**84**	**37,356**	**1,233**	**599**	**90**	**56,767**	**34,203**

(a) Land includes land held on lease under perpetual basis: Gross carrying amount ₹ 661 (March 31, 2021 - ₹ 661); Net carrying amount ₹ 661 (March 31, 2021 - ₹ 661).

(b) Borrowing costs capitalised during the year amounted to ₹ 1,610 (March 31, 2021 - ₹ 857).

(c) Plant and equipment include computers and office equipment.

(d) Foreign exchange loss, net of ₹ 66 (March 31, 2021 - ₹ 685) on long term foreign currency monetary liabilities relating to acquisition of a depreciable capital asset has been adjusted with the cost of such asset pursuant to option available on long-term foreign currency monetary items which were obtained before the beginning of the first Ind AS financial reporting period as per the previous GAAP [refer note 2(b)(i)].

(e) Capital work-in-progress as on March 31, 2022 mainly comprises new biopharmaceutical and research manufacturing units.

(f) For details of security on certain property, plant and equipment, refer note 14

3. Property, plant and equipment and Capital work-in-progress (continued)

3 (a) Capital work in progress ageing schedule

Particulars	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	16,598	8,474	5,280	3,851	34,203
As at March 31, 2022	**16,598**	**8,474**	**5,280**	**3,851**	**34,203**
Projects in progress	11,667	6,727	4,002	139	22,535
As at March 31, 2021	**11,667**	**6,727**	**4,002**	**139**	**22,535**

(i) There are no capital work-in-process which is temporarily supended as at March 31, 2022 and as on March 31, 2021.

CWIP completion schedule (CWIP whose completion is overdue or has exceeded its cost compared to its original plan)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
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
Project 7	231	-	3	-	234
Project 8	1,030	-	-	-	1,030
As at March 31, 2022	**16,576**	**6,164**	**3**	**-**	**22,743**
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
Project 6	274	-	-	-	274
As at March 31, 2021	**274**	**11,383**	**4,580**	**-**	**16,237**

4 (a). Intangible assets

	Goodwill	Intangible assets						Intangible assets under development		
		Developed technology rights	Marketing and Manufacturing rights	Other intangible assets *	Customer related intangible	IP under commercialisation	Total	Products under development (internally generated)	Marketing rights	Total
Gross carrying amount										
At April 01, 2020	264	3,329	1,005	1,066	77	81	5,558	5,973	283	6,256
Additions	-	2,584	503	170	-	-	3,257	1,800	220	2,020
Disposals/transfers	-	-	-	-	-	-	-	(2,584)	-	(2,584)
Other adjustments										
- Foreign currency translation adjustment	-	(123)	(29)	-	-	-	(152)	(119)	(1)	(120)
At March 31, 2021	**264**	**5,790**	**1,479**	**1,236**	**77**	**81**	**8,663**	**5,070**	**502**	**5,572**
Additions	-	345	154	335	-	-	834	1,467	146	1,613
Disposals/transfers	-	-	-	-	-	-	-	(345)	-	(345)
Other adjustments										
- Foreign currency translation adjustment	-	236	43	-	-	-	279	163	3	166
At March 31, 2022	**264**	**6,371**	**1,676**	**1,571**	**77**	**81**	**9,776**	**6,355**	**651**	**7,006**
Accumulated amortisation										
At April 01, 2020	**-**	**288**	**310**	**582**	**65**	**81**	**1,326**	**61**	**-**	**61**
Amortisation for the year	-	732	176	167	12	-	1,087	44	-	44
- Foreign currency translation adjustment	-	(14)	(5)	-	-	-	(19)	-	-	-
At March 31, 2021	**-**	**1,006**	**481**	**749**	**77**	**81**	**2,394**	**105**	**-**	**105**
Amortisation for the year	-	889	225	196	-	-	1,310	-	-	-
- Foreign currency translation adjustment	-	71	15	-	-	-	86	-	-	-
At March 31, 2022	**-**	**1,966**	**721**	**945**	**77**	**81**	**3,790**	**105**	**-**	**105**
Net carrying amount										
At March 31, 2021	**264**	**4,784**	**998**	**487**	**-**	**-**	**6,269**	**4,965**	**502**	**5,467**
At March 31, 2022	**264**	**4,405**	**955**	**626**	**-**	**-**	**5,986**	**6,250**	**651**	**6,901**

* Other intangible assets includes computer software and intellectual property rights.

Intangible assets under development ageing schedule:-

As at March 31, 2022

Particulars	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	1,724	1,348	2,626	1,203	6,901
Total	**1,724**	**1,348**	**2,626**	**1,203**	**6,901**

As at March 31, 2021

Particulars	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	1,383	2,652	1,432	-	5,467
Total	**1,383**	**2,652**	**1,432**	**-**	**5,467**

(i) There are no intangible assets under development which are temporarily suspended as at March 31, 2022 and as at March 31, 2021.

Intangible assets under development completion schedule (projects whose completion is overdue or has exceeded its cost compared to its original plan)

As at March 31, 2022

Particulars	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**

As at March 31, 2021

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Project 1	2,418	-	-	-	2,418
As at March 31, 2021	**2,418**	**-**	**-**	**-**	**2,418**

4 (b). Right-of-use assets

Particulars	Right-of-use assets			
	Land	Buildings	Vehicles	Total
Gross carrying amount				
At April 01, 2020	374	942	71	1,387
Additions	-	361	32	393
Disposals	-	(13)	(6)	(19)
At March 31, 2021	**374**	**1,290**	**97**	**1,761**
Additions	-	1,369	22	1,391
Disposals	-	(74)	(28)	(102)
At March 31, 2022	**374**	**2,585**	**91**	**3,050**
Accumulated depreciation				
At April 01, 2020	2	89	13	104
Amortisation for the year	2	102	20	124
At March 31, 2021	**4**	**191**	**33**	**228**
Amortisation for the year	2	137	22	161
Disposals/transfer	-	-	(12)	(12)
At March 31, 2022	**6**	**328**	**43**	**377**
Net carrying amount				
At March 31, 2021	**370**	**1,099**	**64**	**1,533**
At March 31, 2022	**368**	**2,257**	**48**	**2,673**

5. Non-current investments

		March 31, 2022	March 31, 2021
I.	**Quoted equity instruments at fair value through other comprehensive income**		
	Vaccinex Inc., USA - 299,226 (March 31, 2021 - 299,226) Common Stock, par value USD 0.0001 each	**30**	65
	Equillium Inc., USA - 2,316,134 (March 31, 2021 - 2,316,134) Common Stock, par value USD 0.001 each	**555**	1,212
	Total quoted investments in equity instruments	**585**	**1,277**
II.	**Unquoted equity instruments at fair value through other comprehensive income**		
	Immuneel Therapeutics Private Limited - 2,020 (March 2021: 2,020) equity shares of ₹ 10 each [refer note (i) below]	**214**	100
	4,922,663 (March 31, 2021: Nil) Equity shares of ₹ 10 each in HR Kaveri Private Limited	**49**	-
	Total unquoted investments in equity instruments	**263**	100
III.	**Unquoted equity instruments at fair value through profit or loss**		
	In others:		
	Energon KN Wind Power Private Limited - 38,500 (March 31, 2021 - 38,500) equity shares of Rs 10 each	**1**	1
	Less: Provision for decline, other than temporary, in the value of non-current investments	**(1)**	(1)
	Four Ef Renewables Private Limited - 287,474 (March 31, 2021 - 287,474) equity share of ₹ 100 each	**29**	29
	Hinduja Renewables Two Private Limited - 5,913,566 equity shares (March 31, 2021 - 2,369,000) equity share of ₹ 10 each	**59**	24
	Total unquoted investments in equity instruments	**88**	**53**
IV.	**Unquoted preference shares at fair value through profit or loss**		
	In others:		
	Energon KN Wind Power Private Limited - 14,666 (March 31, 2021 - 14,666) Compulsorily Convertible Preference Shares, par value ₹ 100 each	**1**	1
	Less: Provision for decline, other than temporary, in the value of non-current investments	**(1)**	(1)
	Four Ef Renewables Private Limited - 574,947 (March 31, 2021 - 574,947) 0.001% Compulsorily convertible preference Shares of ₹ 100 each [refer note (ii) below]	**57**	57
	Total unquoted investments in preference shares	**57**	**57**
V.	**Investments in Certificates of deposits carried at amortized cost**		
	Others:		
	Inter corporate deposits with financial institutions *	**2,629**	4,150
	Total unquoted investments in deposits	**2,629**	**4,150**
	Total non-current investments	**3,622**	**5,637**
	Aggregate value of quoted investments	**585**	1,277
	Aggregate value of unquoted investments	**3,039**	4,362
	Aggregate amount of impairment in value of investments	**2**	2

(i) During the year ended March 31, 2021, Syngene invested ₹ 100 in Immuneel Therapeutics Private Limited. During the year ended March 31, 2022, additional funding from external investors were received resulting in a dilution of Syngene's equity interest from 7.22% to 5%. The gain on fair valuation from ₹ 100 to ₹ 214 is recognised under Other comprehensive income.

(ii) Terms of conversion: 1 compulsory convertible preference share of face value ₹ 100/- each will convert to 1 equity share of face value ₹ 100/- at end of the tenure of 20 years from allotment.

* Inter corporate deposits with financial institutions yield fixed interest rate.

The Group's exposure to credit and currency risks, and loss allowances are disclosed in note 36.

6 (a) . Other financial assets

		March 31, 2022	March 31, 2021
(i)	**Non-current**		
	Deposits	454	449
	Bank deposits with maturity of more than 12 months	-	1,389
	Other receivables	-	171
		454	**2,009**
(ii)	**Current**		
	Interest accrued but not due	619	270
	Other receivables	3,887	4,801
		4,506	**5,071**

6 (b). Loans

	March 31, 2022	March 31, 2021
Loan to associate- considered good- unsecured *	671	-
	671	**-**

During the year ended March 31, 2022, the Group has given loan to an associate. The loan is repayable on demand and carries interest of 4% p.a. Also refer note 33.

* Net of losses recognized by using equity method of ₹ 12

Loan to associate- considered good- unsecured comprise loans to the following:

		March 31, 2022	March 31, 2021
(i)	Bicara Therapeutics Inc.	671	-
Maximum amount outstanding during the year		**683**	**-**

Loans are granted to related parties (as defined under Companies Act, 2013) that are repayable on demand:

Name of borrower	March 31, 2022		March 31, 2022	
	Amount of loan outstanding	Percentage to the total Loans	Amount of loan outstanding	Percentage to the total Loans
(i) Bicara Therapeutics Inc.	671	100%	-	-

The Group has not granted any advances in the nature of loans to promoters, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly.

7. Deferred tax balances

	March 31, 2022	March 31, 2021
Deferred tax assets (net)	2,933	3,077
Deferred tax liabilities (net)	(523)	(323)
Total	**2,410**	**2,754**
Deferred tax liabilities		
Property, plant and equipment and intangible assets	2,648	2,033
Derivative assets	359	67
Others	72	114
Gross deferred tax liabilities	3,079	2,214
Deferred tax assets		
Provision for employee benefits	544	423
Derivative liabilities	52	156
Allowance for doubtful debts	91	20
Other deductible expenses	93	89
MAT credit entitlement	3,714	3,949
Deferred revenue	54	114
Others	941	217
Gross deferred tax assets	5,489	4,968
Deferred tax assets (net) [refer note 38 (d)]	**2,410**	**2,754**

8. Other assets

(Unsecured considered good, unless otherwise stated)

	March 31, 2022	March 31, 2021
(a) Non-current		
Capital advances	512	570
Duty drawback receivable	86	60
Balances with statutory / government authorities	737	697
Prepayments	296	429
	1,631	**1,756**
(b) Current		
Balances with statutory / government authorities	2,046	2,202
Advance to suppliers	1,288	667
Prepayments	873	705
Contract assets	-	64
	4,207	**3,638**

9. Inventories

	March 31, 2022	March 31, 2021
Raw materials, including goods-in-bond *	6,018	4,778
Packing materials	2,539	2,029
Traded goods	255	221
Finished goods	3,546	4,289
Work-in-progress	10,624	7,349
	22,982	18,666

* Inventories includes goods in-transit ₹ 207 (March 31, 2021 - ₹ 283)

Write-down of inventories to net realisable value and provision for stock obsolescence amounted to ₹ 474 (March 31, 2021 - ₹ 474). These were recognised as an expense during the year and included in 'changes in inventories of finished goods, work-in-progress and stock-in-trade' in statement of profit and loss.

10. Current investments

	March 31, 2022	March 31, 2021
Quoted - Investments at fair value through profit or loss:		
(a) Investment in mutual funds	2,416	6,237
(a) Investment in Adagio Theraupetics Inc.	102	-
	2,518	6,237
Unquoted- Investment carried at amortised cost		
Inter corporate deposits with financial institutions *	9,659	5,850
	9,659	5,850
Total current investments	12,177	12,087

* Inter corporate deposits with financial institutions yield fixed interest rate.

Aggregate market/ fair value of quoted investments	2,518	6,237
Aggregate value of unquoted investments	9,659	5,850

The Group's exposure to credit and currency risks, and loss allowances are disclosed in note 36.

11. Trade receivables

	March 31, 2022	March 31, 2021
(a) Trade Receivables considered good - Unsecured	20,582	15,033
(b) Trade Receivables - credit impaired	363	123
	20,945	15,156
Allowance for expected credit loss	(363)	(123)
	20,582	15,033

The Group's exposure to credit and currency risks, and loss allowances are disclosed in note 36.

Trade receivables ageing schedule:

	Outstanding for following periods from due date of payment							Total
	Unbilled	Not overdue	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	3,114	14,155	2,724	270	319	-	-	20,582
Undisputed trade receivables - credit impaired	-	-	-	12	311	5	35	363
As at March 31, 2022	**3,114**	**14,155**	**2,724**	**282**	**630**	**5**	**35**	**20,945**
Undisputed trade receivables - considered good	2,857	10,217	1,897	49	-	-	13	15,033
Undisputed trade receivables - credit impaired	-	-	-	34	33	24	32	123
As at March 31, 2021	**2,857**	**10,217**	**1,897**	**83**	**33**	**24**	**45**	**15,156**

12. Cash and bank balances

	March 31, 2022	March 31, 2021
Cash and cash equivalents		
Balances with banks:		
On current accounts	6,326	9,372
On unpaid dividend account	4	5
Deposits with original maturity of less than 3 months	300	154
Total cash and cash equivalents	**6,630**	**9,531**
Other bank balances		
Deposits with maturity of less than 12 months	10,842	10,620
Margin money deposit [Refer note (a) below]	3	3
Total other bank balances	**10,845**	**10,623**
Total cash and bank balances	**17,475**	20,154

(a) Margin money deposits with carrying amount of ₹ 3 (March 31, 2021 - ₹ 3) are subject to first charge against bank guarantees obtained.

(b) The Group has cash in hand which are not disclosed above since amounts are rounded off to Rupees million.

13(a). Equity share capital

	March 31, 2022	March 31, 2021
Authorised		
1,250,000,000 (March 31, 2021 - 1,250,000,000) equity shares of ₹ 5 each (March 31, 2021 - ₹ 5 each)	6,250	6,250
Issued, subscribed and fully paid-up		
1,200,600,000 (March 31, 2021 - 1,200,000,000) equity shares of ₹ 5 each (March 31, 2021 - ₹ 5 each)	**6,003**	6000

(ii) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of shareholders holding more than 5% shares in the Company

	March 31, 2022		March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹ 5 each fully paid				
Kiran Mazumdar-Shaw	47,57,25,384	39.62%	47,57,25,384	39.64%
Glentec International Limited	23,72,11,164	19.76%	23,72,11,164	19.77%

(iv) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 30.

(v) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:

Particulars	Year ended March 31				
	2022	2021	2020	2019	2018
Equity shares of ₹ 5 each	-	-	60,00,00,000	-	40,00,00,000

The Company had allotted 600,000,000 equity shares of ₹ 5 each fully paid up as bonus shares on June 19, 2019 in the ratio of 1:1 (one equity shares of ₹ 5 each for every one equity share of ₹ 5 each held in the Company as on the record date i.e. June 13, 2019) by capitalisation of securities premium and general reserve. In accordance with Ind AS 33, the Earnings per share data adjusted to give effect to the bonus issue.

(vi) Details of shares held by promoters

March 31, 2022

Name of the Promoter	No. of shares at the end of the year	% of Total Shares	% change during the year
Kiran Mazumdar Shaw	47,57,25,384	39.62%	-0.02%
Yamini R Mazumdar	13,08,712	0.11%	-
J M M Shaw	84,45,348	0.70%	-
Ravi Mazumdar	48,15,084	0.40%	-
Dev Mazumdar	5,18,484	0.04%	-
Glentec International Limited	23,72,11,164	19.76%	-0.01%
Total	**72,80,24,176**	**60.64%**	**-0.03%**

March 31, 2021

Name of the Promoter	No. of shares at the end of the year	% of Total Shares	% change during the year
Kiran Mazumdar Shaw	47,57,25,384	39.64%	-
Yamini R Mazumdar	13,08,712	0.11%	0.001%
J M M Shaw	84,45,348	0.70%	-
Ravi Mazumdar	48,15,084	0.40%	-
Dev Mazumdar	5,18,484	0.04%	-
Glentec International Limited	23,72,11,164	19.77%	-
Total	**72,80,24,176**	**60.67%**	**0.001%**

13(b). Other equity

Securities premium
Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve
General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

Retained earnings
The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the standalone financial statements of the Company and also considering the requirements of the Act. Thus the amounts reported are not distributable in entirety.

SEZ re-investment reserve
The SEZ re-investment reserve has been created out of profit of eligible SEZ units in terms of the provisions of section 10AA(1)(ii) of the Income-tax Act, 1961. The reserve has been utilised for acquiring new plant and machinery for the purpose of its business in terms of section 10AA(2) of the Income-tax Act, 1961.

Share based payment reserve
The Group has established various equity settled share-based payment plans for certain categories of employees of the Group. Also refer note 30 for further details on these plans.

Treasury shares
Own equity instruments that are reacquired (treasury shares) by the ESOP trusts of the Group are recognised at cost and deducted from equity.

Foreign currency translation reserve
Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's reporting currency (i.e. ₹) are accumulated in the foreign currency translation reserve.

Other Items of other comprehensive income
Other Items of other comprehensive income represents mark to market gain or loss on financial assets classified as FVTOCI and re-measurements of the defined benefits plan.

Debenture redemption reserve
The Group had issued Redeemable Non-Convertible Debentures ("NCD") and Redeemable Optionally Convertible Debentures ("OCD") during the the previous year. As per the provisions of the Companies Act, 2013, debenture redemption reserve is created out of profits available for payment of dividend.

Capital redemption reserve
The Group had redeemed intercompany Non Convertible Redeemable Preference Shares during the previous year and as per the provisions of the Companies Act, 2013, a sum equal to the nominal value of the shares redeemed is transferred to the capital redemption reserve.

Cash flow hedging reserves
The cash flow hedging reserve represents the cumulative effective portion of gains or losses (net of taxes, if any) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges.

14. Non-current borrowings

	March 31, 2022	March 31, 2021
Loans from banks (secured)		
Term loan [refer note (a), (b), (c), (d), (e), (f), (g), (j) and (n) below]	23,838	20,952
Redeemable Non-Convertible Debentures ("NCD") [refer note (k) below]	2,000	2,000
Loans from banks (unsecured)		
Term loan [refer note (h) and (i) below]	1,898	4,392
Other loans and advances (unsecured)		
Redeemable Optionally Convertible Debentures ("OCD") [refer note (l) below]	12,344	10,293
Financial assistance from DST [refer note (m) below]	-	7
	40,080	37,644
Less: Amount disclosed under the head "Current borrowings" [refer note 19]	(95)	(8,028)
	39,985	**29,616**
The above amount includes		
Secured borrowings	25,838	22,952
Unsecured borrowings	14,242	14,692
Amount disclosed under the head "Current borrowings" [refer note 19]	(95)	(8,028)
Net amount	**39,985**	**29,616**

(a) During the year ended March 31, 2021, HDFC bank has sanctioned external commercial borrowing (ECB) facility of USD 25 million to the Company. During the current year, the Company has drawn ECB of USD 10 million, carrying interest @ Libor + 1.75% per annum. The loan is repayable in 3 yearly instalments commencing from June 16, 2025. The loan is secured by exclusive charge on the fixed assets to be created out of the term loan facility. The Company has entered into interest rate swap converting the floating rate to fixed rate of interest.

(b) During the year ended March 31, 2016, Biocon Pharma Limited ('BPL') had obtained an external commercial borrowing of USD 20 million from a bank, carrying interest of Libor + 1.75% p.a. The loan is payable in 11 unequal quarterly instalments commencing from June 28, 2019. The loan is secured by first priority pari-passu charge on the plant and machinery of the facility for the manufacture of pharmaceuticals. BPL has entered into interest rate swap to convert floating rate to fixed rate. Carrying value of the loan as at March 31, 2022 amounts to ₹ Nil (March 31, 2021: 553)

(c) During the year ended March 31, 2021, Biocon Biosphere Limited ("BBSL") obtained an external commercial borrowing of USD 50 million from a bank, carrying interest @ Libor + 1.75% per annum. The loan is repayable in 3 yearly instalments commencing from June 16, 2025. The loan is secured by first priority pari passu charge on the plant and machinery of the facility for the manufacture of pharmaceuticals. Carrying value of the loan as at March 31, 2022 amounts to ₹ 2,581 (March 31, 2021: 460). BBSL has entered into interest rate swap to convert floating rate to fixed rate.

(d) Biocon Sdn. Bhd., Malaysia ('Biocon Malaysia') had obtained a term loan facility of USD 130 million from a consortium of banks. During the year ended March 31, 2016, Biocon Malaysia had refinanced the existing term loan from Standard Chartered Bank (Hong Kong) Limited. The loan is repayable in quarterly instalments which commenced from March, 2017.

Further on July 6, 2015, Biocon Sdn Bhd had entered into a new term loan agreement with Standard Chartered Bank (Hong Kong) Limited for an amount of USD 70 million. The loan is repayable in quarterly instalments commenced from March, 2017. The term loans are denominated in USD and carried an interest rate of LIBOR + 2.25% p.a and LIBOR + 1.80% p.a for facility of USD 130 million and USD 70 million respectively. Effective January 28, 2021, Biocon Malaysia had restructured loan with respect to interest rate for both the facilities. Revised interest rate is LIBOR + 1.20% p.a. During the year, the outstanding loan has been repaid. Carrying value of the loan as at March 31, 2022 is Nil (March 31, 2021: ₹ 5,825). The term loan was secured by a fixed and floating charge over all present and future assets and a charge over the freehold property of Biocon Malaysia.

(e) During the year ended March 31, 2019, Biocon Biologics Limited ("BBL") had obtained an external commercial borrowing facility of USD 75 million from MUFG Bank Limited. The long-term loan is repayable in 3 annual instalments commencing from April 2024 and carries an interest rate of LIBOR + 1% p.a. The term loan facility is secured by first priority pari-passu charge on the plant and machinery of the proposed facility for the manufacturing of pharmaceuticals. Carrying value of the loan as at March 31, 2022 amounts to ₹ 5,694 (March 31, 2021: 5,490).

(f) During the year ended March 31, 2021, BBL had obtained a Term loan facility from The Hongkong and Shanghai Banking Corporation Limited amounting to ₹ 3,500 repayable in 2 equal annual instalments commencing from April 2024. Term loan carries an interest rate of 3 Months T Bill + 2.39% p.a. and are secured by first pari-passu charge on the present and future of movable fixed assets of the BBL. Carrying value of the loan as at March 31, 2022 amounts to ₹ 3,500 (March 31, 2021: 3,500).

(g) During the year ended March 31, 2022, Biocon Biologics UK Limited ("Biocon UK") (formerly "Biocon Biologics Limited") has obtained a term loan facility of USD 75 million from The Hongkong and Shanghai Banking Corporation Limited for a tenure of 5 years. The term loan is repayable at the end of the term in one instalment and carries an interest rate of 1 month LIBOR + 1% p.a. and are secured by first pari-passu charge on the present and future Plant and Machineries of Biocon Malaysia. Carrying value of the term loan as at March 31, 2022 is ₹ 5,694 (March 31, 2021: Nil).

(h) During the year ended March 31, 2022, Biocon Biologics UK Limited ("Biocon UK") (formerly "Biocon Biologics Limited") has obtained a term loan facility of USD 25 million from The HDFC Bank Limited for a tenure of 5 years. The term loan is repayable in 5 annual installments starting from the end of year 1 and carries an interest rate of 3 months LIBOR + 1.25% p.a. Carrying value of the term loan as at March 31, 2022 is ₹ 1,898 (March 31, 2021: Nil).

(i) During the year ended March 31, 2021, Biocon Biologics UK Limited ("Biocon UK") (formerly "Biocon Biologics Limited") had obtained a term loan facility of USD 60 million from HDFC Bank Limited for a tenure of 13 months, repayable in January 2022. The term loan was repayable at the end of the term in one instalment and carried an interest rate of 1 month LIBOR + 0.95% p.a. The loan was repaid in full at the end of the tenure. Carrying value of the term loan as at March 31, 2022 is Nil (March 31, 2021: ₹ 4,392).

(j) (i) Syngene International Limited ('Syngene') has entered into external commercial borrowing agreement dated September 21, 2020 to borrow USD 50 million (₹ 3,796) term loan facility. The facility is borrowed to incur capital expenditure at Bengaluru, Hyderabad and Mangaluru premises of Syngene. The facility carries an interest rate of Libor + 1.30% and are to be paid in three instalments of USD 7.5 million in September 2023, USD 12.5 million in September 2024 and USD 30 million in September 2025. The facility is secured by first priority pari passu charge on fixed assets (movable plant and machinery) and second charge on current assets of Syngene. (ii) Syngene has entered into foreign currency term loan agreement dated March 30, 2021 to borrow USD 20 million (₹ 1,519) term loan facility. The facility is borrowed to incur capital expenditure at Bengaluru, Hyderabad and Mangaluru premises of the Company and was used for this specific purpose. The facility carries an interest rate of Libor + 0.87% and are to be paid in three instalments of 15%, 25% and 60% from end of 3 years, 4 years and 5 years respectively from the date of origination. The facility is secured by first priority pari passu charge on fixed assets (movable plant and machinery) and second charge on current assets of Syngene."

(k) During the year ended March 31, 2021, BBL had issued NCD of face value ₹ 10,00,000 each to HDFC Bank Limited amounting to ₹ 2,000 for a tenure of 43 months. The debentures are repayable at the end of the term in April 2024. The NCD carries call/put option on or after September 21, 2023. The debentures carries fixed coupon rate of 6.8949% p.a. and are secured

by first pari-passu charge on the movable fixed assets of the BBL. Carrying value of the loan as at March 31, 2022 amounts to ₹ 2,000 (March 31, 2021: 2,000).

(l) During the year ended March 31, 2021 , BBL has entered into an agreement with Goldman Sachs India AIF Scheme-1('Investor') whereby the Investor has infused ₹11,250 against issuance of Optionally Convertible Debentures. The debentures are issued for a tenor of 61 months, are unsecured, redeemable at par and carry a conversion option at any time during the tenor at the option of the investor. It also bears a coupon rate of 5% per annum payable on compounded and cumulative basis only on redemption. The debentures were accounted in the consolidated financial statements as a compound financial instrument in line with Ind AS, given that it has both financial liability and equity feature. Accordingly, the consideration received has been bifurcated into financial liability and equity in the consolidated financial statements. An amendment to the agreement, was entered during the year ended March 31, 2022 which resulted in modification of the compound financial instrument. Also Refer note 32."

(m) On August 25, 2010, the Department of Science and Technology ('DST') under the Drugs and Pharmaceutical Research Programme ('DPRP') has sanctioned financial assistance for a sum of ₹ 70 to the Company for financing one of its research projects. The loan is repayable over 10 annual instalments of ₹ 7 each starting from July 1, 2012, and carries an interest rate of 3% p.a. The Company has repaid the loan during the year ended March 31, 2022.

(n) On October 5, 2021, the Biofusion Therapeutics Limited ("BTL") obtained an FCNR loan(Foreign Currency Non Resident) of USD 5.5 million from a bank, carrying interest @ SOFR + 228 bps per annum. The loan is payable in 8 equal quarterly instalments commencing from December 14, 2024. The loan is secured by first priority pari passu charge on the plant and machinery of the facility.

(o) The Group has met all the covenants under these arrangements as at March 31, 2022 and March 31, 2021.

(p) The Group's exposure to liquidity, interest rate and currency risks are disclosed in note 36.

15. Leases

The Group has entered into lease agreements for use of land, buildings and vehicles which expires over a period ranging upto the year of 2117. Gross payments for the year aggregate to ₹ 199 (March 31, 2021: ₹ 166).

The following is the movement in lease liabilities:

Particulars	Land	Buildings	Vehicles	Total
Balance at April 01, 2020	5	837	57	899
Additions during the year	-	361	32	393
Finance cost accrued during the year	-	94	7	101
Deletions	-	-	(2)	(2)
Payment of lease liabilities	(3)	(125)	(38)	(166)
Balance at March 31, 2021	**2**	**1,167**	**56**	**1,225**
Additions during the year	-	1,337	22	1,359
Finance cost accrued during the year	-	112	5	117
Deletions	-	(68)	(8)	(76)
Payment of lease liabilities	(2)	(162)	(35)	(199)
Balance at March 31, 2022	**-**	**2,386**	**40**	**2,426**

The following is the break-up of current and non-current lease liabilities:

	March 31, 2022	March 31, 2021
Non current lease liabilities	2,215	1,141
Current lease liabilities	211	84
	2,426	1,225

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

	March 31, 2022	March 31, 2021
Less than one year	261	184
One to five years	1,065	593
More than five years	3,019	1,547
Total	4,345	2,324

The following are the amounts recognised in Profit or loss:

	March 31, 2022	March 31, 2021
Amortisation of right to use assets	161	124
Interest expenses on lease liabilities	117	101
Short-term lease payment [refer note (i) below]	38	58
Total	316	283

(i) The Group applies the short-term lease recognition exemption to its short-term leases of certain premises taken on lease (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

16. Other financial liabilities

	March 31, 2022	March 31, 2021
(a) Non-current		
Gross liability on written put options [refer note (i) below]	15,033	15,033
	15,033	15,033

(i) During the year ended March 31, 2020, the Group has entered into an agreement with Activ Pine LLP ('Investor') whereby the Investor has infused ₹ 5,363 against issuance of equity shares of a subsidiary company, Biocon Biologics Limited ('BBL'), which represents 2.44 % shareholding of BBL. The consideration was received and equity shares were allotted on January 21, 2020.

During the year ended March 31, 2021, the Group has entered into an agreement with Tata Capital Growth Fund II ('Investor') whereby the Investor has infused ₹ 2,250 against issuance of equity shares of a subsidiary company, BBL, which represents 0.85% shareholding of BBL. The consideration was received and equity shares were allotted on September 03, 2020.

During the year ended March 31, 2021, the Group has entered into an agreement with Beta Oryx Limited ('Investor') whereby the Investor has infused ₹ 5,550 against issuance of equity shares of a subsidiary company, BBL, which represents 1.87% shareholding of BBL. The consideration was received and equity shares were allotted on March 09, 2021.

As per the above agreements , the Group will be required to provide various options to enable the Investor to exit over a period of time. In the event, such exit events do not occur, the Investor may require the parent company (Biocon Limited), to buy them out at certain prices agreed under the arrangement. Such an obligation to provide exit to the Investors required the Group to record a financial liability towards gross obligation amounting to ₹ 15,033 in the consolidated financial statements in accordance with the Indian Accounting Standards (Ind AS).

The Group in accordance with Ind AS has elected an accounting policy choice to follow an anticipated acquisition method on initial recognition which requires recognition of a gross obligation liability with a corresponding derecognition of non-controlling interest balance in its consolidated financial statements. Further, in accordance with the generally accepted accounting principles, the Group has made an accounting policy choice to present any subsequent change in the fair value of gross obligation liability in other equity.

(b) Current

	March 31, 2022	March 31, 2021
Book overdraft	2	95
Unpaid dividends	4	5
Derivative premium payable	-	94
Interest accrued but not due	140	125
Payables for capital goods	3,486	3,497
	3,632	3,816

17. Provisions

	March 31, 2022	March 31, 2021
(a) Non-current		
Provision for employee benefits		
Gratuity [refer note 35]	917	1,062
	917	**1,062**
(b) Current		
Provision for employee benefits	314	160
Gratuity [refer note 35]	855	798
Compensated absences	136	136
Provision for sales return	**1,305**	**1,094**

(i) Movement in provisions

	For the year ended March 31, 2022		
	Gratuity	Compensated absences	Sales return
Opening balance	1,222	798	136
Provision recognised / (reversed) during the year	9	57	-
Closing balance	**1,231**	**855**	**136**

	For the year ended March 31, 2021		
	Gratuity	Compensated absences	Sales return
Opening balance	1,012	740	136
Provision recognised / (reversed) during the year	210	58	-
Closing balance	**1,222**	**798**	**136**

18. Other liabilities

		March 31, 2022	March 31, 2021
(a)	**Non-current**		
	Deferred revenues [refer note 21]	12,151	10,253
		12,151	**10,253**
(b)	**Current**		
	Deferred revenues [refer note 21]	1,053	1,030
	Advances from customers [refer note 21]	4,445	4,006
	Statutory taxes and dues payable	432	481
	Other dues	320	293
		6,250	**5,810**

19. Current borrowings

	March 31, 2022	March 31, 2021
From banks/ financial institutions		
Packing credit foreign currency loan (unsecured) [refer note (i) and (ii) below]	5,238	5,381
Packing credit rupee export loan (unsecured) [refer note (iii) below]	3,250	-
Cash credit (unsecured) [refer note (iv) below]	93	561
Working capital loan (secured) [refer note (v) below]	379	-
Current maturities of non-current borrowings [refer note 14]	95	8,028
	9,055	**13,970**
The above amount includes		
Secured borrowings	474	8,028
Unsecured borrowings	8,581	5,942

(i) Syngene has obtained foreign currency denominated short term unsecured pre-shipment credit loans of ₹ 2,581 (USD 34 million) [March 31, 2021 : ₹ 2,599 (USD 35.5 million)] that carries interest rate of SOFR + 0.20% to +0.30% (p.a) [March 31, 2021 : Libor + 0.20% to + 0.30% (p.a)]. The loans are repayable after the end of 6 months from the date of its origination.

(ii) BBL has obtained foreign currency denominated short term unsecured pre-shipment credit loans from various banks that carries interest rate ranging from SOFR+0.20% to SOFR+1.40% p.a. Packing credit foreign currency loan tenure is upto 180 days from the date of draw down.

(iii) BBL has obtained rupee denominated short term unsecured pre-shipment credit loans from various banks that carries interest of 4.40% p.a. Packing credit rupee loan tenure is upto 180 days from the date of draw down.

(iv) Biocon Malaysia had availed working capital facilities upto USD 15 million carrying an interest rate of LIBOR + 0.5% p.a.

(v) Biocon Pharma Inc. (BPI) has availed working capital facilities upto USD 5 million carrying an interest rate of 0.9% - 2.1% p.a. The working capital facilities are secured by a charge on inventories and accounts receivables of BPI.

20. Trade payables

	Year ended March 31, 2022	Year ended March 31, 2021
Trade payables		
- total outstanding dues of micro and small enterprises	1,036	770
- total outstanding dues of creditors other than micro and small enterprises	15,049	14,369
	16,085	**15,139**

All trade payable are 'current'. The Group's exposure to currency and liquidity risks related to trade payables is disclosed in Note 36.

Trade payables aging schedule:	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
March 31, 2022							
Outstanding dues of micro and small enterprises	-	768	261	4	2	1	1,036
Outstanding dues of creditors other than micro and small enterprises	8,223	3,874	2,750	94	42	66	15,049
	8,223	**4,642**	**3,011**	**98**	**44**	**67**	**16,085**
March 31, 2021							
Outstanding dues of micro and small enterprises	-	458	307	4	1	-	770
Outstanding dues of creditors other than micro and small enterprises	7,633	3,439	2,869	345	40	43	14,369
	7,633	**3,897**	**3,176**	**349**	**41**	**43**	**15,139**

21. Revenue from contracts with customers

	March 31, 2022	March 31, 2021
Sale of products		
Finished goods*	51,866	47,300
Traded goods	2,849	1,853
Sale of services		
Contract research and manufacturing services income [Refer note (a)]	25,048	20,526
Licensing and development fees	485	395
Other operating revenue		
Sale of process waste	244	184
Export incentives	-	96
Others	1,348	1,077
Revenue from operations	**81,840**	**71,431**

(a) Revenues include manufacture and sale of remdesivir, a broad-spectrum antiviral medication for the treatment of Covid-19 infection under the brand name 'RemWin' in a voluntary licensing agreement received from Gilead Sciences Inc.

* includes profit share

21.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Year ended March 31, 2022				
	Generics	Biosimilars	Novels	Research	Total
Revenue from contracts with customers					
Sale of products	21,195	33,520	-	-	54,715
Sale of services	25	460	510	24,538	25,533
	21,220	**33,980**	**510**	**24,538**	**80,248**
Revenue from other sources					
Other operating revenue	690	321	-	581	1,592
	690	**321**	**-**	**581**	**1,592**
Total Revenue from operations	**21,910**	**34,301**	**510**	**25,119**	**81,840**

	Year ended March 31, 2021				
	Generics	Biosimilars	Novels	Research	Total
Revenue from contracts with customers					
Sale of products	22,355	26,798	-	-	49,153
Sale of services	36	355	105	20,425	20,921
	22,391	**27,153**	**105**	**20,425**	**70,074**
Revenue from other sources					
Other operating revenue	141	628	-	588	1,357
	141	**628**	**-**	**588**	**1,357**
Total Revenue from operations	**22,532**	**27,781**	**105**	**21,013**	**71,431**

21.2 Changes in contract liabilities - advances from customers and deferred revenues

	March 31, 2022	March 31, 2021
Balance at the beginning of the year	15,289	13,612
Add:- Increase due to invoicing during the year	7,922	6,436
Add:- foreign currency translation	262	(181)
Less:- Amounts recognised as revenue during the year	(5,824)	(4,578)
Balance at the end of the year	17,649	15,289

Expected revenue recognition from remaining performance obligations:

	March 31, 2022	March 31, 2021
- Within one year	5,498	5,036
- More than one year	12,151	10,253
	17,649	15,289

21.3 Contract balances

	March 31, 2022	March 31, 2021
Trade receivables including unbilled revenue	20,582	15,033
Contract assets	-	64
Contract liabilities	17,649	15,289

Trade receivables are non-interest bearing. Refer note 6(b), 8(b) and 11. Contract liabilities include deferred revenue and advance from customers.

21.4 Performance obligation:

In relation to information about Group's performance obligations in contracts with customers refer note 2(l).

22. Other income

	Year ended March 31, 2022	Year ended March 31, 2021
Interest income on:		
Deposits with banks and financial institutions	1,081	760
Others	40	10
Net gain on sale of current investments	133	84
Net gain on financial assets measured at fair value through profit or loss	(12)	29
Gain on dilution of interest in a subsidiary [refer note 43]	299	1,597
Foreign exchange gain, net	579	-
Other non-operating income	7	65
	2,127	2,545

23. Cost of materials consumed

	Year ended March 31, 2022	Year ended March 31, 2021
Inventory at the beginning of the year	6,807	5,401
Add: Purchases	29,889	25,708
Less: Inventory at the end of the year	(8,557)	(6,807)
Cost of materials consumed	28,139	24,302

24. Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended March 31, 2022	Year ended March 31, 2021
Inventory at the beginning of the year		
Stock-in-trade	221	680
Finished goods	4,289	5,071
Work-in-progress	7,349	3,207
	11,859	**8,958**
Inventory at the end of the year		
Stock-in-trade	255	221
Finished goods	3,546	4,289
Work-in-progress	10,624	7,349
	14,425	**11,859**
	(2,566)	**(2,901)**

25. Employee benefits expense

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	15,584	14,502
Contribution to provident and other funds	762	728
Gratuity [refer note 35]	257	205
Share-based compensation expense [refer note 30]	1,257	1,060
Staff welfare expenses	941	915
	18,801	**17,410**

26. Finance costs

	Year ended March 31, 2022	Year ended March 31, 2021
Interest expense on financial liabilities measured at amortised cost	559	476
Interest on finance lease obligation	117	101
	676	**577**

27. Depreciation and amortisation expense

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of property, plant and equipment [refer note 3]	6,671	5,896
Amortisation of intangible assets [refer note 4 (a)]	1,310	1,131
Amortisation of right of use assets [refer note 4 (b)]	161	124
	8,142	7,151

28. Other expenses

	Year ended March 31, 2022	Year ended March 31, 2021
Royalty and technical fees	52	17
Rent	38	58
Communication expenses	95	70
Travelling and conveyance	509	453
Professional charges	1,301	2,029
Payment to auditors	30	24
Directors' fees including commission	133	81
Power and fuel	3,164	2,703
Insurance	443	406
Rates, taxes and fees	306	222
Lab consumables	1,655	1,361
Repairs and maintenance		
Plant and machinery	2,682	2,593
Buildings	292	293
Others	1,571	1,239
Selling expenses		
Freight outwards and clearing charges	563	635
Sales promotion expenses	1,692	1,577
Commission and brokerage (other than sole selling agents)	183	147
Bad debts written off	8	17
Provision/ (reversal) for doubtful debts, net	240	-
Net loss on financial assets measured at fair value through profit or loss	274	-
Printing and stationery	115	101
Loss on sale of assets, net	23	73
Foreign exchange loss, net	-	89
Research and development expenses	6,121	4,597
Clinical trial and development expenses	62	92
CSR expenditure	207	184
Miscellaneous expenses	313	241
	22,072	**19,302**
Less: Expenses capitalized to intangible assets	(1,155)	(739)
	20,917	**18,563**

29. In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Group has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption.

The Group has considered internal and external information while finalizing various estimates in relation to its financial statement captions 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.

30. Employee stock compensation

(a) Biocon ESOP Plan

On September 27, 2001, Biocon's Board of Directors approved the Biocon Employee Stock Option Plan ('ESOP Plan 2000') for the grant of stock options to the employees of the Company and its subsidiaries / joint venture company. The Nomination and Remuneration Committee ('Remuneration Committee') administers the plan through a trust established specifically for this purpose, called the Biocon India Limited Employee Welfare Trust (ESOP Trust).

The ESOP Trust shall make additional purchase of equity shares of the Company using the proceeds from the loan obtained from the Company, other cash inflows from allotment of shares to employees under the ESOP Plan and shall subscribe, when allotted to such number of shares as is necessary for transferring to the employees. The ESOP Trust may also receive shares from the promoters for the purpose of issuance to the employees under the ESOP Plan. The Remuneration Committee shall determine the exercise price which will not be less than the face value of the shares.

Grant V

In April 2008, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 25%, 35% and 40% of the total grant at the end of first, second and third year from the date of grant for existing employees and at the end of 3rd, 4th and 5th year from the date of grant for new employees. Exercise period is 3 years for each grant. The conditions for number of options granted include service terms and performance grade of the employees. These options are exercisable at the market price of Company's shares on the date of grant.

Particulars	March 31, 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	-	-	87,000	75
Granted during the year	-	-	-	-
Lapses/forfeited during the year	-	-	-	-
Exercised during the year	-	-	(87,000)	75
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	
Weighted average remaining contractual life (in years)	-	-	-	-
Range of exercise prices for outstanding options at the end of the year	-	-	-	-

Grant VI

In July 2014, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. These options are exercisable at the closing market price of Company's shares existing on the date preceding to the date of grant.

Particulars	March 31, 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	-		33,000	78
Granted during the year	-	-	-	-
Lapses/forfeited during the year	-	-	-	-
Exercised during the year	-	-	(33,000)	78
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	
Weighted average remaining contractual life (in years)	-	-	-	-
Weighted average fair value of options granted (₹)	-	-	-	-
Range of exercise prices for outstanding options at the end of the year	-	-	-	-

Grant VII

In July 2014, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. These options are exercisable at the closing market price of Company's shares existing on the date preceding to the date of grant.

Particulars	March 31, 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	20,08,750	82	33,92,275	81
Granted during the year	-	-	-	-
Lapses/forfeited during the year	(84,000)	77	(1,20,000)	75
Exercised during the year	(13,35,750)	79	(12,63,525)	81
Expired during the year	-	-	-	-
Outstanding at the end of the year	**5,89,000**	88	**20,08,750**	82
Exercisable at the end of the year	1,03,000	82	3,57,250	79
Weighted average remaining contractual life (in years)	0.9	-	1.6	-
Weighted average fair value of options granted (₹)	-	-	-	-
Range of exercise prices for outstanding options at the end of the year	76-124	-	69-124	-

Grant VIII

In July 2015, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. These options are exercisable at the closing price as per National Stock Exchange as on the last day of the month preceding the month of first grant.

Particulars	March 31, 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	1,47,000	75	7,11,500	80
Granted during the year	-	-	-	-
Lapses/forfeited during the year	-	-	(1,36,500)	38
Exercised during the year	(42,000)	73	(4,28,000)	73
Expired during the year	-	-	-	
Outstanding at the end of the year	**1,05,000**	76	**1,47,000**	75
Exercisable at the end of the year	1,05,000	76	99,000	76
Weighted average remaining contractual life (in years)	-	-	1	-
Weighted average fair value of options granted (₹)	-	-	-	-
Range of exercise prices for outstanding options at the end of the year	76.0	-	71-76	-

Grant IX

In June 2016, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. These options are exercisable at 50% of the closing price as per National Stock Exchange as on the preceding day to the date of grant.

Particulars	March 31, 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	53,07,574	124	73,51,312	127
Granted during the year	-	-	-	-
Lapses/forfeited during the year	(13,90,500)	135	(17,80,875)	136
Exercised during the year	(4,70,870)	95	(2,62,863)	98.3
Expired during the year	-	-	-	-
Outstanding at the end of the year	**34,46,204**	125	**53,07,574**	124
Exercisable at the end of the year	2,05,079	98	1,05,762	81
Weighted average remaining contractual life (in years)	3.0	-	4.1	-
Weighted average fair value of options granted (₹)	-	-	-	-
Range of exercise prices for outstanding options at the end of the year	69-173	-	69-173	-

Grant X

In June 2016, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. These options are exercisable at 50% of the closing price as per National Stock Exchange as on the the preceding day to the date of grant.

Particulars	March 31, 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	48,57,076	142	70,10,758	137
Granted during the year	-	-	-	-
Lapses/forfeited during the year	(2,56,125)	148	(3,40,498)	152
Exercised during the year	(19,69,077)	130	(18,13,184)	120
Expired during the year	-	-	-	-
Outstanding at the end of the year	**26,31,874**	151	**48,57,076**	142
Exercisable at the end of the year	9,51,249	139	7,77,449	125
Weighted average remaining contractual life (in years)	1.3	-	2.2	-
Weighted average fair value of options granted (₹)	-	-	-	-
Range of exercise prices for outstanding options at the end of the year	69-167	-	62-167	-

The average market price of the Company's share during the year ended March 31, 2022 is ₹ 373 (March 31, 2021 - ₹ 407) per share

(b) RSU Plan 2015

On March 11, 2015, Biocon's Remuneration Committee approved the Biocon - Restricted Stock Units (RSUs) of Syngene ('RSU Plan 2015') for the grant of RSUs to the employees of the Company and its subsidiaries other than Syngene. The Remuneration Committee administers the plan through a trust, called the Biocon Limited Employee Welfare Trust. For this purpose, on March 31, 2015, the Company transferred 2,000,000 equity shares of Syngene to Biocon Limited Employees Welfare Trust.

In April 2015, the Company approved the grant to its employees under the RSU Plan 2015. The RSUs under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. Exercise price of RSUs will be Nil.

Particulars	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	2,85,974	-	7,50,819	-
Granted during the year	-	-	-	-
Lapses/forfeited during the year	(50,398)	-	(28,749)	-
Exercised during the year	(1,22,640)	-	(4,36,096)	-
Expired during the year	(9,178)	-	-	-
Outstanding at the end of the year	**1,03,758**	-	**2,85,974**	-
Exercisable at the end of the year	58,797	-	49,873	-
Weighted average remaining contractual life (in years)	1.1	-	2.8	-
Weighted average fair value of options granted (₹)	-		-	

(c) RSU Plan 2019

On January 7, 2019, Biocon's Nomination and Remuneration Committee ('NRC') and the Board of Directors approved the Biocon Biologics - Restricted Stock Units (RSUs) of Biocon Biologics Limited ('RSU Plan 2019') for grant of RSUs to employees of the Group. The NRC administers the plan though a trust called, Biocon Limited Employee Welfare Trust. For this purpose on January 8, 2020, the Company transferred 2,161,904 equity shares of Biocon Biologics Limited to Biocon Limited Employee Welfare Trust.

The RSUs under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year, respectively, from the date of grant or from the date of occurrence of certain future events, whichever is later, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees.

Particulars	March 31, 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	85,14,615	2	99,60,570	2
Granted during the year	-	-	11,25,470	2
Lapses/forfeited during the year	(15,11,608)	2	(25,71,425)	2
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	**70,03,007**	2	**85,14,615**	2
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years)	6.0	-	7.0	-
Weighted average fair value of options granted (₹)	244	-	244	-

Assumptions used in determination of the fair value of the stock options under the Black Scholes Model are as follows:

Particulars	March 31, 2022	March 31, 2021
Weighted Average Exercise Price	-	2
Expected volatility	-	33.7% to 36.9%
Life of the options granted (vesting and exercise period) in years	-	7
Average risk-free interest rate	-	5.4%
Expected dividend rate	-	0%

(d) RSU Plan 2020

On May 14, 2020, Biocon's Nomination and Remuneration Committee ('NRC') and the Board of Directors approved the Biocon Restricted Stock Units (RSUs) Long Term Incentive Plan Financial Year 2020-24 ("RSU Plan 2020") for grant of RSUs to present and/or future employees of the Company and its present and future subsidiary companies. The plan is implemented though a trust called, Biocon India Limited Employee Welfare Trust wherein the Company will issue shares to the trust by way of fresh allotment over a period of time.

The RSUs granted under this Plan shall vest over a period of time (service condition) and based upon the performance of the employee. The period of vesting shall be determined as per the date of grant and the maximum period of vesting shall not extend beyond August 1, 2024. The actual number of RSUs to be vested each year for each Grantee shall be based on his individual performance conditions, the key parameters of which shall be measured through growth in revenue and profits, delivering on key strategic initiatives and shareholders' value creation and such other conditions as may be determined by the Managing Director and Chief Executive Officer of the Company in accordance with the overall terms set by the NRC.

Particulars	March 31, 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	26,30,000	5	-	-
Granted during the year	7,24,083	5	29,30,000	5
Lapses/forfeited during the year	(4,08,345)	5	(3,00,000)	5
Exercised during the year	(4,30,762)	5	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	**25,14,976**	5	**26,30,000**	5
Exercisable at the end of the year	46,147	5	-	-
Weighted average remaining contractual life (in years)	3.3	-	4.2	-
Weighted average fair value of options granted (₹)	369		337	

Assumptions used in determination of the fair value of the stock options under the Black Scholes Model for grants during the year are as follows:

Particulars	March 31, 2022	March 31, 2021
Weighted Average Exercise Price	5	5
Expected volatility	33.0% to 36.2%	34.0% to 36.4%
Life of the options granted (vesting and exercise period) in years	4.03	5
Average risk-free interest rate	5.6%	5.3%
Expected dividend rate	0.6%	0.8%

(e) Syngene ESOP Plan 2011

On July 20, 2012, Syngene Employee Welfare Trust ('Trust') was created for the welfare and benefit of the employees and directors of Syngene and administered by the Nomination and Remuneration Committee. The Board of Directors approved the employee stock option plan of Syngene. On October 31, 2012, the Trust subscribed into the equity shares of the Syngene using the proceeds from interest free loan of ₹ 150 obtained from Syngene.

Grant

Pursuant to the Scheme, Syngene has granted options to eligible employees of the Company under Syngene Employee Stock Option Plan - 2011. Each option entitles for one equity share. The options under this grant will vest to the employees as 25%, 35% and 40% of the total grant at end of second, third and fourth year from the date of grant, respectively, with an exercise period of three years for each grant. The vesting conditions include service terms and performance of the employees. These options are exercisable at an exercise price of ₹ 11.25 [March 31, 2021 : ₹ 11.25] per share (Face Value of ₹ 10 per share).

Details of Grant

Particulars	March 31, 2022	March 31, 2021
	No of Options	No of Options
Outstanding at the beginning of the year	19,58,084	26,89,574
Granted during the year	-	-
Lapses/forfeited during the year	(1,26,792)	(1,11,265)
Exercised during the year	(4,89,152)	(6,20,225)
Outstanding at the end of the year	**13,42,140**	**19,58,084**
Exercisable at the end of the year	4,82,332	5,47,787
Weighted average exercise price	11.25	11.25
Weighted average share price at the date of exercise (In ₹)	589.6	503.6

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2022 is 0.9 years [March 31, 2021 - 1.40 years].

(f) Syngene Restricted Stock Unit Long Term Incentive Plan 2020

The Board of Directors of Syngene on April 24, 2019 and the Shareholders of the Company in the Annual General Meeting held on July 24, 2019 approved the Syngene Restricted Stock Unit Long Term Incentive Plan FY 2020. Each option entitles for one equity share. The options under this grant will vest to the employees as 25%, 25%, 25% and 25% of the total grant at the end of first, second, third and fourth year from the date of first grant, respectively, with an exercise period of 5 years for each grant. The vesting conditions include service terms and performance of the employees. These options are exercisable at an exercise price of ₹ 10 per share (Face Value of ₹ 10 per share).

Details of Grant

Particulars	March 31, 2022	March 31, 2021
	No of Options	No of Options
Outstanding at the beginning of the year	31,03,825	-
Granted during the year	4,18,132	31,84,649
Lapses/forfeited during the year	(4,67,068)	(80,824)
Exercised during the year	(4,27,352)	-
Outstanding at the end of the year	**26,27,537**	**31,03,825**
Exercisable at the end of the year	2,31,837	-
Weighted average exercise price	-	-
Weighted average fair value of shares granted during the year under Black Scholes Model (In ₹)	615.00	326.31
Weighted average share price at the date of exercise (In ₹)	584.30	-

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2022 is 5.19 years [March 31, 2021 - 6.21].

Assumptions used in determination of the fair value of the stock options under the Black Scholes Model are as follows:

Particulars	March 31, 2022	March 31, 2021
Dividend yield (%)	0.1%	0.2%
Exercise Price (In ₹)	10	10
Expected volatility	32.9%	26.9%
Life of the options granted (vesting and exercise period) in years	5.5	7.5
Average risk-free interest rate	5.0%	7.0%

(g) Biocon Biologics Limited Restricted Stock Units Long Term Incentive Plan FY 2022-24

On July 21, 2021, Board of Directors of Biocon Biologics Limited ("BBL") approved the Biocon Biologics Limited Restricted Stock Units Long Term Incentive Plan FY 2022-24 ('RSU Plan') for the grant of Restricted stock units to the employees of BBL and its subsidiaries. The Nomination and Remuneration Committee ('Remuneration Committee') administers the plan through a trust established specifically for this purpose, called the Biocon Biologics Employees Welfare Trust (ESOP Trust).

In July 2021, BBL approved the grant to its employees under the RSU Plan. The options under this grant would vest to the employees as 33%, 33% and 34% of the total grant at the end of first, second and third year, respectively from the date of grant. Exercise period is 3 years for each grant. These options are exercisable at ₹ 10 per RSU. The RSU Plan provides for certain market and non-market conditions for vesting which are measured through revenue, profit, achievement of key milestones and share price increase.

Details of Grant

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	51,42,857	10	-	-
Lapses/forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	**51,42,857**	10	-	-
Exercisable at the end of the year	51,42,857	-	-	-
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
Dividend yield (%)	0.0%	-
Exercise Price (In ₹)	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%	-

Particulars	March 31, 2022	March 31, 2021
Summary of movement in respect of shares held by ESOP Trust is as follows:		
Opening balance	1,11,68,774	1,48,11,872
Add: Shares purchased by the ESOP trust	-	2,44,474
Add: Shares issued by the Company	6,00,000	-
Less: Shares exercised by employees	(42,48,459)	(38,87,572)
Closing balance	**75,20,315**	**1,11,68,774**
Options granted and eligible for exercise at end of the year	14,10,475	13,39,461
Options granted but not eligible for exercise at end of the year	78,76,579	1,09,80,939

Particulars	March 31, 2022	March 31, 2021
Summary of movement in respect of equity shares of Syngene held by the RSU Trust is as follows:		
Opening balance	13,01,373	17,37,469
Less: Shares exercised by employees	(1,22,640)	(4,36,096)
Closing balance	**11,78,733**	**13,01,373**
Options granted and eligible for exercise at end of the year	58,797	49,873
Options granted but not eligible for exercise at end of the year	44,961	2,36,101
Summary of movement in respect of equity shares of Biocon Biologics Limited held by the RSU Trust is as follows:		
Opening balance*	1,08,09,520	1,08,09,520
Add: Shares purchased by the RSU Trust from Biocon Limited	-	-
Closing balance	**1,08,09,520**	**1,08,09,520**
Options granted but not eligible for exercise at end of the year	70,03,007	85,14,615

*adjusted for the effect of bonus shares

31. Earnings per share ('EPS')

Particulars	March 31, 2022	March 31, 2021
Earnings		
Profit for the year	**6,484**	**7,405**
Shares		
Basic outstanding shares	1,20,05,50,000	1,20,00,00,000
Less: Weighted average shares held with the ESOP Trust	(94,75,319)	(1,28,69,238)
Weighted average shares used for computing basic EPS	**1,19,10,74,681**	**1,18,71,30,762**
Add: Effect of dilutive options granted but not yet exercised / not yet eligible for exercise	52,76,990	96,30,143
Weighted average shares used for computing diluted EPS	**1,19,63,51,671**	**1,19,67,60,905**
Earnings per equity share		
Basic (in ₹)	5.44	6.24
Diluted (in ₹)	5.42	6.19

32. Exceptional items (net)

(a) During the quarter ended December 31, 2020, BBL had entered into an agreement with Goldman Sachs India AIF Scheme-1('Investor') whereby the Investor had infused ₹11,250 against issuance of Optionally Convertible Debentures. The debentures were issued for a tenor of 61 months, were unsecured, redeemable at par and carry a conversion option at any time during the tenor at the option of the investor. It also bears a coupon rate of 5% (on USD basis, payable only on redemption). The consideration was received, and debentures were issued during the year ended March 31, 2021. The debentures were accounted in the consolidated financial statements as a compound financial instrument in line with Ind AS, given that it has both financial liability and equity feature. Accordingly, the consideration received was bifurcated into financial liability and equity in the consolidated financial statements. An amendment to the agreement, was entered during the year ended March 31, 2022 which resulted in modification of the compound financial instrument. Resulting gain / loss on the modification was recorded within statement of profit and loss and reserves. The amount of ₹ 274 was charged in the statement of profit and

loss and has been disclosed as an exceptional item during the year ended March 31, 2022. Consequential tax impact of ₹ 49 is included within tax expense during the year ended March 31, 2022."

(b) The Ministry of Commerce and Industry, Government of India issued a Gazette notification number 29/2015-2020 dated September 23, 2021 on Service Exports from India Scheme (SEIS) for services rendered in financial year 2019 - 2020 with the total entitlement capped at ₹ 50 per exporter for the period. The Group during the year ended March 31, 2022 has reversed the SEIS claim receivables of ₹ 427 for the financial year 2019-2020 and the same has been presented under exceptional items in the consolidated financial statements for the year ended March 31, 2022. Consequential tax impact of ₹ 75 is included within tax expense for the year ended March 31, 2022. Further non-controlling interest of ₹ 77 is included within non-controlling interest in consolidated financial statements for the year ended March 31, 2022.

(c) BBL has obtained services of professional experts (like advisory, legal counsel, valuation experts etc.) for the transactions referred in note 44. These services were availed during the financial year ended March 31, 2022 and hence these amounts aggregating to ₹ 410 have been recorded as an expense in the consolidated statement of profit and loss under the head 'Exceptional items'. Consequential tax impact of ₹ 169 is included within tax expense.

(d) Pursuant to a fire incident on December 12, 2016, certain fixed assets, inventory and other contents in one of the buildings were damaged. Syngene had lodged an estimate of loss with the insurance company and the final assessment is currently pending. Syngene over the past few years have received an aggregate amount of ₹ 2,120 as interim amounts which were presented net of losses incurred under exceptional items in the respective consolidated financial statements. The amount for the year ended March 31, 2021 aggregated ₹ 350 with a consequential tax of ₹ 122 was included within tax expense in consolidated financial statements for the year ended March 31, 2021. Further non-controlling interest of ₹ 68 is included within non-controlling interest in consolidated financial statements for the year ended March 31, 2021.

(e) During the previous year, Biosimilars business had incurred severance cost amounting to ₹ 224 arising from exit of certain key personnel which is recorded as exceptional item. Consequential tax impact of ₹ 27 is included within tax expense.

33. Related party transactions

List of related parties with whom the Group had transactions during the year:

Name of related parties	Nature of relationship
Key management personnel	
Kiran Mazumdar-Shaw	Executive Chairperson
Siddharth Mittal	Managing Director & CEO
Indranil Sen	Chief Financial Officer (w.e.f April 28, 2021) Interim Chief Financial Officer (w.e.f May 15, 2020 , upto September 22, 2020)
Anupam Jindal	Chief Financial Officer (w.e.f September 22, 2020 upto April 28,2021)
Mayank Verma	Company Secretary
Daniel Mark Bradbury	Independent director
Mary Harney	Independent director
Vijay Kumar Kuchroo	Independent director
Meleveetil Damodaran	Independent director
Bobby Kanubhai Parikh	Independent director
John Shaw	Non-executive director (upto July 23, 2021)
Ravi Rasendra Mazumdar	Non-executive director
Eric Vivek Mazumdar	Non-executive director (w.e.f November 01, 2021)
Associate	
Bicara Therapeutics Inc.	Associate (w.e.f. January 09, 2021)
Joint Ventures	
NeoBiocon FZ LLC	Joint-venture

Other related parties	
Biocon Foundation	Trust in which key management personnel are the Board of Trustees
Immuneel Therapeutics Private Limited	Enterprise in which a director of the Company is a member of board of directors
Mazumdar Shaw Medical Foundation	Trust in which key management personnel are the Board of Trustees
Glentec International Limited	Enterprise owned by key management personnel
Catherine Rosenberg	Relative of a director
Claire Mazumdar	Relative of a director
Jeeves	Enterprise in which relative to a director of the Company is proprietor
Narayana Hrudayalaya Limited	Enterprise in which a director of the Company is a member of board of directors

The Group has the following related party transactions

Particulars	Transaction / Balances	Year ended March 31, 2022	Year ended March 31, 2021
Key management personnel	Salary and perquisites [refer note (a) & (b) below]	107	101
	Sitting fees and commission	76	44
	Outstanding as at the year end:		
	- Trade and other payables	21	4
Associate	Cross charges towards facility and other expenses	710	381
	Interest income	15	2
	Loan given to associate	683	-
	Outstanding as at the year end:		
	- Trade and other receivables	1,255	660
	- Loan (excluding losses recognized by using equity methodof ₹ 12)	683	-
	- Allowance for expected credit loss	278	-
Joint Venture	Purchase of goods	364	345
	Sales promotion expenses	25	21
	Rent expenses	-	1
	Professional charges	1	22
	Expenses incurred on behalf of the related party	1	1
	Outstanding as at the year end:		
	- Trade and other receivables	-	-*
	- Trade and other payables	474	363
Other related parties	Sale of goods	78	55
	Sale of services	2	3
	Salary and perquisites (includes sitting fees)	69	82
	Health services availed	5	4
	Allotment of equity shares	-	100
	CSR Expenditure	121	65
	Other expenses	54	43
	Outstanding as at the year end:		
	- Trade and other receivables	24	20
	- Trade and other payables	3	5

* Amounts are not represented since the amounts are rounded off to Rupees million.

(a) The remuneration to key managerial personnel does not include the provisions made for gratuity and compensated absences, as they are obtained on an actuarial basis for the Company as a whole.

(b) Share-based compensation expense allocable to key management personnel is ₹ 65 (March 31, 2021 - ₹ 71) which is not included in the remuneration disclosed above. Share-based compensation expense allocable to key management personnel issued by foreign associate is ₹ 2 (March 31, 2021 - ₹ 7) which is not included in the remuneration disclosed above.

(c) The above disclosures include related parties as per Ind AS 24 on "Related Party Disclosures" and Companies Act, 2013.

(d) All transactions with these related parties are priced on an arms length basis and none of the balances are secured.

34. Contingent liabilities and commitments

(to the extent not provided for)

Particulars			March 31, 2022	March 31, 2021
(i)	Contingent liabilities:			
	(a)	Claims against the Company not acknowledged as debt	**8,444**	**7,000**
	The above includes:			
	(i)	Direct taxation	7,215	5,944
	(ii)	Indirect taxation (includes matters pertaining to disputes on central excise, custom duty, service tax, VAT, CST, Entry tax and GST)	881	708
	(iii)	Other matters	348	348

In light of recent judgment of Honorable Supreme Court dated February 28, 2019 on the definition of "Basic Wages" under the Employees Provident Funds & Misc. Provisions Act, 1952 and based on Group's evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence It is unclear as to whether the clarified definition of Basic Wages would be applicable prospectively or retrospectively. The amount of the obligation therefore cannot be measured with sufficient reliability for past periods and hence has currently been considered to be a contingent liability in one of its subsidiary.

The Group is involved in taxation matters that arise from time to time in the ordinary course of business. Judgment is required in assessing the range of possible outcomes for some of these tax matters, which could change over time as each of the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents. Based on its internal assessment supported by external legal counsel views, if any, the Group believes that it will be able to sustain its positions if challenged by the authorities and accordingly no additional provision is required for these matters. Other than the matter disclosed above, the Company is involved in disputes, lawsuits, proceedings etc. including patent and commercial matters that arise from time to time in the ordinary course of business. Management is of the view that above matters are not tenable and will not have any material adverse effect on the Group's financial position and results of operations."

(ii) Commitments:

	(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	7,406	8,736

35. Employee benefit plans

(i) The Group has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972. Under this legislation, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement/termination age and does not have any maximum monetary limit for payments. The gratuity plan is primarily a funded plan and the Group makes contributions to a recognised fund in India.

The plan assets are maintained with HDFC Life Insurance Company Limited (HDFC Life) in respect of gratuity scheme for employees of the Group. The details of investments maintained by the HDFC Life are not available with the Group and not disclosed. The expected rate of return on plan assets is 5.7% - 6.4% p.a. (March 31, 2021: 5.6% - 6.2% p.a.). The Group actively monitors how the duration and expected yield of the investments are matching the expected outflows arising from the employee benefit obligations.

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. Actuarial valuations involve making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Group's financial statements as at balance sheet date:

Particulars	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability
Balance as on April 01, 2021	**1,229**	**(7)**	**1,222**
Current service cost	181	-	181
Interest expense / (income)	76	-	76
Amount recognised in Statement of profit and loss	**257**	**-**	**257**
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-
Actuarial (gain) / loss arising from:			
Demographic assumptions	(44)	-	(44)
Financial assumptions	(56)	-	(56)
Experience adjustment	(3)	-	(3)
Amount recognised in other comprehensive income	**(103)**	**-**	**(103)**
Employers contribution	-	-	-
Benefits paid	(145)	-	(145)
Balance as at March 31, 2022	**1,238**	**(7)**	**1,231**

Particulars	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability
Balance as on April 01, 2020	**1,054**	**(42)**	**1,012**
Current service cost	142	-	142
Interest expense / (income)	65	(2)	63
Amount recognised in Statement of profit and loss	**207**	**(2)**	**205**
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-
Actuarial (gain) / loss arising from:			
Demographic assumptions	8	-	8
Financial assumptions	54	-	54
Experience adjustment	(42)	-	(42)
Amount recognised in other comprehensive income	**20**	**-**	**20**
Employers contribution	(11)	37	26
Benefits paid	(41)	-	(41)
Balance as at March 31, 2021	**1,229**	**(7)**	**1,222**

Particulars	March 31, 2022	March 31, 2021
Non-current	917	1,062
Current	314	160
	1,231	1,222

(ii) The assumptions used for gratuity valuation are as below:

	March 31, 2022	March 31, 2021
Interest rate	5.7% - 6.4%	5.6% - 6.2%
Discount rate	5.7% - 6.4%	5.6% - 6.2%
Expected return on plan assets	5.7% - 6.4%	5.6% - 6.2%
Salary increase	9% - 10%	9% - 10%
Attrition rate	8% - 30%	5% - 30%
Retirement age - Years	58	58

Assumptions regarding future mortality experience are set in accordance with published statistics and mortality tables as per IALM (2012-14)

The weighted average duration of Group's defined benefit obligation was 6-9 years (March 31, 2021 - 6-9 years).

These defined benefit plans expose the Group to actuarial risks, such as longevity and interest rate risk.

(iii) Sensitivity analysis

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis does not recognise the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any. The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are as below:

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% change)	(64)	72	(77)	87
Salary increase (1% change)	70	(63)	83	(75)
Attrition rate (1% change)	(14)	16	(21)	23

Sensitivity of significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. Although, the analysis does not take account of the full distribution of the cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

As of March 31, 2022 and March 31, 2021, the plan assets have been invested in insurer managed funds and the expected contribution to the fund during the year ending March 31, 2023, is approximately ₹ 125 (March 31, 2022 - ₹ 119).

Maturity profile of defined benefit obligation

Particulars	March 31, 2022	March 31, 2021
1st Following year	177	151
2nd Following year	131	110
3rd Following year	138	117
4th Following year	127	116
5th Following year	118	106
Years 6 to 10	507	647
Years 11 and above	674	734

(iv) Risk Exposure

These defined benefit plans typically expose the Group to actuarial risks as under:

a) Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

b) Interest rate risk: A decrease in bond interest rate will increase the plan liability.

c) Longevity risk: The present value of the defined plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy will increase the plan's liability.

d) Salary risk: Higher than expected increase in salary will increase the defined benefit obligation.

(v) Other Long term benefits

Present value of other long term benefits (i.e compensated absences) obligations at the end of the year :

Particulars	March 31, 2022	March 31, 2021
Compensated absences	855	798

36. Financial instruments: Fair value and risk managements

A. Accounting classification and fair values

March 31, 2022	Carrying amount					Fair value			
	FVTPL	FVTOCI	Amortised Cost	FVTOE*	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Non-current investments	145	848	2,629	-	3,622	585	-	408	993
Derivative assets	-	2,691	-	-	2,691	-	2,691	-	2,691
Current investments	2,518	-	9,659	-	12,177	2,518	-	-	2,518
Loan to associate	-	-	671		671	-	-	-	-
Trade receivables	-	-	20,582	-	20,582	-	-	-	-
Cash and cash equivalents	-	-	6,630	-	6,630	-	-	-	-
Other bank balances	-	-	10,845	-	10,845	-	-	-	-
Other financial assets	-	-	4,960	-	4,960	-	-	-	-
	2,663	**3,539**	**55,976**	**-**	**62,178**	**3,103**	**2,691**	**408**	**6,202**
Financial liabilities									
Borrowings	-	-	49,040	-	49,040	-	-	-	-
Trade payables	-	-	16,085	-	16,085	-	-	-	-
Derivative liabilities	-	260	-	-	260	-	260	-	260
Other financial liabilities	-	-	3,632	15,033	18,665	-	-	15,033	15,033
Lease liabilities	-	-	2,426	-	2,426	-	-	-	-
	-	**260**	**71,183**	**15,033**	**86,476**	**-**	**260**	**15,033**	**15,293**

*Refer note 16 for measurement of non current financial liabilities carried at fair value through other equity (FVTOE).

March 31, 2021	Carrying amount					Fair value			
	FVTPL	FVTOCI	Amortised Cost	FVTOE*	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Non-current investments	110	1,377	4,150	-	5,637	1,277	-	210	1,487
Derivative assets	-	1,489	-	-	1,489	-	1,489	-	1,489
Current investments	6,237	-	5,850	-	12,087	6,237	-	-	6,237
Trade receivables	-	-	15,033	-	15,033	-	-	-	-
Cash and cash equivalents	-	-	9,531	-	9,531	-	-	-	-
Other bank balances	-	-	10,623	-	10,623	-	-	-	-
Other financial assets	-	-	7,080	-	7,080	-	-	-	-
	6,347	**2,866**	**52,267**	**-**	**61,480**	**7,514**	**1,489**	**210**	**9,213**
Financial liabilities									
Borrowings	-	-	43,586	-	43,586	-	-	-	-
Trade payables	-	-	15,139	-	15,139	-	-	-	-
Derivative liabilities	-	878	-	-	878	-	878	-	878
Other financial liabilities	-	-	3,816	15,033	18,849	-	-	15,033	15,033
Lease liabilities	-	-	1,225	-	1,225	-	-	-	-
	-	**878**	**63,766**	**15,033**	**79,677**	**-**	**878**	**15,033**	**15,911**

*Refer note 16 for measurement of non current financial liabilities carried at fair value through other equity (FVTOE).

(a) The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short – term nature

(b) There have been no transfers between level 1, 2 and 3 needs to be made.

(c) The Group enters into derivative financial instruments with various counterparties. Derivatives are valued using valuation techniques in consultation with market expert. The most frequently applied valuation technique include forward pricing, swap models and Black Scholes Merton Model (for options valuation), using present value calculations. The models incorporate various inputs including foreign exchange forward rates, interest rate curve and forward rates curve.

B. Measurement of fair values

Fair value of liquid investments are based on quoted price. Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

Sensitivity analysis

For the fair values of derivative contracts of foreign currencies, reasonably possible changes at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effects in other comprehensive income (OCI).

	March 31, 2022 Profit or (loss)		March 31, 2021 Profit or (loss)	
	Increase	Decrease	Increase	Decrease
Significant observable inputs				
Spot rate of the foreign currency (1% movement)	(736)	779	(533)	544
Interest rates (100 bps movement)	182	(182)	171	(171)

C. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(i) Risk management framework

The Group's risk management is carried out by the treasury department under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investment of excess liquidity.

(ii) Credit risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

Customer credit risk is managed by each business unit subject to Group's established policy, procedures and control relating to customer credit risk management. The Audit and Risk Management Committee of the respective Company's has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, where available, and other publicly available financial information. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

The Group establishes an allowance for impairment that represents its estimate of expected credit loss in respect of trade and other receivables. The maximum exposure to credit risk at reporting date is primarily from trade receivables amounting to ₹ 20,582 (March 31, 2020: ₹ 15,033). The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

Allowance for credit loss	March 31, 2022	March 31, 2021
Opening balance	123	123
Allowance for credit loss recognised / (reversed)	240	-
Closing balance	363	123

Refer note 11 for details of aging of trade receivables and allowance for credit losses.

Receivables from one customers of the Group's trade receivables is ₹ 4,483 (March 31, 2021 - ₹ 2,846) which is more than 10 percent of the Group's total trade receivables. Other than trade receivables, the Group has no significant class of financial assets that is past but not impaired.

Credit risk on cash and cash equivalent and derivatives is limited as the Group generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies which are rated A1+ or AAA . Investments primarily include investment in liquid mutual fund units, bonds and non-convertible debentures.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. In addition, the Group maintains lines of credit as stated in note 14 and note 19.

The following are the contractual maturities of financial liabilities and excluding interest payments. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay:

March 31, 2022

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Non- current borrowings (including current maturities)	95	1,424	37,224	1,337	40,080
Current borrowings	8,960	-	-	-	8,960
Trade payables	16,085	-	-	-	16,085
Lease liabilities	261	250	815	3,019	4,345
Other financial liabilities	3,756	8	15,079	82	18,925
Total	**29,157**	**1,682**	**53,118**	**4,438**	**88,395**

March 31, 2021

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Non- current borrowings (including current maturities)	8,028	2,750	14,378	12,488	37,644
Current borrowings	5,942	-	-	-	5,942
Trade payables	15,139	-	-	-	15,139
Lease liabilities	184	170	423	1,547	2,324
Other financial liabilities	4,076	389	15,258	4	19,727
Total	**33,369**	**3,309**	**30,059**	**14,039**	**80,776**

(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
Loans	683			683
Trade receivables	16,993	382	396	17,771
Cash and cash equivalents	3,891	203	510	4,604
Other bank balances	64	-	-	64
Other financial assets	4,230	-	26	4,256
Financial liabilities				
Non- current borrowings (including current maturities)	(34,575)	-	-	(34,575)
Current borrowings	(5,711)	-	-	(5,711)
Trade payables	(5,075)	(337)	(1,294)	(6,706)
Other financial liabilities	(945)	(131)	(118)	(1,194)
Net financial assets / (liabilities)	**(20,343)**	**117**	**(480)**	**(20,706)**

March 31, 2021	USD	EUR	Others	Total
Financial assets				
Trade receivables	10,335	489	354	11,178
Cash and cash equivalents	7,503	462	104	8,069
Other bank balances	60	-	-	60
Other financial assets	5,393	43	69	5,505
Financial liabilities				
Non- current borrowings (including current maturities)	(21,845)	-	-	(21,845)
Current borrowings	(5,614)	-	(328)	(5,942)
Trade payables	(5,551)	(757)	(642)	(6,950)
Other financial liabilities	(1,747)	(181)	(230)	(2,158)
Net financial assets / (liabilities)	**(11,466)**	**56**	**(673)**	**(12,083)**

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%	(154)	(31)	(939)	(648)
INR/USD - Decrease by 1%	154	31	982	659
EUR Sensitivity				
INR/EUR - Increase by 1%	1	1	1	1
INR/EUR - Decrease by 1%	(1)	(1)	(1)	(1)

Derivative financial instruments

The following table gives details in respect of outstanding foreign exchange forward and option contracts:

Particulars	March 31, 2022	March 31, 2021
Foreign exchange forward contracts to buy USD with maturity between 0-1 years	USD 151	USD 131
Foreign exchange forward contracts to sell USD with maturity between 0-8 years	USD 643	USD 427
European style option contracts with periodical maturity between 0-8 years	USD 338	USD 244
European style range forward contracts with periodical maturity between 1-2 years	USD 119	USD 127
Interest rate swaps used for hedging SOFR component in external commercial borrowings with maturity between 0-6 years	USD 155	USD 165

Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During the year ended March 31, 2022 and March 31, 2021 the Group's borrowings at variable rate were mainly denominated in USD.

(a) Interest rate risk exposure

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	March 31, 2022	March 31, 2021
Variable rate borrowings	16,035	12,699
Fixed rate borrowings	33,005	30,887
Total borrowings	**49,040**	**43,586**

(b) Sensitivity

The Group policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. They are therefore not subject to interest rate risk as defined under Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of change in market interest rates.

37: Capital management

The key objective of the Group's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business. The Group focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Group.

The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute annual dividends in future periods.

The amount of future dividends of equity shares will be balanced with efforts to continue to maintain an adequate liquidity status.

The capital structure as of March 31, 2022 and 2021 was as follows:

Particulars	March 31, 2022	March 31, 2021
Total equity attributable to owners of the Company	**84,325**	76,269
As a percentage of total capital	**63%**	64%
Long-term borrowings	**39,985**	29,616
Short-term borrowings	**9,055**	13,970
Total borrowings	**49,040**	**43,586**
As a percentage of total capital	**37%**	**36%**
Total capital (Equity and Borrowings)	**1,33,365**	**1,19,855**

38. Tax expenses

(a) Amount recognised in Statement of profit and loss

Particulars	March 31, 2022	March 31, 2021
Current tax	2,204	1,966
Deferred tax expense / (income) related to:		
MAT credit entitlement	235	(259)
Origination and reversal of temporary differences	(324)	508
Tax expense for the year	**2,115**	**2,215**

(a) Reconciliation of effective tax rate

Particulars	March 31, 2022	March 31, 2021
Profit before tax	9,831	10,677
Tax at statutory income tax rate 34.94% (March 31, 2021 - 34.94%)	3,435	3,731
Tax effects of amounts which are not deductible / (taxable) in calculating taxable income		
Difference in overseas/domestic tax rates	(402)	(14)
Exempt income and other deductions	(1,717)	(1,595)
Non-deductible expense	46	70
Tax losses on which no deferred tax has been recognised	(14)	950
Reversal of provision for tax for earlier years	-	(418)
Gain on dilution of interest in a subsidiary/ associate	(104)	(558)
Share in loss/ (profit) of joint venture and associate	723	277
Others	148	(228)
Income tax expense	**2,115**	**2,215**

(c) Tax losses

Particulars	March 31, 2022	March 31, 2021
Unused temporary differences for which no deferred tax asset has been recognised	2,261	3,619
Potential tax impact	705	996
Expiry date [Financial year]	2022-23 to 2028-29	2025-26 to 2028-29

(d) Recognised deferred tax assets and liabilities

The following is the movement of deferred tax assets / liabilities presented in the consolidated balance sheet

For the year ended March 31, 2022	Opening balance	Recognised in profit or loss	Recognised in OCI	Exchange difference	Closing balance
Deferred tax liabilities					
Property, plant and equipment and intangible assets	2,033	580	-	35	2,648
Derivative assets	67	-	292	-	359
Others	114	24	(66)	-	72
Gross deferred tax liabilities	2,214	604	226	35	3,079
Deferred tax assets					
Provision for employee benefits	423	112	9	-	544
Derivative liabilities	156	71	(175)	-	52
Allowance for doubtful debts	20	71	-	-	91
Other deductible expenses	89	4	-	-	93
MAT credit entitlement	3,949	(235)	-	-	3,714
Deferred revenue	114	(54)	-	(6)	54
Others	217	724	-	-	941
Gross deferred tax assets	**4,968**	**693**	**(166)**	**(6)**	**5,489**
	2,754	**89**	**(392)**	**(41)**	**2,410**

For the year ended March 31, 2021	Opening balance	Recognised in profit or loss	Recognised in OCI	Exchange difference	Closing balance
Deferred tax liabilities					
Property, plant and equipment and intangible assets	1,760	305	-	(32)	2,033
Derivative assets	-	-	67	-	67
Others	45	-	69	-	114
Gross deferred tax liabilities	**1,805**	**305**	**136**	**(32)**	**2,214**
Deferred tax assets					
Provision for employee benefits	434	(18)	7	-	423
Derivative liabilities	449	-	(293)	-	156
Allowance for doubtful debts	11	9	-	-	20
Other deductible expenses	127	(38)	-	-	89
MAT credit entitlement	3,690	259	-	-	3,949
Deferred revenue	218	(101)	-	(3)	114
Others	258	(55)	14	-	217
Gross deferred tax assets	**5,187**	**56**	**(272)**	**(3)**	**4,968**
	3,382	**(249)**	**(408)**	**29**	**2,754**

Deferred tax balances	March 31, 2022	March 31, 2021
Deferred tax assets (net)	2,933	3,077
Deferred tax liabilities (net)	(523)	(323)
	2,410	**2,754**

39. Interest in other entities

(a) Subsidiaries

The Group's subsidiaries as at March 31, 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held by the Group, and proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

No.	Name of entity	Country of incorporation	Ownership interest held by the group		Ownership interest held by the non-controlling interest		Principal activities
			March 31, 2022 %	March 31, 2021 %	March 31, 2022 %	March 31, 2021 %	
1	Syngene International Limited	India	70.1	70.2	29.9	29.8	Contract research and manufacturing services
2	Biocon Pharma Limited	India	100.0	100.0	-	-	Biopharmaceutical manufacturing
3	Biocon Biologics Limited*	India	93.5	93.5	6.5	6.5	Biopharmaceutical manufacturing
4	Biocon Biosphere Limited	India	100.0	100.0	-	-	Biopharmaceutical manufacturing
5	Biofusion Therapeutics Limited	India	100.0	100.0	-	-	Research services
6	Biocon Academy	India	100.0	100.0	-	-	Not for profit organisation
7	Biocon SA	Switzerland	100.0	100.0	-	-	Research and development
8	Biocon Sdn Bhd	Malaysia	93.5	93.5	6.5	6.5	Biopharmaceutical manufacturing and sale of biosimilar products
9	Biocon Biologics Healthcare Malaysia SDN. BHD	Malaysia	93.5	93.5	6.5	6.5	Sale of biopharmaceutical products

No.	Name of entity	Country of incorporation	Ownership interest held by the group		Ownership interest held by the non-controlling interest		Principal activities
			March 31, 2022 %	March 31, 2021 %	March 31, 2022 %	March 31, 2021 %	
10	Biocon Biologics UK Limited	United Kingdom	93.5	93.5	6.5	6.5	Sale of biosimilar products
11	Biocon Pharma UK Limited	United Kingdom	100.0	100.0	-	-	Sale of pharmaceutical products
12	Biocon Biologics Inc.	United States	93.5	93.5	6.5	6.5	Business support and marketing for Biosimilar products
13	Biocon Pharma Inc.	United States	100.0	100.0	-	-	Sale of pharmaceutical products
14	Syngene USA Inc.	United States	70.1	70.2	29.9	29.8	Marketing and business development support services
15	Biocon Biologics do Brasil Ltda.	Brazil	93.5	93.5	6.5	6.5	Sale of biopharmaceutical products
16	Biocon Biologics FZ–LLC	Dubai	93.5	93.5	6.5	6.5	Sale of biopharmaceutical products
17	Biocon FZ LLC.	Dubai	100.0	100.0	-	-	Sale of pharmaceutical products
18	Biocon Pharma Ireland Limited	Ireland	100.0	100.0	-	-	Sale of pharmaceutical products
19	Biocon Pharma Malta Limited	Malta	100.0	100.0	-	-	Sale of pharmaceutical products
20	Biocon Pharma Malta I Limited	Malta	100.0	100.0	-	-	Sale of pharmaceutical products

* Also refer note 16

(b) Non-controlling interests

Below is the summarised financial information for Syngene International Limited that has non-controlling interests that is material to the Group as on March 31, 2022. The amounts disclosed for the subsidiary are before inter-company eliminations.

Summarised balance sheet

Particulars	March 31, 2022	March 31, 2021
Non-current assets	33,579	30,765
Current assets	22,059	18,067
Total assets	**55,638**	**48,832**
Non-current liabilities	10,373	9,288
Current liabilities	12,289	11,330
Total liabilities	**22,662**	**20,618**
Net assets	32,976	28,214
Accumulated non-controlling interest	10,263	8,749

Summarised statement of Profit and loss

Particulars	March 31, 2022	March 31, 2021
Revenue from operations	26,042	21,843
Profit for the year	3,958	4,049
Other comprehensive income	433	1,906
Total comprehensive income	**4,391**	**5,955**
Total comprehensive income allocated to non-controlling interests	1,313	1,771
Dividends (including dividend distribution tax) paid to non-controlling interests	-	-

Summarised statement of cash flows

Particulars	March 31, 2022	March 31, 2021
Cash flows generated from operating activities	5,806	7,012
Cash flows used in investing activities	(6,115)	(6,281)
Cash flows (used in) / generated from financing activities	(313)	580
Net (decrease) / increase in cash and cash equivalents	**(622)**	**1,311**

(c) Interest in joint venture

The Group had only one joint venture in the name of NeoBiocon FZ LLC ("NeoBiocon") , incorporated in Dubai as at March 31, 2022 holding 49% (March 31, 2021: 49%) of the equity stake and accounted for using the equity method. NeoBiocon has share capital solely consisting of equity shares, which are held directly by ownership interest in the same proportion of voting rights held. Also refer note 42.

Summarised balance sheet of NeoBiocon is as follows:

Particulars	March 31, 2022	March 31, 2021
Non-current assets	3	5
Current assets	616	596
Total assets	**619**	**601**
Non-current liabilities	17	37
Current liabilities	167	221
Total liabilities	**184**	**258**
Net assets	435	343
Percentage ownership interest	49%	49%
Accumulated Group's share of net assets	80	43

Summarised statement of profit and loss of NeoBiocon

Particulars	March 31, 2022	March 31, 2021
Revenue from operations	367	335
Profit/(Loss) for the year	76	(198)
Total comprehensive income	**76**	**(198)**
Share of Profit/(loss) from joint venture	37	(99)

(d) Interest in associates

Particulars	March 31, 2022	March 31, 2021
IATRICa Inc. - 4,285,714 (March 31, 2021 - 4,285,714) Series A Preferred Stock at US$ 0.70 each, par value US $ 0.00001 each	131	131
Less: Provision for decline, other than temporary, in the value of non-current investments	(131)	(131)
Bicara Therapeutics Inc.: 2,500,000 (March 31, 2021 - 2,500,000) equity shares of USD 0.0001 each 40,000,000 (March 31, 2021 - Nil) preference shares of USD 1 each [Refer note 43(a)]	-	1,795
	-	**1,795**
Total investment in associate and joint venture (c+d) *	80	1,838

* Includes ₹ Nil (March 31, 2021: 43) disclosed as assets held for sale.

40. Segment Reporting

Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker ("CODM") evaluates the Group's performance based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments and geographic segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

April 1, 2021 to March 31, 2022

Particulars	Generics	Biosimilars	Novels	Research	Unallocated/ Eliminations	Total
Revenues						
External revenue	21,910	34,301	510	25,119	-	81,840
Inter-segment revenue	1,499	342	-	923	(2,764)	-
Total revenues	**23,409**	**34,643**	**510**	**26,042**	**(2,764)**	**81,840**
Costs						
Segment costs	(21,152)	(21,887)	(802)	(18,297)	-	(62,138)
Inter-segment costs	(278)	(2,567)	4	(333)	3,174	-
Results						
Other income including interest	1,985	(61)	293	1,077	(1,167)	2,127
Operating profit						**21,829**
Depreciation / Amortisation	(1,379)	(4,028)	(52)	(3,097)	414	(8,142)
Finance costs	(9)	(668)	(44)	(241)	286	(676)
Share of profit/(loss) of joint venture and associate	38	-	(2,107)	-	-	(2,069)
Segment results	2,614	5,432	(2,198)	5,151	(57)	10,942
Exceptional items, net	-	-	-	-	(1,111)	(1,111)
Income taxes - Current and deferred	-	-	-	-	(2,115)	(2,115)
Non-controlling interests	-	-	-	-	(1,232)	(1,232)
Profit after taxes attributable to shareholders						**6,484**

Particulars	Generics	Biosimilars	Novels	Research	Unallocated/ Eliminations	Total
Other Information						
Segment assets	52,849	96,951	2,279	55,638	(3,777)	2,03,940
Total assets						**2,03,940**
Segment liabilities	13,357	76,415	1,375	22,662	(4,569)	1,09,240
Total liabilities						**1,09,240**

April 1, 2020 to March 31, 2021

Particulars	Generics	Biosimilars	Novels	Research	Unallocated/ Eliminations	Total
Revenues						
External revenue	22,532	27,781	105	21,013	-	71,431
Inter-segment revenue	1,095	221	-	830	(2,146)	-
Total revenues	**23,627**	**28,002**	**105**	**21,843**	**(2,146)**	**71,431**
Costs						
Segment costs	(20,218)	(18,782)	(1,062)	(14,841)	-	(54,903)
Inter-segment costs	(446)	(1,875)	(58)	(282)	2,661	-
Results						
Other income including interest	1,386	119	1,597	644	(1,201)	2,545
Operating profit						**19,073**
Depreciation / Amortisation	(1,294)	(3,425)	(43)	(2,745)	356	(7,151)
Finance costs	(41)	(387)	(48)	(277)	176	(577)
Share of profit of joint venture and associate	(99)	-	(695)	-	-	(794)
Segment results	**2,915**	**3,652**	**(204)**	**4,342**	**(154)**	**10,551**
Exceptional items, net	-	-	-	-	126	126
Income taxes - Current and deferred	-	-	-	-	(2,215)	(2,215)
Non-controlling interests	-	-	-	-	(1,057)	(1,057)
Profit after taxes attributable to shareholders						**7,405**
Other Information						
Segment assets	46,244	90,180	1,795	48,832	(1,828)	1,85,223
Total assets						**1,85,223**
Segment liabilities	8,973	74,232	-	20,618	(3,676)	1,00,147
Total liabilities						**1,00,147**

Geographical segments

Revenue from operations	March 31, 2022	March 31, 2021
India	13,563	13,596
United States of America	29,946	23,589
Ireland	16,863	13,327
Rest of the world	21,468	20,919
Total	81,840	71,431

Non-current assets	March 31, 2022	March 31, 2021
India	76,956	60,248
Malaysia	24,717	24,652
Rest of the world	6,832	10,292
Total	1,08,505	95,192

Note: Non-current assets excludes financial instruments, income tax and deferred tax assets.

Significant clients

One customer group of Biosimilar segment individually accounted for ₹ 17,337 (March 31, 2021: ₹ 13,670) which is more than 10% of the total revenue of the Group.

Segment revenue and results

The expenses that are not directly attributable and that can not be allocated to a business segment on a reasonable basis are shown as unallocated corporate expenses.

Segment assets and liabilities

Segment assets include all operating assets used by the business segment and consist principally of fixed assets and current assets. Segment liabilities comprise of liabilities which can be directly allocated against the respective segments. Assets and liabilities that have not been allocated between segments are shown as part of unallocated corporate assets and liabilities respectively.

41. Additional information, as required under Schedule III of the Act, of enterprises consolidated as subsidiary/associates/joint venture

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 Limited	50%	80,929	14%	861	8%	80	13%	941
Subsidiaries								
Indian								
Syngene International Limited	14%	22,657	45%	2,775	29%	304	43%	3,078
Biocon Pharma Limited	-1%	(1,067)	17%	1,056	1%	9	15%	1,065
Biocon Biologics Limited	13%	21,094	13%	811	32%	335	16%	1,146
Biocon Biosphere Limited	-	117	-	(4)	12%	125	2%	121
Biofusion Therapeutics Limited	-	10	-	9	-	-	-	9
Biocon Academy	-	-	-	-	-	-	-	-
Foreign								
Biocon SA	3%	4,843	-	(1)	-	-	-	(1)
Biocon Sdn Bhd	-3%	(4,834)	-17%	(1,080)	5%	50	-14%	(1,031)
Biocon Biologics UK Limited	16%	26,840	41%	2,524	-	-	35%	2,524
Biocon Pharma Inc.	1%	1,794	3%	209	-	-	3%	209
Biocon FZ LLC.	-	80	-	2	-	-	-	2
Biocon Biologics Healthcare Malaysia SDN. BHD	-	(1)	-	(0)	-	-	-	(0)
Syngene USA Inc.	-	56	-	20	-	-	-	20
Biocon Pharma UK Limited	-	66	-	(0)	-	-	-	(0)
Biocon Pharma Ireland Limited	-	26	-	(1)	-	-	-	(1)
Biocon Biologics Inc.	-	(72)	-2%	(110)	-	-	-2%	(110)
Biocon Biologics do Brasil Ltda.	-	(16)	-1%	(49)	-	-	-1%	(49)
Biocon Biologics FZ–LLC	-	74	-	1	-	-	-	1
Biocon Pharma Malta Limited	-	(1)	-	(1)	-	-	-	(1)
Biocon Pharma Malta I Limited	-	-	-	-	-	-	-	-
Joint venture								
Foreign								
NeoBiocon FZ LLC.	-	80	1%	37	-	-	1%	37
Associates								
Foreign								
IATRICa Inc., USA	-	-	-	-	-	-	-	-
Bicara Therapeutics Inc (w.e.f January 09, 2021) [Refer note 43(a)]	-	-	-34%	(2,107)	-	-	-29%	(2,107)
Non-controlling interest	6%	10,375	20%	1,232	13%	135	19%	1,367
Gross Total	100%	1,63,049	100%	6,183	100%	1,038	100%	7,219
Adjustment arising on consolidation		(68,349)		1,533		64		1,599
Total		**94,700**		**7,716**		**1,102**		**8,818**

Name of Entity	Net assets as at March 31, 2021		Share in profit or loss for the year ended March 31, 2021		Share in other comprehensive income for the year ended March 31, 2021		Share in total comprehensive income for the year ended March 31, 2021	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
Holding Company								
Biocon Limited	45%	79,071	55%	2,805	1%	24	42%	2,829
Subsidiaries								
Indian								
Syngene International Limited	11%	19,435	56%	2,831	82%	1,339	62%	4,170
Biocon Pharma Limited	-1%	(2,133)	-25%	(1,259)	-	5	-19%	(1,254)
Biocon Biologics Limited	12%	20,435	41%	2,057	-23%	(380)	25%	1,677
Biocon Biosphere Limited	-	(4)	-	-	-	-	-	-
Biofusion Therapeutics Limited	-	-	-	-	-	-	-	-
Biocon Academy	-	-	-	-	-	-	-	-
Foreign								
Biocon SA	2%	3,929	-1%	(58)	-	-	-1%	(58)
Biocon Sdn Bhd	11%	18,719	-49%	(2,481)	5%	76	-36%	(2,405)
Biocon Biologics UK Limited	14%	24,281	32%	1,639	-	-	24%	1,639
Biocon Pharma Inc.	1%	1,521	5%	249	-	-	4%	249
Biocon FZ LLC.	-	75	-	15	-	-	-	15
Biocon Biologics Healthcare Malaysia SDN. BHD	-	(1)	-	-	-	-	-	-
Syngene USA Inc.	-	32	-	13	-	-	-	13
Biocon Pharma UK Limited	-	(1)	-1%	(51)	-	-	-1%	(51)
Biocon Pharma Ireland Limited	-	27	-	(23)	-	-	-	(23)
Bicara Therapeutics Inc (Upto January 09, 2021)	-	-	-16%	(825)	-	-	-12%	(825)
Biocon Biologics Inc.	-	(42)	-2%	(82)	-	-	-1%	(82)
Biocon Biologics do Brasil Ltda.	-	1	-	(19)	-	-	-	(19)
Biocon Biologics FZ–LLC	-	-	-	-	-	-	-	-
Biocon Pharma Malta Limited	-	-	-	-	-	-	-	-
Biocon Pharma Malta I Limited	-	-	-	-	-	-	-	-
Joint venture								
Foreign								
NeoBiocon FZ LLC.	-	43	-2%	(99)	-	-	-1%	(99)
Associates								
Foreign								
IATRICa Inc., USA	-	-	-	-	-	-	-	-
Bicara Therapeutics Inc (w.e.f January 09, 2021) [Refer note 43]	1%	1,795	-14%	(695)			-10%	(695)
Non-controlling interest	5%	8,807	21%	1,057	35%	563	24%	1,620
Gross Total	100%	1,75,990	100%	5,074	100%	1,627	100%	6,701
Adjustment arising on consolidation		**(90,914)**		**3,388**		**518**		**3,906**
Total		**85,076**		**8,462**		**2,145**		**10,607**

42. Discontinuing operations

Pursuant to the approval of the Board of Directors on May 14, 2020, the Group was in process of disposing off its interest in the JV entity. Accordingly, in the previous year share of profit / (loss) from the JV and results of its related business were disclosed as discontinuing operations in the consolidated financial statements.

During the year ended March 31, 2022, the Group decided to commercialise its generic formulation products which are being developed for US, EU and other markets in the UAE through its wholly owned subsidiary. The Group is taking steps to register the formulation manufacturing site and seeking approval of marketing authorization under its own brand. Accordingly, the Group concluded that the UAE operations no longer meets the definition of a Discontinued operations. In accordance with Indian Accounting Standard, the Group has reclassified the above operations as continuing operations in the consolidated financial statements. Accordingly, the statement of profit and loss for the previous year have also been reclassified to continuing operation.

Details of assets and liabilities held for sale:

	March 31, 2021
Carrying value of assets and liabilities held for sale	
Trade receivable	139
Cash & cash equivalents	338
Investment in Joint venture	43
Others	2
Assets classified as held for sale	522
Trade Payable and provisions	404
Liabilities directly associated with assets classified as held for sale	404

43. Other notes

Bicara Therapeutics Inc, (Bicara), U.S., is a clinical-stage biotechnology company developing dual-action biologics designed to spur a potent and durable immune response in the tumor microenvironment. Bicara is actively engaged in advancing a robust pipeline of first-in-class bifunctional antibodies being developed by a global team.

During the year ended March 31, 2021 to enable Bicara to raise further funding to fund its research and development plans and to further access the innovation ecosystem in developed markets and to achieve business synergies and value accretion through investments, its prevailing shareholder arrangements including those in relation to its voting rights and composition of the Board of Directors of Bicara were amended. The Company has, with relevant legal advice, evaluated the implications thereof and determined that these changes have resulted in cessation of control over the subsidiary.

Accordingly, following the principles in IndAS 110: Consolidated Financial Statements, the Company fair valued its retained investment in Bicara (based on an independent valuers report) on the date of loss of control which resulted in a dilution gain of ₹ 1,597. Such gain has been disclosed as Other Income in the consolidated financial statements for the year ended March 31, 2021. Effective January 09, 2021, the Group will account for its investments in Bicara using the equity method as it continues to have significant influence over the investee.

During the year ended March 31, 2022, Bicara has raised additional fund from third parties resulting into dilution of shares held in associate. Accordingly, following the principles in Ind AS 28: Investments in Associates and Joint Ventures, the Group has recorded a dilution gain of ₹ 299 and disclosed the same as other income in the consolidated financial statements for the year ended March 31, 2022.

44. Acquisitions

(i) Biocon Biologics Limited ("BBL") has entered into merger co-operation agreement with Serum Institute Life Sciences Private Limited ("SILS") and Covidshield Technologies Private Limited ("CTPL" or Transferor company) wholly owned subsidiary of SILS on September 16, 2021. On January 03, 2022, the Board of Directors of BBL approved the scheme of Merger by Absorption ('the Scheme') of CTPL with and into BBL (the Transferee company), a material subsidiary of Biocon Limited with an appointed date of October 01, 2022. The Scheme is subject to the requisite statutory approvals including approval of National Company Law Tribunal ("NCLT") and/or such other competent authorities (including the Competition Commission of India), and the shareholders and creditors of the Transferor company and the Transferee company.

(ii) On February 27, 2022, BBL entered into a definitive agreement with its collaboration partner Viatris Inc. to acquire Viatris' biosimilars business to create a unique fully integrated global biosimilars enterprise. Viatris will receive consideration of up to USD 3.335 billion, including cash up to USD 2.335 billion and Compulsorily Convertible Preference Shares (CCPS) in BBL, valued at USD 1 billion. This transaction is subject to necessary regulatory and other approvals. As at March 31, 2022, the closing conditions of the transaction are yet to be satisfied.

45. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries).

Further, The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."

46. Other statutory information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988).

(ii) The Group does not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

(iii) The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(iv) The Group is not declared as wilful defaulter by any bank or financial institution or government or any government authority.

(v) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

47. Events after reporting period

On April 28, 2022, the Board of Directors of the Company has proposed a final dividend of 10% i.e. ₹ 0.50 per equity share of face value of ₹ 5/- each as on the record date for distribution of final dividend. The proposed dividend is subject to approval of the shareholders in the ensuing Annual General Meeting of the Company. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

On 27 April 2022, the Board of Directors of the Syngene International Limited (a subsidiary company) has proposed a final dividend of 10% or Re. 1 per equity share as on the record date for distribution of final dividend (comprising of regular dividend of 5% or ₹0.5 per equity share and additional special dividend of 5% or ₹0.5 per equity share). The proposed dividend is subject to the approval of the shareholders in the Annual General Meeting of the subsidiary company. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend."

48. Previous period figures have been re-grouped/ re-classified wherever necessary, to confirm to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective from April 1, 2021.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership No. 060573

Bengaluru
April 28, 2022

For **and on behalf of the Board of Directors of Biocon Limited**

Kiran Mazumdar-Shaw
Executive Chairperson
DIN: 00347229

Siddharth Mittal
Managing Director & CEO
DIN: 03230757

Indranil Sen
Chief Financial Officer

Mayank Verma
Company Secretary

Bengaluru
April 28, 2022

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Concept

Metamorphosis Biocon 5.0

The metaverse is a move towards a brave new world and it is as futuristic as the possibilities of biotechnology-led healthcare. The transformational aspects of the metaverse and Biocon's journey in the biopharmaceuticals domain are captured in the title 'Metamorphosis'. The title is depicted both in words as well as metaphorically in this cover design. The double helix has been used in a similar form of the metaverse symbol to depict this change. The treatment of the double helix adds dynamism to the symbol. The five circles are representative of the organizational metamorphosis of Biocon to evolve into a technology-enabled, future-ready biopharmaceuticals leader and a well-recognized, global brand.

Creative Concept and Story Telling:
Team Global Communications, Biocon Group
Seema Ahuja, Global Head of
Communications & Corporate Brand,
Biocon Group & Biocon Biologics
Feedback: seema.ahuja@biocon.com

Design:
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For Shareholders: co.secretary@biocon.com
For Investors & Analysts: investor.relations@biocon.com
For Media: seema.ahuja@biocon.com

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Biocon has also published an ESG Report for 2022, TransformAction, along with this Annual Report. This report provides insights into the Environmental, Social & Governance performance during FY22.

Scan the QR code to download the ESG Report 2022.

Forward-Looking Statement

Biocon FY22 Annual Report

Certain information disclosed in this Annual Report concerning our future growth prospects are forward-looking statements, which are based on the management's current plans and assumptions. These statements are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated in such forward-looking statements. Further, market data used in the various chapters are based on several published reports and internal company assessment. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

As a part of our efforts towards a cleaner, greener future, we have printed a very small number of the Annual Report and the ESG Report. We encourage people to access and share digital versions of these reports, which are available on our website www.biocon.com and can also be downloaded by scanning the QR codes given on the back cover of this report.

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Scan this QR code to download the ESG Report.

Scan this QR code to download the Annual Report.