

Biocon Biologics Limited

ANNUAL REPORT 2023-24

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Board's Report

Board's Report

Dear Members,

The Board of Directors hereby present the 8th (Eighth) Annual Report on the business and operations of Biocon Biologics Limited ("the Company") together with the Audited Standalone and Consolidated Financial Statements and the Auditor's Report of the Company for the financial year ended March 31, 2024 ("FY 2023-24")

1. COMPANY'S FINANCIAL INFORMATION

I. Financial highlights - Standalone and Consolidated

Particulars	(Amount in ₹ million except EPS)			
	Standalone		Consolidated	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Revenue from operations	30,933	20,924	88,242	55,838
Other income	6,814	969	1,764	120
Total income	37,747	21,893	90,006	55,958
Total expenses	33,339	27,106	87,049	51,928
Profit before tax and exceptional item	4,408	(5,213)	2,957	4,030
Exceptional item	(82)	(38)	166	(2,844)
Profit before tax	4,326	(5,251)	3,123	1,186
Provision for tax	637	(798)	941	(149)
Profit after tax	3,689	(4,453)	2,182	1,335
Earnings per share (EPS) before exceptional item	2.41	(3.56)	1.30	3.17
Earnings per share (EPS) after exceptional item	2.36	(3.58)	1.40	1.07

II. State of Affairs of the Company

A. Standalone financial performance

The key highlights of the Company's standalone financial performance during FY 2023-24 are as under:

- Revenue for FY24 was at ₹ 30,933 million as against ₹ 20,924 million in FY23.
- Profit/ (Loss) after tax at ₹ 3,689 million in FY24 higher compared to ₹(4,453) million in FY23 primarily driven by higher revenues and higher income from support services to the group companies.

B. Consolidated financial performance

The key highlights of the Company's consolidated financial performance during FY 2023-24 are as under:

- During the year, revenue grew by 58% on a consolidated basis from ₹ 55,838 million to ₹ 88,242 million. FY24 represents full year of consolidation of the acquired business from Viatrix as compared to only 4 months of consolidation in FY23. The Group has witnessed market share growth with all the products over last four quarters in FY24.
- EBITDA margin excluding exceptional items was 25% in FY24 largely in line with FY23 where the EBDITA margin was at 24%.

- Profit after tax at ₹ 2,182 million in FY24, higher compared to ₹1,335 million in FY23 primarily due to higher revenues partly offset by higher acquisition related intangible amortisation and finance cost.

2. MAJOR EVENTS OCCURRED DURING THE FINANCIAL YEAR 2023-24

There has been no change in the nature of business of the Company during the financial year 2023-24.

The major events occurred during the year are as below:

- The Board of Directors and Members of the Company, at their respective meetings held on May 11, 2023 and May 12, 2023, approved the issuance of 50,75,871 Series A Compulsorily Convertible Debentures ("Series A CCDs"), each having face value of ₹ 10 (Indian Rupees Ten) at a premium of ₹ 270.74 (Indian Rupees Two Hundred Seventy Paise Seventy Four), for an aggregate consideration of ₹ 142,50,00,000 (Indian Rupees One Hundred and Forty Two Crore and Fifty Lakhs), 2,67,151 Series B Compulsorily Convertible Debentures ("Series B CCDs"), each having face value of ₹ 10 (Indian Rupees Ten) at a premium of ₹ 270.74 (Indian Rupees Two Hundred Seventy Paise Seventy Four), for an aggregate consideration of ₹ 7,50,00,000 (Indian Rupees Seven Crore Fifty Lakhs) to ESOF III Investment Fund and Edelweiss Alternative Asset Advisors Limited ("Investors").

The Board of Directors and Members of the Company at their respective meetings held on May 22, 2023 and May 24, 2023, have approved issuance of 50,75,871 Series C Compulsorily Convertible Debentures ("Series C CCDs") and 2,67,151 Series D Compulsorily Convertible Debentures ("Series D CCDs") to the Investors each having face value of ₹ 10 (Indian Rupees Ten) and at a premium of ₹ 270.74 (Indian Rupees Two Hundred Seventy Paise Seventy Four) per CCD, for an aggregate consideration of ₹ 142,50,00,000 (Indian Rupees One Hundred and Forty Two Crore and Fifty Lakhs) and ₹ 7,50,00,000 (Indian Rupees Seven Crore Fifty Lakhs).

Investors have invested ₹ 500,00,00,000/- (Indian Rupees Five Hundred Crores Only) in Biocon Limited by way of subscription to the non-convertible debentures ("NCDs") which in turn was invested by Biocon Limited into the Company by way of issuance of 1,78,10,073 Optionally Convertible Debentures ("OCDs") amounting to ₹ 500,00,00,000/- (Indian Rupees Five Hundred Crores Only) to Biocon Limited. The obligations of Biocon Limited under the NCDs are secured by way of a pledge over the Company's shares

b. Integration of acquired Viatris' Biosimilars Business

During the year under review, the Company successfully completed the integration of Viatris' biosimilars business in over 70 Emerging Markets countries on July 1, 2023, marking a significant milestone and the start of the transition process. This allowed the Company to lead commercial operations in these markets and broaden patient access to a differentiated portfolio of high-quality biosimilars.

Subsequently, the Company completed the North American transition ahead of schedule on September 1, 2023, following the Emerging Markets integration. This enabled the Company to expand the availability of high-quality biosimilars to patients, providing more accessible and affordable treatment options for diabetes, cancer, autoimmune diseases, and introducing products in new therapeutic areas like ophthalmology.

Further, on November 30, 2023, the integration of Viatris' biosimilars business in 31 European countries was completed, enhancing access to life-saving treatments across Europe. The Company's unique, fully integrated capabilities and robust portfolio of 20 products allowed for better addressing of patient needs and becoming a reliable partner to health organizations.

The final wave of integration was completed with over 10 Emerging Markets, Japan, Australia, New Zealand and global functions successfully transitioning to the Company on December 15, 2023. The integration spanned more than 120 countries and 14 functions, welcoming over 250+ new colleagues to the Company across the globe. The integration of Viatris business was a significant milestone, marking the beginning of the Company's transformation into a fully integrated global entity. In addition to employees and capabilities transitioning from Viatris, we onboarded experienced, global talent from the market and built new organizational capabilities from the grounds up in many areas.

For the purpose of increasing the global presence, during the financial year under review, the Company has incorporated following step-down subsidiaries:

1. Biocon Biologics France S.A.S
2. Biocon Biologics Switzerland AG
3. Biocon Biologics Belgium BV
4. Biocon Biologics Finland OY
5. Biocon Biologics Spain S.L.U
6. Biocon Biologics Greece SINGLE MEMBER P.C.
7. Biocon Biologics Croatia LLC
8. Biocon Biologics Italy S.r.l
9. Biocon Biologics Philippines, Inc.,
10. Biocon Biologics (Thailand) Co. Ltd,
11. Biocon Biologics Morocco S.A.R.L.A.U
12. Biocon Biologics South Africa (PTY) Ltd

The details of the subsidiaries are set out separately and forms part of the Board's Report.

c. Divestment of Two Non-Core Branded Formulations – India Business Units to Eris Lifesciences Limited

During the year under review, the Board of Directors, in its meeting on November 7, 2023, approved sale of a business undertaking and executed a definitive agreement with Eris Lifesciences Limited ("Eris") for the divestiture of the Dermatology and Nephrology branded formulations business units in India. This primarily involved the transfer of legacy small molecule brands. The transaction, facilitated a smooth transition of product brands and the associated employees, ensuring continuity for both staff and patients. This strategic move to divest the non-core branded formulations aligns with the Company's focus on core therapy areas, reinforcing its position as a fully integrated biosimilars entity.

The consideration for the collaboration was ₹ 3,660 million, inclusive of working capital. It reflects a favourable multiple of 4x on Revenues and 22x on EBITDA, underscoring the accretive nature of the transaction.

d. Strategic collaboration with Eris

During the year under review, the Board of Directors, at its meeting held on March 13, 2024, approved and entered into a long-term commercial collaboration with Eris to broaden patient access to the Company's portfolio of Metabolics, Oncology, and Critical Care products in India.

The collaboration aligned with the Company's strategy to capitalize on its legacy branded formulations business, cultivated over two decades, and built upon the existing partnership with Eris regarding the Company's Nephrology and Dermatology business. Through this partnership, the Company continues to harness Eris' robust commercial presence to significantly enhance patient access to its premier biosimilars in India.



The consideration for the collaboration was ₹ 12,420 million, reflecting an accretive multiple of 3.4x on Revenues and 18x on EBITDA. As an integral part of this agreement, employees associated with the business joined Eris, ensuring continuity for both the workforce and patients. Additionally, the Company entered into a decade-long supply contract with Eris as a component of this deal.

e. Redemption of NCD

During the year, the Company has prepaid Non-Convertible Debentures ('NCD') amounting to ₹ 2,000 Million as on February 23, 2024. The said 2,000 NCD's were issued to HDFC Bank Limited amounting to ₹ 2,000 Million at a face value ₹ 10,00,000 each for a tenure of 43 months at a fixed coupon rate of 6.8949% p.a. and the same were repayable at the end of the term in April 2024.

3. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION

The material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year i.e. March 31, 2024 and as on the date of this report are set out below:

- a) The Board of Directors at their meeting held on April 24, 2024 and members of the Company at their meeting held on April 29, 2024, have approved the issuance of 1,25,00,000 Unlisted, Unrated, Unsecured, Redeemable, Optionally Convertible Debentures ("OCDS"), having face value of ₹ 500 (Indian Rupees Five Hundred only) each for an aggregate consideration of ₹ 6,250,000,000/- (Indian Rupees Six Hundred Twenty Five Crores only) to Biocon Limited.

4. TRANSFER TO RESERVE

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

5. DIVIDEND

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

6. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES

- l) The Company has 22 wholly owned subsidiaries as on March 31, 2024. A brief about the Subsidiaries is set out below:

a) Biocon Biologics UK Limited, United Kingdom

Biocon Biologics UK Limited, (formerly known as Biocon Biologics Limited) ("BBUK") which was incorporated in the United Kingdom in March, 2016 is a wholly owned subsidiary of the company.

BBUK reported a total revenue of ₹ 18,157 million and net profit of ₹ 4,788 million in FY24 against a total revenue of ₹19,754

million and profit of ₹ 4,190 million in FY23.

b) Biosimilars Newco Limited, United Kingdom

Biosimilars Newco Limited ("BNCL") is a wholly owned subsidiary of the Company, registered in the United Kingdom, which was acquired from Mylan Inc., a Pennsylvania corporation and wholly owned subsidiary of Viatri's Inc. on November 29, 2022, as part of acquisition of Viatri's Biosimilar business.

BNCL undertakes biosimilar businesses, i.e. w.r.t. Trastuzumab, Bevacizumab, Pegfilgrastim, Glargine U100, Aspart, Pertuzumab and Glargine U300 across the globe.

BNCL reported the total revenues of ₹ 43,656 million and net loss of ₹ 2,746 million in FY24 against a total revenue of ₹14,524 million and net loss of ₹ 3,237 million in FY23.

c) Biosimilar Collaborations Ireland Limited, Ireland

Biosimilar Collaborations Ireland Limited ("BCIL") is a wholly owned subsidiary of BBUK, registered in Ireland which was acquired from Mylan Ireland Limited, an Irish private limited company and wholly owned subsidiary of Viatri's Inc. on November 29, 2022 as part of acquisition of Viatri's Biosimilar business.

BCIL undertakes biosimilars businesses w.r.t Adalimumab, Etanercept and Aflibercept.

BCIL reported the revenues of ₹ 25,728 million and net loss of ₹ 3,546 million in FY24 against a total revenue of ₹7,835 million and net profit of ₹ 1,258 million in FY23.

d) Biocon SDN. BHD., Malaysia

Biocon SDN. BHD., Malaysia ("BSB"), is a wholly owned subsidiary of BBUK. BSB was established as the group's first overseas manufacturing facility at Malaysia. BSB is engaged in the manufacturing of insulin and insulin analogues for global markets and is located within BioXcell, a biotechnology park in Iskandar Puteri, Johor. The facility is Asia's largest integrated insulins manufacturing facility with approvals from several global agencies including National Pharmaceutical Regulatory Authority ('NPRA'), Malaysia, cGMP certification from HPRA ('EMA') and cGMP certification from the US Food and Drug Administration ('US FDA').

With over USD 350 Million investment, about 800 strong workforce, BSB is the single largest biotech facility in Malaysia and holds the commercial and development rights of insulin and insulin analogs.

BSB reported the revenue from operations of ₹ 14,680 million and net loss of ₹ 1,786 million in FY24 against a revenue from operations of ₹ 12,686 million and net profit of ₹ 1,905 million in FY23.

e) Biocon Biologics Inc., United States of America

Biocon Biologics Inc ("BBI") is a wholly owned subsidiary of

BBUK, registered in the State of Delaware, United States of America. BBUK was established with an objective to undertake all the activities relating to pharmaceuticals, biopharmaceuticals and biologics products, i.e. commercialization, distribution etc. in the USA and other geographies

BBU reported a total revenue of ₹ 19,977 million and net profit of ₹ 623 million in FY24 against the revenues from inter-company cross charge of ₹ 382 million and net profit of ₹ 14 million in FY23.

f) Biocon Biologics Healthcare Malaysia SDN. BHD., Malaysia

Biocon Biologics Healthcare Malaysia SDN BHD, Malaysia ("**Biocon Healthcare Malaysia**") is a wholly owned subsidiary of BBUK, registered in Malaysia. Biocon Healthcare Malaysia was established with an objective of undertaking operations for biologics in Malaysia. Biocon Healthcare Malaysia was set up to carry on the business as importers and distributors of drugs and devices in the Malaysian market.

Biocon Healthcare Malaysia did not have any operations during FY24.

g) Biocon Biologics Do Brasil Ltda., Brazil

Biocon Biologics Do Brasil Ltda, Brazil ("**BB-Brazil**") is a wholly owned subsidiary of BBUK, registered in Brazil. BB-Brazil was established with an objective to undertake direct marketing services and representatives' activities and intermediation in general.

BB-Brazil reported the revenues from inter-company cross charge of ₹ 95 million and net profit of ₹ 4 million in FY24 against the revenue of ₹ 48 million and net profit of ₹ 1 million in FY23.

h) Biocon Biologics FZ-LLC, United Arab Emirates

Biocon Biologics FZ LLC, UAE ("**BB-FZLLC**") is a wholly owned subsidiary of BBUK, registered in Dubai, UAE. BB-FZLLC was established with an objective to undertake import and export, marketing and sales promotion, research and development, storage, support services activities related to therapeutics.

BB-FZLLC reported the revenues from inter-company cross charge of ₹ 248 million and net profit of ₹ 7 million in FY24 against the revenue of ₹261 million and net profit of ₹5 million in FY23.

i) Biocon Biologics Canada Inc., Canada

Biocon Biologics Canada Inc. ("**BBCI**"), is a wholly owned subsidiary of BBUK, incorporated on March 20, 2023 and registered in Ontario, Canada. BBCI was established with an objective to undertake activities such as commercialisation, sale and distribution etc. related to pharmaceuticals, biopharmaceuticals and biologics products.

During the year, BBCI reported the revenues of ₹ 1,252 million

and net profit of ₹ 29 million. There was no business or any operations in FY23.

j) Biocon Biologics Germany GmbH, Germany

Biocon Biologics Germany GmbH ("**BBGG**"), is a wholly owned subsidiary of BBUK with effect from March 29, 2023, registered in Frankfurt, Germany. BBGG was set up with an objective to undertake activities such as commercialisation, sale and distribution etc. related to pharmaceuticals, biopharmaceuticals and biologics products.

During the year, BBGG reported the revenue from inter-company cross charge of ₹ 609 million and net profit of ₹ 9 million. There was no business or any operations in FY23.

k) Biocon Biologics France S.A.S, France

Biocon Biologics France S.A.S ("**BBF**"), is a wholly owned subsidiary of BBUK, incorporated on April 14, 2023 and registered in Paris, France. BBF was established with an objective to undertake activities such as commercialisation, sale and distribution etc. related to pharmaceuticals, biopharmaceuticals and biologics products.

During the year, BBF reported the revenues of ₹ 2,115 million and net profit of ₹ 31 million.

l) Biocon Biologics Spain S.L.U, Spain

Biocon Biologics Spain S.L.U ("**BBS**"), is a wholly owned subsidiary of BBUK, incorporated on April 21, 2023 and registered in Barcelona, Spain. BBS was established with an objective to undertake activities such as commercialisation, sale and distribution etc. related to pharmaceuticals, biopharmaceuticals and biologics products.

During the year, BBS reported the revenues of ₹ 204 million and net profit of ₹ 4 million.

m) Biocon Biologics Switzerland AG, Switzerland

Biocon Biologics Switzerland AG ("**BBSA**"), is a wholly owned subsidiary of BBUK, incorporated on April 25, 2023 and registered in Zurich, Switzerland. BBSA was established with an objective to undertake activities such as commercialisation, sale and distribution etc. related to pharmaceuticals, biopharmaceuticals and biologics products.

During the year, BBSA reported the revenues of ₹ 56 million and net profit of ₹ 1 million.

n) Biocon Biologics Belgium BV, Belgium

Biocon Biologics Belgium BV ("**BBB**"), is a wholly owned subsidiary of BBUK, incorporated on April 28, 2023 and registered in Kraainem, Belgium. BBB was established with an objective to undertake activities such as commercialisation, sale and distribution etc. related to pharmaceuticals, biopharmaceuticals and biologics products.



During the year, BBB reported the revenue from inter-company cross charge of ₹ 76 million and net profit of ₹ 2 million.

o) Biocon Biologics Finland OY, Finland

Biocon Biologics Finland OY (“BBFOY”), is a wholly owned subsidiary of BBUK, incorporated on May 10, 2023 and registered in Helsinki, Finland. BBFOY was established with an objective to undertake activities such as commercialisation, sale and distribution etc. related to pharmaceuticals, biopharmaceuticals and biologics products.

During the year, BBFOY reported the revenue from inter-company cross charge of ₹ 36 million and net profit of ₹ 1 million.

p) Biocon Biologics Morocco S.A.R.L.A.U, Morocco

Biocon Biologics Morocco S.A.R.L.A.U (“BBM”), is a wholly owned subsidiary of BBUK, incorporated on July 24, 2023 and registered in Casablanca, Morocco. BBM was established with an objective to undertake activities such as commercialisation, sale and distribution etc. related to pharmaceuticals, biopharmaceuticals and biologics products.

During the year, BBM reported revenue from the inter-company cross charge of ₹32 million and net profit of ₹ 1 million.

q) Biocon Biologics Greece SINGLE MEMBER P.C., Greece

Biocon Biologics Greece SINGLE MEMBER P.C. (“BBG”), is a wholly owned subsidiary of BBUK, incorporated on July 27, 2023 and registered in Athens, Greece. BBG was established with an objective to undertake activities such as commercialisation, sale and distribution etc. related to pharmaceuticals, biopharmaceuticals and biologics products.

During the year, BBG reported the revenues of ₹230 million and net profit of ₹ 3 million.

r) Biocon Biologics South Africa (PTY) Ltd, South Africa

Biocon Biologics South Africa (Pty) Ltd. (“BBSA”), is a wholly owned subsidiary of BBUK, incorporated on August 11, 2023 and registered in Gauteng, South Africa. BBSA was established with an objective to undertake activities such as commercialisation, sale and distribution etc. related to pharmaceuticals, biopharmaceuticals and biologics products.

During the year, BBSA reported revenue from the inter-company cross charge of ₹ 1 million.

s) Biocon Biologics (Thailand) Co. Ltd, Thailand

Biocon Biologics (Thailand) Co., Ltd. (“BBT”), is a wholly owned subsidiary of BBUK, incorporated on September 8, 2023 and registered in Bangkok, Thailand. BBT was established with an objective to undertake activities such as commercialisation, sale and distribution etc. related to pharmaceuticals, biopharmaceuticals and biologics products.

During the year, BBT reported revenue from the inter-company cross charge of ₹ 1 million and net loss of ₹ 1 million.

t) Biocon Biologics Philippines, Inc., Philippines

Biocon Biologics Philippines Inc. (“BBP”), is a wholly owned subsidiary of BBUK, incorporated on October 25, 2023 and registered in Manila, Philippines. BBP was established with an objective to undertake activities such as commercialisation, sale and distribution etc. related to pharmaceuticals, biopharmaceuticals and biologics products.

During the year, BBP reported revenue from the inter-company cross charge of ₹ 9 million.

u) Biocon Biologics Italy S.r.l, Italy

Biocon Biologics Italy S.r.l (“BBIS”), is a wholly owned subsidiary of BBUK, incorporated on December 27, 2023 and registered in Italy. BBIS was established with an objective to undertake activities such as commercialisation, sale and distribution etc. related to pharmaceuticals, biopharmaceuticals and biologics products.

During the year, BBIS did not have any operations during FY24.

v) Biocon Biologics Croatia LLC, Croatia

Biocon Biologics Croatia LLC (“BBC”), is a wholly owned subsidiary of BBUK, incorporated on January 18, 2024 and registered in Zagreb, Croatia. BBC was established with an objective to undertake activities such as commercialisation, sale and distribution etc. related to pharmaceuticals, biopharmaceuticals and biologics products.

During the year, BBC did not have any operations during FY24.

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

w) Merger of M/s Biocon Research Limited

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

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

6. CAPITAL AND DEBT STRUCTURE

During the year under review, there has been no change in the share capital of the Company. The share capital of the Company as on March 31, 2024, is as follows:

Particulars	No. of shares	Nominal value per share	Amount (in ₹ million)
Authorised Share Capital			
Equity	2,50,00,00,000	10	25,000
Preference	1,00,00,00,000	10	10,000
Total	3,50,00,00,000	10	35,000
Paid-up Share Capital			
Equity	1,32,17,24,958	10	13,217
Preference			
Non-Convertible Redeemable Preference Shares	20,54,20,000	10	2,054
Compulsorily Convertible Preference Shares	23,11,63,944	10	2,311
Total	1,75,83,08,902	10	17,583

During the financial year, there was no allotment of equity and preference shares.

The debt structure of the Company as on March 31, 2024, is as follows

Type of Security	No. of instruments	Nominal Value	Amount (in ₹ million)
Unlisted Unsecured Redeemable Optionally Convertible Debentures	1,125	1,00,00,000	11,250
Unlisted, unrated, unsecured redeemable Optionally Convertible Debentures	1,78,10,073	280.74*	5,000
Series A Unsecured Unrated Unlisted Compulsorily Convertible Debenture	50,75,871	280.74*	1,425
Series B Unsecured Unrated Unlisted Compulsorily Convertible Debenture	2,67,151	280.74*	75
Series C Unsecured Unrated Unlisted Compulsorily Convertible Debenture	50,75,871	280.74*	1,425
Series D Unsecured Unrated Unlisted Compulsorily Convertible Debenture	2,67,151	280.74*	75

*This includes premium of ₹ 270.74.

During the year under review, the debt structure of the Company was changed upon the occurrence of following events, the details of which are provided as below:

i. Allotment of Compulsorily Convertible Debentures on private placement by way of preferential allotment on May 19, 2023

The Board of Directors, on May 19, 2023, approved allotment of Compulsorily Convertible Debentures ("CCDs") as follows:

Sr. No.	Name of investor	Type of Securities	No. of Securities	Face Value per Security (in ₹)	Premium per Security (in ₹)	Issue Price per security (in ₹)	Total Amount (in ₹)
1	ESOF III Investment Fund	Series A CCD	47,90,678	10	270.74	280.74	1,34,49,35,000
		Series B CCD	2,52,141	10	270.74	280.74	7,07,86,040
2	Edelweiss Alternative Asset Advisors Limited	Series A CCD	2,85,193	10	270.74	280.74	8,00,65,000
		Series B CCD	15,010	10	270.74	280.74	42,13,960

ii. Allotment of Optionally Convertible Debentures on private placement by way of preferential allotment on May 20, 2023

The Board of Directors, on May 20, 2023, approved allotment of 1,78,10,073 optionally convertible debentures of face value ₹ 10 (Indian Rupees Ten only) each at an issue price of ₹ 280.74/- (Indian Rupees Two Hundred Eighty and Paise Seventy Four only) including at a premium of ₹ 270.74 (Indian Rupees Two Hundred Seventy and Paise Seventy Four only) each aggregating to ₹ 500,00,00,000/- (Indian Rupees Five Hundred Crores Only) to Biocon Limited on private placement by way of preferential allotment.



iii. Allotment of Compulsorily Convertible Debentures on private placement by way of preferential allotment on May 29, 2023

The Board of Directors, on May 29, 2023, approved allotment of Compulsorily Convertible Debentures ("CCDs") as follows:

Sr. No.	Name of investor	Type of Securities	No. of Securities	Face Value per Security (in ₹)	Premium per Security (in ₹)	Issue Price per security (in ₹)	Total Amount (in ₹)
1	ESOF III Investment Fund	Series C CCD	47,90,678	10	270.74	280.74	1,34,49,35,000
		Series D CCD	2,52,141	10	270.74	280.74	7,07,86,040
2	Edelweiss Alternative Asset Advisors Limited	Series C CCD	2,85,193	10	270.74	280.74	8,00,65,000
		Series D CCD	15,010	10	270.74	280.74	42,13,960

iv. Redemption of NCD

During the year, the Company has prepaid Non-Convertible Debentures ('NCD') amounting to ₹ 2,000 Million on February 23, 2024. The said NCD's were issued to HDFC Bank Limited amounting to ₹ 2,000 Million at a face value ₹ 10,00,000 each for a tenure of 43 months at a fixed coupon rate of 6.8949% p.a. and the same were repayable at the end of the term in April 2024.

8. CREDIT RATING OF SECURITIES

During the year under review, CRISIL *vide* its letter dated November 29, 2023, has reaffirmed its 'CRISIL AA+/ Stable' (pronounced as CRISIL double A plus rating with Stable outlook) on ₹700 crores Bank loan facilities.

9. CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

The Company has opted to provide a Corporate Governance Report and Management Discussion and Analysis Report to its Members for the financial year 2023- 24.

The Corporate Governance Report is annexed and forms part of this Report.

A detailed report on Management Discussion and Analysis forms part of this Report and also covers the consolidated operations reflecting the global nature of our business.

10. EMPLOYEE STOCK OPTION PLAN (ESOP)

A. Biocon Biologics Limited Restricted Stock Units Long Term Incentive Plan ("RSU LTI Plan") FY 2022-24

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

The Plan covers key employees who, by virtue of the roles they play, influences the accomplishment of the strategy plan.

The Plan is implemented through Biocon Biologics Employees Welfare Trust (**the Trust**) wherein the Company would issue shares to the Trust by way of fresh allotment over a period of time. The Trust may acquire shares by way of fresh allotment from the Company or through secondary market acquisition, once the Company is listed on stock exchanges, such number of shares of the Company, as may be required, in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended and applicable from time to time and such subscription or purchase may, inter alia, be financed by a loan given by the Company, provided the loan is obtained in compliance with the requirements of the Companies Act, 2013 read with the Companies (Share Capital and Debenture) Rules, 2014, as amended.

The Plan is administered by the Nomination and Remuneration Committee of the Company and/or through the Trust.

The maximum number of Restricted Stock Units ("**RSUs**") issued pursuant to this Plan would not exceed 7,134,885 (Seven Million One Hundred Thirty Four Thousand Eight Hundred Eighty Five) which would upon exercise be convertible into 7,134,885 (Seven Million One Hundred Thirty Four Thousand Eight Hundred Eighty Five) equity shares of the Company.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors had, at their meeting held on February 27, 2022, approved amendment to the Plan to extend the benefits of this Plan to employees of Holding Company or its Affiliates providing services to any Group Company. The said alteration was approved by the Members by Special Resolution in the 6th AGM.

The Board of Directors on December 17, 2022, allotted for consideration in cash 12,85,714 equity shares of face value of ₹ 10/- (Indian Rupees Ten only) each aggregating to ₹1,28,57,140/- (Indian Rupees One Crore Twenty Eight Lakhs Fifty Seven Thousand One Hundred and Forty only) to the Trust for subsequent transfer to identified employees. who exercise the Long Term Incentive Restricted Stock Units that vested in them on July 31, 2022.

Based on recommendation of the Nomination and Remuneration Committee, the Board of Directors had, at their meeting held on May 22, 2023, approved to amend the vesting and exercise conditions in the Plan that are not prejudicial to the interests of the employees.

Further, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors had, at their meeting held on November 7, 2023, approved to extend the last grant date under the Plan from October 31, 2023 to March 31, 2024, and vesting schedule thereto, for granting LTI RSUs to the employees involved in Strategic Projects.

The applicable disclosures as stipulated under sub rule 9 of Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 as on March 31, 2024 are appended herewith as **Annexure 2** to the Board's Report. The details of the RSU LTI Plan forms part of the notes to accounts of the Financial Statements.

B. Biocon Biologics RSU Plan 2023 ("the BBL RSU Plan 2023")

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors on February 22, 2023, approved the "Biocon Biologics RSU Plan 2023" ("**the BBL RSU Plan 2023**") administered through the Biocon Limited Employees Welfare Trust ("**the Trust**") under the instructions and direct superintendence of the Nomination and Remuneration Committee of the Company for the benefit of eligible permanent employees ("**Identified employees**") at such price in one or more tranches as determined by the Board in accordance with applicable laws, and as per the terms of the BBL RSU Plan 2023 and to provide for grant and subsequent vesting and exercise of RSUs by Identified Employees in the manner and method as contained in the BBL RSU Plan 2023.

Based on the recommendation received from Nomination and Remuneration Committee, the Board of Directors have further extended the benefit of the plan to the Identified Employees of present and future subsidiary company(ies) / step-down subsidiaries of the Company on the terms of the BBL RSU Plan 2023.

The BBL RSU Plan 2023, was subsequently approved by the Members at their 20th Extra-Ordinary General Meeting held on February 24, 2023.

The applicable disclosures as stipulated under sub rule 9 of Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 as on March 31, 2024 are appended herewith as **Annexure 2** to the Board's Report. The details of the BBL RSU Plan 2023 forms part of the notes to accounts of the Financial Statements..

C. Biocon Biologics Limited Restricted Stock Units ('RSU') and Performance Stock Units ('PSU') Long Term Incentive FY 2025-29 Plan ("BBL RSU PSU LTI Plan")

Based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors at its meeting held on February 05, 2024 and February 06, 2024 respectively, the Members at its meeting held on April 23, 2024, introduced the "Biocon Biologics Limited Restricted Stock Units ('RSU') and Performance Stock Units ('PSU') Long Term Incentive

FY 2025-29 Plan ("BBL RSU PSU LTI Plan") (hereinafter referred to as "**the Plan**") designed to drive performance towards achieving the Board approved strategy plan.

As the Company has transformed into a global organization, the Plan is designed to drive performance towards achieving common goals and delivering on key initiatives measured through revenue & profits, Members value creation and key milestones. The Plan is designed for critical and leadership roles pivotal for driving performance. The Plan is linked to the Boards' approved strategy plan for biosimilars business and to motivate the identified Employees to drive performance towards achieving common goals and delivering on key initiatives in alignment with the approved strategy plan for biosimilars business.

The Plan is implemented through Biocon Biologics Employees Welfare Trust ("**the Trust**") wherein the Company would issue shares to the Trust by way of fresh allotment over a period of time. The Trust may acquire shares by way of fresh allotment from the Company or through secondary market acquisition, once the Company is listed on stock exchanges, such number of shares of the Company, as may be required, in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended and applicable from time to time and such subscription or purchase may, inter alia, be financed by a loan given by the Company, provided the loan is obtained in compliance with the requirements of the Companies Act, 2013 read with the Companies (Share Capital and Debenture) Rules, 2014, as amended.

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

The maximum number of RSUs and PSUs issued pursuant to this Plan would not exceed 3,19,28,529 (Three Crore Nineteen Lakhs Twenty Eight Thousand Five Hundred and Twenty Nine) which would upon exercise be convertible into 3,19,28,529 (Three Crore Nineteen Lakhs Twenty Eight Thousand Five Hundred and Twenty Nine) equity shares of the Company.

11. INVESTOR EDUCATION AND PROTECTION FUND

There were no amounts required to be deposited into the Investor Education and Protection Fund during the financial year 2023-24.

12. MANAGEMENT

A. Directors and Key Managerial Personnel

As on March 31, 2024, the Board of Directors comprised of 11 (Eleven) members including 2 (two) women members. The Board has an appropriate mix of Executive Directors, Non-Executive Non-Independent Directors and Independent Directors.

I. Appointment, Re-appointment and Retirement of Directors during the financial year 2023-24

a) Peter Baron Piot re-appointed as Independent Director

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on November 07, 2023, had approved the re-appointment of Peter Baron Piot (DIN: 09015343) as an Independent Director of the Company for a second term comprising of 5 (five) years with effect from January 21, 2024, which was subsequently approved by the Members at the 23rd Extra-ordinary General Meeting held on December 12, 2023.

b) Kiran Mazumdar-Shaw re-appointed as an Executive Director and Executive Chairperson

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on February 06, 2024, had approved re-appointment of Kiran Mazumdar-Shaw (DIN: 00347229) as an Executive Director and Executive Chairperson of the Company for a period of 5 (five) years with effect from April 01, 2024, which was subsequently approved by the Members at the 24th Extra-ordinary General Meeting held on April 23, 2024.

c) Nicholas Robert Hagggar appointed as Independent Director

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on February 06, 2024, had approved the appointment of Nicholas Robert Hagggar (DIN: 08518863) as an Additional Director categorised as an Independent Director of the Company with effect from February 06, 2024. Further, the Members at the 24th Extra-ordinary General Meeting held on April 23, 2024 approved the appointment of Nicholas Robert Hagggar as an Independent Director of the Company for a term commencing from February 06, 2024 till the conclusion of the Annual General Meeting of the Company to be held in the year 2027.

d) Appointment of Independent Director on the Board of material subsidiaries

In compliance with the provisions of Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of Biocon Limited, the listed parent entity of the Company had, appointed its Independent Directors, Bobby Kanubhai Parikh and Nicholas Robert Hagggar on the Board of its material subsidiaries as set out below:

S. No.	Independent Directors of Biocon Limited	Material Subsidiaries
1	Bobby Kanubhai Parikh (DIN: 00019437)	1. Biocon SDN BHD, Malaysia
2	Nicholas Robert Hagggar (DIN: 08518863)	1. Biocon Biologics Limited 2. Biocon Biologics UK Limited; 3. Biosimilars Newco Limited; and 4. Biosimilar Collaborations Ireland Limited

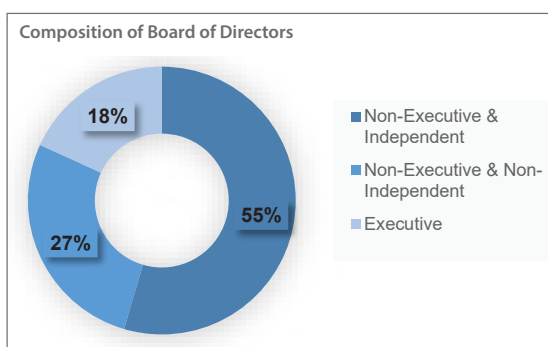
e) Retirement of Directors

As per the provisions of Section 152(6) of Companies Act, 2013, Thomas Jason Roberts (DIN: 09337723), Non-Executive Non-Independent Director, retires by rotation at the ensuing 8th Annual General Meeting (AGM) and being eligible, offers himself for re-appointment.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at their meeting held on May 14, 2024, had recommended his re-appointment to the Members of the Company and separate resolution shall be placed before the members for their approval at the ensuing AGM.

As on the date of this report, the Board of Directors of the Company are:

Name	DIN	Designation
Kiran Mazumdar-Shaw	00347229	Executive Chairperson
Shreehas Pradeep Tambe	09796480	CEO and Managing Director
Rajiv Malik	00120557	Non-Executive Non-Independent Director and Nominee of Mylan Inc.
Dr. Arun Suresh Chandavarkar	01596180	Non-Executive Non-Independent Director
Thomas Jason Roberts	09337723	Non-Executive Non-Independent Director
Bobby Kanubhai Parikh	00019437	Independent Director
Peter Baron Piot	09015343	Independent Director
John Russell Fotheringham Walls	03528496	Independent Director
Daniel Mark Bradbury	06599933	Independent Director
Nicholas Robert Hagggar	08518863	Independent Director
Nivruti Rai	01353079	Independent Director



II. Key Managerial Personnel appointed / resigned during financial year 2023-24:

a) Change in role of Chinappa MB and his consequent resignation as Chief Financial Officer of the Company

The Nomination and Remuneration Committee and Board of Directors, in their respective meetings held on October 18, 2023, had noted change in role of Chinappa MB from the position of Chief Financial Officer and Key Managerial Personnel of the Company to a strategic finance role at Biocon Group and consequent to such change, he resigned from the position of Chief Financial Officer and Key Managerial Personnel of the Company with effect from close of business hours on October 30, 2023..

b) Kedar Upadhye, appointed as a Chief Financial Officer and Key Managerial Personnel of the Company

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on October 18, 2023, appointed Kedar Upadhye as the Chief Financial Officer and Key Managerial Personnel of the Company, with effect from the commencement of business hours on October 31, 2023.

III. Declaration by Independent Directors

The Company has received necessary declarations from each of the Independent Directors of the Company i.e. Bobby Kanubhai Parikh, John Russell Fotheringham Walls, Peter Baron Piot, Daniel Mark Bradbury, Nicholas Robert Hagggar and Nivruti Rai under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 that he/she meets the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013. The Independent Directors also confirmed that they have complied with Schedule IV – Code for Independent Directors of the Companies Act, 2013 and the Group's Code of Conduct.

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

Further, the independent directors have also submitted their declaration in compliance with provisions of 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 Indian Institute of Corporate Affairs ("IICA").

Nivruti Rai and Peter Baron Piot, Independent Directors, have passed the Online Proficiency Self- Assessment Test conducted by IICA pursuant to the provisions of sub rule 4 of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. Further, Bobby Kanubhai Parikh, John Russell Fotheringham Walls, Daniel Mark Bradbury and Nicholas Robert Hagggar, Independent Directors, are exempted from the requirement of taking the online proficiency pursuant to the exemption provided under proviso (A) to sub- rule 4 of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

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

Based on performance evaluation of the independent directors of the Company conducted for the FY 2023-24, the Board is of the view that they have requisite integrity, expertise, proficiency and experience to carry out their duties with respect to the Company.

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

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

B. Board of Directors and Meetings

The meetings of the Board of Directors were scheduled at regular intervals to discuss and decide on the matters of business performance, policies, strategies, compliances, other matters of significance and strategy apart from other Board business. The Board exhibits strong operational oversight with regular presentations in quarterly meetings. 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.

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board meetings and General Meetings.

During the financial year 2023-24, the Board met 8 (Eight) times on April 26, 2023; May 11, 2023; May 22, 2023; August 08, 2023; October 18, 2023; November 07, 2023; February 06, 2024 and March 13, 2024. The maximum interval between any two meetings did not exceed 120 (One Hundred Twenty) days, as

prescribed in the Companies Act, 2013. Details of all the Board meetings i.e., meetings held during the year under review and attendance thereto are provided in the Report on Corporate Governance.

C. Committees of the Board

The Company has 4 (four) Board Committees as on March 31, 2024:

- I. Audit Committee
- II. Nomination and Remuneration Committee
- III. Corporate Social Responsibility and Environmental, Social and Governance Committee
- IV. Risk Management Committee

Details of all the Committees along with their terms of reference, composition, meetings held during the year and attendance thereto under review are provided in the Report on Corporate Governance.

13. COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION INCLUDING KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The Company's current policy on "Appointment and Remuneration of Directors, Key Managerial Personnel and other employees" is to have an appropriate mix of Executive, Non-Executive Non-Independent and Independent Directors, to maintain the independence on the Board and separate its functions of governance and management.

As on March 31, 2024, the Board consists of 11 Directors, majority of them are Independent Directors. The Board comprises of a Woman Executive Chairperson, CEO & Managing Director, 6 (six) Independent Directors including 1 (One) Woman Independent Director and 3 (three) Non-Executive Non-Independent Directors. The Board periodically evaluates the need for change in its composition and size.

The policy of the Company on Appointment and Remuneration of Directors, Key Managerial Personnel and other Employees, including criteria for determining qualifications, positive attributes, independence of a Director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is formulated by the Nomination and Remuneration Committee. The said policy is available on the website of the Company at [https://www.bioconbiologics.com/docs/BBL-Policy-on-appointment-and-remuneration-of-Directors-and-Key-Managerial-Personnel\(s\).pdf](https://www.bioconbiologics.com/docs/BBL-Policy-on-appointment-and-remuneration-of-Directors-and-Key-Managerial-Personnel(s).pdf)

14. ANNUAL EVALUATION OF PERFORMANCE OF THE BOARD, ITS COMMITTEES AND OF INDIVIDUAL DIRECTORS

Pursuant to the provisions of Section 134(3)(p) of the Companies Act, 2013, during the year under review, the annual performance evaluation of the Board, its Committees and individual directors were conducted in order to ensure that the Board, its Committees and individual directors

are functioning effectively and demonstrating good governance. For the financial year 2023-24, the Board had undertaken this exercise through self-evaluation questionnaires.

The Nomination and Remuneration Committee at their meeting held on November 7, 2023, approved the criteria for evaluation of i) Board of Directors as a whole (ii) each Committee of the Board and (iii) each Director individually, and (iv) Chairperson of the Board, for the FY 2023-24, along with a set of questionnaires.

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

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

Subsequently, an evaluation process was conducted through an online survey (through Diligent Board Books) during the month of January 2024.

Pursuant to the provisions of Section 178 of the Companies Act, 2013, Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors carried out annual performance evaluation of (i) Board of Directors as a whole (ii) each Committee of the Board and (iii) each Director individually (iv) Chairperson of the Board for the FY 2023-24 and a detailed presentation on the outcome of the aforementioned evaluation exercises was also presented at the meeting of Board of Directors held on February 6, 2024 and also it was discussed by Independent Directors at their separate meeting held on May 14, 2024.

A detailed disclosure on the parameters and the process of Board evaluation and the Board skill matrix approved by the Board has been provided in the Corporate Governance Report.

15. REMUNERATION RECEIVED BY EXECUTIVE DIRECTORS FROM HOLDING OR SUBSIDIARY COMPANY

Kiran Mazumdar-Shaw, Executive Chairperson received ₹ 38.43 million in FY 2023-24 from Biocon Limited, holding company of the Company in her capacity as Executive Chairperson at such company as well.

During the year under review, Shreehas Pradeep Tambe, CEO and Managing Director of the Company, did not receive any commission or remuneration from its holding company or subsidiary company(ies).

16. AUDITORS

A. STATUTORY AUDITORS

Based on recommendation of the Board of Directors, the Members of the Company at the 6th Annual General Meeting held on July 26, 2022 approved re-appointment of BSR and Co. Chartered Accountants (ICAI Registration No. 101248W/W-100022) as the Statutory Auditors of the Company for the second and final term of 5 (five) consecutive years, to hold office from conclusion of the 6th Annual General Meeting till conclusion of the 11th Annual General Meeting to be held in the year 2027.

The Auditors' Report on the financial statements of the Company for the financial year ended March 31, 2024 is unqualified i.e., it does not contain any qualification, reservation or adverse remark or disclaimer.

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

The Auditors' Report is enclosed with the financial statements for FY 2023-24.

B. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Board of Directors at their meeting held on May 22, 2023 approved the appointment of M/s V. Sreedharan and Associates, Practicing Company Secretaries as the Secretarial Auditors of the Company to conduct the Secretarial Audit of the Company for the year.

In compliance with Section 204(1) of Companies Act, 2013 read with applicable rules made thereunder, the Secretarial Audit Report issued by M/s V. Sreedharan and Associates for the financial year 2023-24 is annexed in Annexure 3. There were no adverse comments/ observations or reservations made by the Secretarial Auditors for the year 2023-24 in the report issued by them.

The Board of Directors at their meeting held on May 14, 2024, appointed M/s V. Sreedharan & Associates, Company Secretaries, as the Secretarial Auditors of the Company for the financial year 2024-25..

C. INTERNAL AUDITORS

Our Corporate Internal audit team is an independent assurance and advisory function, responsible for evaluating and improving the effectiveness of risk management, control and governance processes. The internal audit team helps to enhance and protect organizational value by providing risk-based objective assurance, advice and insight. The internal audit team prepares annual audit plans covering all the key processes based on risk assessment and conducts extensive reviews covering financial, operational and compliance controls.

The Company has adopted a co-source model of Internal Audits where the audits are shared between internal In-house Corporate

Audit team and Ernst and Young LLP ("EY") to execute it as per the approved internal audit plan. In addition, areas requiring specialized knowledge are reviewed in partnership with external experts or by recruiting resources with specialized skills.

Based on recommendation of the Audit Committee, the Board of Directors, at their meeting held on November 7, 2023, approved the re-appointment of EY, Chartered Accountants as the Internal Auditors of the Company for a period of 1 (one) year with effect from October 1, 2023.

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

Suggested improvements in processes are identified during reviews and communicated to the management on an ongoing basis. Internal audit team tracks implementation of recommendations coming out of internal audit report on ongoing basis. The Audit Committee of the Board monitors the performance of the internal audit team on a periodic basis through review of audit plans, audit findings and speed of issue resolution through follow ups.

D. COST AUDITORS

Pursuant to Rule 8(5)(ix) of the Companies (Accounts) Rules, 2014, the Cost Records of the Company are maintained in accordance with the provisions of Section 148(1) of the Companies Act, 2013 as specified by the Central Government.

The Cost Audit Report for financial year ended 2022-23, was submitted by M/s Rao, Murthy and Associates, Cost Accountants (Firm Registration Number 000065), Cost Auditors of the Company to the Board of Directors which was approved by the Board of Directors at their meeting held on August 8, 2023. The Cost Auditors issued an unqualified cost audit report for FY 2022-23 which was filed with the Central Government within the prescribed time.

M/s Rao, Murthy and Associates were re-appointed as the Cost Auditors of the Company for FY 2023-24 by the Board of Directors on May 22, 2023. The remuneration to the Cost Auditors of ₹ 0.33 million per annum for the FY 2023- 24 was approved at the 7th Annual General Meeting of the Company held on July 28, 2023.

The Cost Auditors would place their report for FY 2023-24 before the Board of Directors on or before the due date. The Board's Report for FY 2024-25 shall cover the same.

Based on the recommendation of the Audit Committee, the Board of Directors at their meeting held on May 14, 2024, re-appointed M/s Rao, Murthy and Associates, Cost Accountants (Firm Registration Number 000065), as the Cost Auditors of the Company for the financial year 2024-25.

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.

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 recommended the same for approval by members at the ensuing 8th Annual General Meeting.

17. REPORTING OF FRAUDS BY AUDITORS

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

18. INTERNAL FINANCIAL CONTROLS

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

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

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

19. DETAILS OF DEPOSITS

During the year under review, the Company has not accepted any deposits from the public and no amount of principal and interest were outstanding as on March 31, 2024.

20. PARTICULARS OF LOANS, GUARANTEES AND 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.

21. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1)

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

All the contracts/arrangements/transactions entered by the Company with the related parties during FY 2023-24 were in the ordinary course of business, were on arm's length basis and were in accordance with the Policy on Related Party Transactions of the Company.

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

The Company formulated the policy on 'Materiality of Related Party transactions and on dealing with Related Party Transactions'. The details of related party disclosures forms part of the notes to the Financial Statements provided in the Annual Report.

22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND 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, are appended herewith as **Annexure 4** to the Board's Report.

23. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

CSR has been an integral part of our business since its inception. The Company conducts its CSR efforts through the Biocon Foundation, the Biocon Academy and collaborations with like-minded private organizations and the Government. In the year under consideration, the CSR programs of the Company were focused on providing financial assistance for sustainable urban public transport system and promoting healthcare.

CSR has been a core principle at our company since its founding. We translate this commitment through the Biocon Foundation, the Biocon Academy, and strategic partnerships with NGOs, private organizations and the Government. This year, our CSR focus areas included sustainable urban public transport systems, promoting access to quality healthcare through initiatives like oral cancer surveillance, and actively participating in environmental sustainability programs like lake rejuvenation and resource management. We have also sanctioned grant-in-aid for specific social welfare initiatives. Through this comprehensive approach, we aim to contribute to a more equitable and sustainable future.

A. Environmental Sustainability

Bengaluru's air pollution and traffic woes are a grave concern for public health and residents' well-being. In keeping with the unwavering commitment to ecological balance and sustainability, the Company has taken a stand for ecological sustainability by endorsing a people-focused, eco-friendly transportation option. The mass rail transit system, by reducing individual car use,

promises to cut down harmful emissions significantly.

In this pursuit, Biocon Foundation has signed a memorandum of understanding with Bengaluru Metro Rail Corporation (BMRC) in 2020 to fund the construction of the proposed Metro Station at Hebbagodi, and the Company 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 to provide a sustainable and efficient mode of transport to residents of Bengaluru and its business commuters on Hosur Road.

This collaboration involves funding the construction of the Biocon -Hebbagodi Metro Station, adding a vital stop on the 18.82 km R V Road - Bommasandra line under Phase II of the Bengaluru Metro Rail Project. This is expected to significantly alleviate traffic congestion on Hosur Road and contribute to a cleaner environment by reducing vehicular pollution.

The Company's commitment to Bengaluru's transformation extends beyond infrastructure; it encompasses the city's aesthetic and cultural spirit. The beautification of median gardens and pier walls between Hebbagodi and Huskur metro stations infuses the cityscape with life and underscores the value of community. Designs from Srishti School of Design adorn the pier walls, celebrating "Pillars of Society" through essential vocations and integrating Channapatna dolls' motifs, honoring the local artistry. This comprehensive approach showcases the Company's dedication to sustainable transport and community pride.

Bangaluru, once known as the "City of Lakes," is facing a critical water crisis. Many of its once-vibrant lakes have become polluted, neglected and encroached upon. This alarming situation necessitates a renewed focus on lake rejuvenation programs. Lakes help regulate temperatures, mitigate the urban heat island effect, and contribute to a more comfortable living environment. Restoring them can combat rising temperatures and improve air quality. The Company undertook rejuvenation of the Hebbagodi lake, wherein water quality had deteriorated owing to increased influx of sewage and other pollutants. In close collaboration with experts and local stakeholders, the Company embarked on a renewed rejuvenation initiative for Hebbagodi Lake. This new approach focuses on nature-based solutions, recognizing the vital role healthy ecosystems play in urban environments.

B. Promoting Healthcare

The Company is dedicated to preventive healthcare as a cornerstone for community well-being. A key focus lies in our oral cancer surveillance program, functioning across several geographies, emphasizing early detection through screening, counselling, and referral for treatment. We also actively engage in groundbreaking research initiatives to further advance the fight against this disease.

To advance the focus on research and innovation for healthcare, the Company has contributed to the construction of the Biocon-Syngene General Medicine wing at the Postgraduate Medical

School & Hospital (PGMS&H), envisioned by Indian Institute of Science (IISc). The wing will be spread over six floors with 147 beds. The 800 bedded hospital is expected to be operational by early 2025 and will serve as a not-for-profit, multi-specialty hospital. With the advantage of co-location with the science and engineering faculty and labs, an integrated dual degree MD-PhD programme hospital and research centre is also envisioned, which would enable cross-disciplinary training and research opportunities for the students.

The Company has proactively tackled healthcare access in Jammu and Kashmir, particularly in the terrorism-affected and challenging terrains of Udhampur, Kathua, and Doda. Essential medical kits, equipped with medications for common diseases and wound care, were distributed, providing crucial healthcare support to the residents.

C. Biocon Academy

Skill Gap

Biocon Academy, a Centre of Excellence for 'Advanced Learning in Applied Biosciences' with a vision to transform the raw talent in India into skilful industry professionals and bridge the gap between the industry and academia. This skill development objective is achieved by offering short-term certificate programs based on imparting industrial trainings. Within a span of 10 years, it has trained more than 1000+ students in the life sciences sector and successfully placed them across 87+ Pharma/Biopharma and related service organisations in the industries pan India.

With an aim to offer the best skill development training and enable our students to gear up to the industry's skill requirement, Biocon Academy, have adapted a unique four-pillar training model as given below:

- Application-Oriented Industry Training provided by its educational partners (Keck Graduate Institute (KGI), California, BITS Pilani, MS Ramaiah, JSS AHER, etc)
- Live-Experiential Learning provided by Subject Matter Experts (SME) of Biocon/Syngene in their state-of-the-art industrial facilities covering R&D, Manufacturing, QC, QA, QC Microbiology, and National/International Regulatory Affairs
- Hands-on Experience in lab & pilot scale fermentation, molecular biotechnology techniques for recombinant antibody development, characterization, and clinical trial projects in collaboration with its training partners Thermo Fisher Scientific, BIOZEEN, JSS Hospital, Merck and Sartorius
- Campus-to-Corporate Professional Skill Development Program provided by corporate and in-house trainers to make students industry-ready.

Biocon Academy Programs:

- Biocon KGI Certificate Program in Biosciences
- BITS Biocon Certificate Program in Applied Industrial Microbiology

- Biocon Ramaiah Certificate Program in Quality Control Analytical
- Biocon Academy Faculty Development Program
- Biocon JSS AHER Certificate Program in Global Regulatory Affairs
- Syngene Ramaiah Certificate Program in Sterile Manufacturing

Women Participation

Biocon Academy celebrates a remarkable female presence, with 74% of its student body comprising women across all programs. Among the 1022 graduates, 760 were female, highlighting the substantial gender diversity within the institution. These female students are actively engaged in various departments, including Production, Quality Control, Research & Development (R&D), Quality Control Microbiology, Quality Assurance, and Regulatory Affairs. Impressively, 53% of female graduates find employment in crucial Manufacturing and Quality departments, showcasing their proficiency and expertise. Furthermore, our esteemed female alumni have excelled in securing positions within renowned biotech firms such as Dr. Reddy's, Biocon, Biocon Biologics, Intas, Baxter, and IQVIA, underscoring their invaluable contributions to the industry's advancement and success.

SME Contribution

In its pursuit of experiential learning, functional visits play a pivotal role in enabling students to observe theoretical concepts in action. Biocon Academy is grateful for the participation of Subject Matter Experts (SMEs) from Biocon, Biocon Biologics, and Syngene, as they provide invaluable insights and practical exposure to their students.

DE&I Sessions

Biocon Academy is one of the pioneering institutes in the country that places a strong emphasis on Diversity, Equity, and Inclusion (DEI) as integral components of student education.

At Biocon Academy, they prioritize diversity, equity, and inclusion (DEI) through dedicated initiatives. The Senior leader Chella Pandian from BBL spearheads engaging sessions aimed at raising awareness and fostering inclusivity amongst its student body. Additionally, their Program Dean, Bindu Ajit, offers specialized coaching sessions tailored to the unique needs of selected students who may require additional support. Through these comprehensive efforts, Biocon Academy is committed to ensure that every student feels empowered and supported on their academic journey.

Faculty Development Program

Biocon Academy introduces Faculty Development Program (FDP), a first-of-its-kind initiative to empower Biotech Faculty from various educational institutes by helping them upgrade their knowledge of emerging industry-specific technologies.

As of now, Biocon Academy have completed four batches of

the FDP program and trained nearly 100 faculties, including participants from Malaysia and Oman. They have also had participation from faculties representing major states and colleges across the country.

A detailed report regarding Corporate Social Responsibility is appended herewith as **Annexure 5** to the Boards' Report. The Policy on Corporate Social Responsibility & Environmental, Social and Governance and Annual Action Plan have been uploaded on to the website of the Company and is available at <https://www.bioconbiologics.com/docs/BBL-CSR-ESG-POLICY.pdf>.

24. RISK MANAGEMENT POLICY AND INTERNAL ADEQUACY

The Enterprise Risk Management ('ERM') process is governed by the company's Risk Management Policy.

The Company has a Risk Management Committee (RMC) of the Board, chaired by one of the Independent Director. Details of the Committee and its terms of reference are set out in the Corporate Governance report.

The RMC would primarily assist the Board in:

- Monitoring and reviewing the Risk Management framework and to perform such other functions as may be defined and delegated by the Board and as may be mandated by applicable laws and regulations, as in force from time to time.
- Timely identification, evaluation, assessment, and mitigation of various categories of risks encountered by the Company, which are elaborated in the Risk Classification table below.
- Each quarter, the RMC reviews critical risks and effectiveness of mitigation actions along with its impact on the overall risk exposure of the Company. All the critical risk areas are re-evaluated at least once a year.

During the year focus areas of Risk Management Committee included review of risks and mitigations related to acquired Business Integration, Regulatory approvals, Commercial, Financial, ESG, Human Resource, Cyber Security, Ethics and Compliance, Quality, Supply Chain Management and Environmental.

25. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM

The Vigil Mechanism as envisaged in the Companies Act, 2013 and the rules prescribed thereunder is implemented through the Company's Whistle Blower Policy of the Company to enable the Directors, employees and all stakeholders of the Company to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct, to provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

The Company adheres to uncompromising integrity in conduct of its business and strictly abides by well-accepted norms of ethical, lawful and moral conduct. It has zero tolerance for any form of unethical conduct or behaviour.

Based on recommendation of the Audit Committee, the Board of Directors had, at their meeting held on February 6, 2024, approved Whistle Blower and Integrity Policy of the Company. As such the vigil mechanism established under this policy is applicable to the Company. The policy can be accessed at: <https://www.bioconbiologics.com/docs/BBL-Whistleblower-and-integrity-Policy.pdf>

26. SIGNIFICANT AND MATERIAL ORDERS

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

27. COMPLIANCE OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

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

Details of cases for the financial year 2023-24 were as below:

Sl.	Particulars	No. of complaints
1	Number of complaints filed during the financial year	4
2	Number of complaints disposed of during the financial year	2

28. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

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

29. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

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

30. COMPLIANCE WITH SECRETARIAL STANDARDS

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

31. FAILURE TO IMPLEMENT ANY CORPORATE ACTION

There has been no failure to implement any corporate action by the Company for the FY 2023-24.

32. 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 <https://www.bioconbiologics.com/>

The Annual Return for the FY 2023-24 shall be filed with the Registrar of Companies, Karnataka as per the provisions of the Companies Act, 2013.

33. PARTICULARS OF EMPLOYEES

The statement containing particulars in terms of Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report and is appended herewith as **Annexure 6** to the Boards' Report.

The statement containing particulars in terms of Section 197(12) of the Companies Act, 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report. The above statement is available on the website of the Company at www.bioconbiologics.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 Members interested in obtaining a copy thereof, may write to the secretarial team of the Company in this regard.

34. DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- They took proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- They have prepared the annual accounts on a going concern basis;
- They have laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and were operating effectively; and

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

ACKNOWLEDGEMENTS

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

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

**For and on behalf of the Board of Directors
of Biocon Biologics Limited**

Kiran Mazumdar-Shaw

Executive Chairperson

DIN: 00347229

Date: May 14, 2024

Place: Bengaluru

Annexure 1
FORM AOC -1 for FY 2023-24

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 read with rule 5 of Companies (Accounts) Rules, 2014]

Part A - Subsidiaries

Sl. No	Name of the subsidiary	Date since subsidiary was incorporated	Reporting Period	Reporting currency	Share capital	Reserves and Surplus (other equity)*	Total Assets*	Total Liabilities (excl. capital and reserves)*	Investments (excluding in subsidiaries)*	Turnover#	Profit/ (loss) before taxation#	Provision for taxation #	Profit/ (loss) for the year#	Proposed dividend	% of Shareholding by the Company
1	Biocon Biologics UK Limited, UK	March 02, 2016	April 1, 2023 to March 31, 2024	USD	95,774	18,908	1,35,119	20,437	109	18,157	4,781	-7	4,788	-	100%
2	Biocon SDN BHD, Malaysia	January 19, 2011	April 1, 2023 to March 31, 2024	USD	31,908	-9,005	37,776	14,874	-	14,680	-1,786	-	-1,786	-	Refer note 2, 4 and 6
3	Biocon Biologics Healthcare Malaysia SDN BHD, Malaysia	August 10, 2017	April 1, 2023 to March 31, 2024	MYR	35	-37	1	2	-	-	-	-	-	-	Refer note 2 and 6
4	Biocon Biologics Inc., USA	November 12, 2019	April 1, 2023 to March 31, 2024	USD	-	681	30,978	30,297	-	19,977	813	190	623	-	Refer note 2 and 6
5	Biocon Biologics Do Brasil Ltda. Brazil	August 17, 2020	April 1, 2023 to March 31, 2024	USD	156	-71	85	-	-	95	4	-	4	-	Refer note 2 and 6
6	Biocon Biologics FZ LLC, UAE	November 26, 2020	April 1, 2023 to March 31, 2024	USD	83	8	202	111	-	248	7	-	7	-	Refer note 2
7	Biosimilar Collaborations Ireland Limited, Ireland	October 11, 2013	April 1, 2023 to March 31, 2024	USD	83	46,654	82,850	36,113	-	25,728	-3,450	96	-3,546	-	Refer note 2
8	Biosimilars Newco Limited, UK	July 27, 2022	April 1, 2023 to March 31, 2024	USD	1,17,676	-5,418	2,25,582	1,13,324	-	43,656	-2,796	-50	-2,746	-	Refer note 3
9	Biocon Biologics Germany GmbH, Germany	January 19, 2023	April 1, 2023 to March 31, 2024	USD	2	10	392	380	-	609	14	4	9	-	Refer note 2
10	Biocon Biologics Canada Inc, Canada	March 20, 2023	April 1, 2023 to March 31, 2024	CAD	-	29	3,666	3,637	-	1,252	48	19	29	-	Refer note 2 and 6
11	Biocon Biologics France SAS, France	April 14, 2023	April 14, 2023 to March 31, 2024	EUR	-	32	2,281	2,249	-	2,115	42	11	31	-	Refer note 2 and 6
12	Biocon Biologics Spain S.L.U, Spain	April 21, 2023	April 21, 2023 to March 31, 2024	EUR	-	3	582	579	-	204	5	1	4	-	Refer note 2 and 6
13	Biocon Biologics Switzerland AG, Switzerland	April 25, 2023	April 25, 2023 to March 31, 2024	CHF	5	1	151	146	-	56	1	-	1	-	Refer note 2 and 6
14	Biocon Biologics Belgium BV, Belgium	April 28, 2023	April 28, 2023 to March 31, 2024	EUR	1	2	44	40	-	76	3	1	2	-	Refer note 2
15	Biocon Biologics Finland Oy, Finland	May 10, 2023	May 10, 2023 to March 31, 2024	EUR	-	1	27	26	-	36	1	-	1	-	Refer note 2 and 6
16	Biocon Biologics Morocco S.A.R.L, Morocco	July 24, 2023	July 24, 2023 to March 31, 2024	MAD	-	1	59	58	-	32	1	1	1	-	Refer note 2 and 6
17	Biocon Biologics Greece SINGLE MEMBER P.C.	July 27, 2023	July 10, 2023 to March 31, 2024	EUR	-	3	779	776	-	230	4	1	3	-	Refer note 2
18	Biocon Biologics South Africa (Pty) Ltd.	August 11, 2023	August 11, 2023 to March 31, 2024	ZAR	-	-	1	1	-	1	-	-	-	-	Refer note 2 and 6
19	Biocon Biologics (Thailand) Co. Ltd.	September 8, 2023	September 8, 2023 to March 31, 2024	THB	57	-1	59	2	-	1	-1	-	-1	-	Refer note 2 and 6
20	Biocon Biologics Philippines Inc.	October 25, 2023	October 25, March 31, 2024	PHP	17	-	26	9	-	9	-	-	-	-	Refer note 2 and 6
21	Biocon Biologics Italy Srl	December 27, 2023	December 27, 2023 to March 31, 2024	EUR	1	-	1	-	-	-	-	-	-	-	Refer note 2, 5 and 6
22	Biocon Biologics Croatia LLC	January 18, 2024	January 18, 2024 to March 31, 2024	EUR	-	-	-	-	-	-	-	-	-	-	Refer note 2, 5, 6 and 7

* Exchange rate considered in the case of foreign subsidiaries - 1 USD = 83.34; 1 EUR = 89.99; 1 CAD = 61.56; 1 MYR = 17.64; 1 CHF = 92.43; 1 THB = 2.29; 1 MAD = 8.25; 1 ZAR = 4.42; 1 PHP = 1.48

Converted at monthly average exchange rates for foreign subsidiaries

Notes:

1. None of the subsidiaries have proposed dividends as at March 31, 2024

2. Biocon Biologics UK Limited, UK holds 100% of equity stake in

a. Biocon SDN BHD, Malaysia

b. Biocon Biologics Healthcare Malaysia Sdn. Bhd. Malaysia

c. Biocon Biologics Inc. USA

d. Biocon Biologics Do Brasil LTDA Brazil

e. Biocon Biologics FZ LLC UAE

f. Biosimilar Collaborations Ireland Limited Ireland

g. Biocon Biologics Germany GmbH Germany

h. Biocon Biologics Canada Inc, Canada

i. Biocon Biologics France S.A.S

j. Biocon Biologics Switzerland AG

k. Biocon Biologics Belgium.

l. Biocon Biologics Spain S.L.U.

m. Biocon Biologics Finland OY

n. Biocon Biologics Greece SINGLE MEMBER PC

o. Biocon Biologics (Thailand) Co., Ltd.

p. Biocon Biologics Morocco S.A.R.L.A.U.

q. Biocon Biologics South Africa (Pty) Ltd.

r. Biocon Biologics Philippines Inc.

s. Biocon Biologics Italy S.R.L.

t. Biocon Biologics Croatia LLC

3. Biocon Biologics Limited and Biocon Biologics UK Limited holds 71% and 29% of equity stake in Biosimilars Newco Limited, respectively.

4. The reporting currency of Biocon SDN BHD is MYR, however USD is disclosed since it is the functional currency.

5. These subsidiaries are newly incorporated and did not have any operation during the year.

6. All amounts below rounding-off norms is not disclosed in above table.

7. Biocon Biologics Italy S.R.L. and Biocon Biologics Croatia LLC are yet to commence operations.

8. No subsidiaries have been liquidated or sold during the year.

9. There being no Joint Ventures and associates of the Company, Part B of Form AOC-1 is not applicable

For, and on behalf of the Board of Directors of Biocon Biologics Limited

Kiran Mazumdar-Shaw

Executive Chairperson

DIN: 00347229

Bengaluru

May 14, 2024

Shreehas Pradeep Tambe

CEO and Managing Director

DIN: 09796480

Kedar Upadhye

Chief Financial Officer

Deepika Srivastava

Company Secretary

Membership No. : A23654



Annexure 2**Disclosure with respect to Employees Stock Option Plan of the Company for the Financial Year 2023-24**

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

A. Details of Biocon Biologics Limited Restricted Stock Units Long Term Incentive Plan FY 2022-24 for the financial year 2023-24

(a)	Options granted during the year	18,73,818
(b)	Options vested during the year	19,62,258
(c)	Options exercised during the year	33,590
(d)	The total number of shares arising as a result of exercise of option	33,590
(e)	Options lapsed during the year	6,60,462
(f)	The exercise price;	₹ 10/-
		(Face value of the shares as on date of exercise)
(g)	Variation of terms of options;	NA
(h)	Money realized by exercise of options;	3,35,900
(i)	Total number of options in force;	68,16,997
(j)	Employee wise details of options granted during FY24 to:	
(i)	Key managerial personnel	4,27,857
	1. Shreehas Pradeep Tambe CEO and Managing Director	2,33,929
	2. Kedar Upadhye Chief Financial Officer	1,07,143
	3. Akhilesh Nand General Counsel – Emerging Markets	58,929
	4. Deepika Srivastava Company Secretary	10,000
(ii)	Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.	None
(iii)	Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	None

B. Details of Biocon Biologics RSU Plan 2023 for the financial year 2023-24

(a)	Options granted during the year	9,550
(b)	Options vested during the year	Nil
(c)	Options exercised during the year	Nil
(d)	The total number of shares arising as a result of exercise of option	Nil
(e)	Options lapsed during the year	4,66,927
(f)	The exercise price;	10/-
		(Face value of the shares as on date of exercise)
(g)	Variation of terms of options;	NA
(h)	Money realized by exercise of options;	Nil
(i)	Total number of options in force;	15,82,620
(j)	Employee wise details of options granted during FY23 to:-	
(i)	Key managerial personnel;	Nil
(ii)	Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year..	Nil
(iii)	Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	Nil

For and on behalf of the Board of Directors
of Biocon Biologics Limited**Kiran Mazumdar-Shaw**

Executive Chairperson

DIN: 00347229

Place: Bengaluru

Date: May 14, 2024

Annexure 3
Form No. MR-3
SECRETARIAL AUDIT REPORT

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

For the Financial Year Ended 31.03.2024

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 with 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, 2024 (**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, 2024 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 Non-Convertible Securities) Regulations, 2021;
- (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., as 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. Due to delay in receiving approval from the National Company Law Tribunal, Mumbai, the merger between Biocon Biologics Limited and Covidshield Technologies Private Limited was withdrawn by Serum Institute Life Sciences Private Limited.
- b. Allotment of 1,06,86,044 Compulsory Convertible Debentures (CCDs) on private placement basis to ESOF III Investment Fund and Edelweiss Asset Advisors Limited on the following instances:

- 53,43,022 CCDs on May 12, 2023.
- 53,43,022 CCDs on May 24, 2023.
- c. Allotment of 1,78,10,073 Optionally Convertible Debentures (OCDs) to Biocon Limited on private placement basis on May 12, 2023.
- d. The company had altered the provisions of the Articles of Association (AOA).
- e. Chinappa MB had resigned from the position of Key Managerial Personnel (KMP) and Chief Financial Officer (CFO) of the company with effect from October 31, 2023.
- f. Kedar Upadhye had been appointed as the Chief Financial Officer (CFO) of the company with effect from October 31, 2023 in the Board meeting dated October 18, 2023.
- g. The company sold its non-core nephrology and dermatology BFI business to Eris Lifesciences Limited ("Eris") on slump sale basis for lump sum consideration of ₹ 366 crores.
- h. The company had sold its Branded Formulations India business consisting of metabolics, oncology, and critical care diagnostic divisions to Eris on slump sale basis for lump sum consideration of ₹1,242 crores.

For **V. SREEDHARAN & ASSOCIATES**

(Pradeep B. Kulkarni)

Partner

Date: May 14, 2024

Place: Bengaluru

FCS: 7260; C.P. No: 7835

UDIN: F007260F000362835

Peer Review Certificate No. 5543/2024

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.

For **V. SREEDHARAN & ASSOCIATES**

(Pradeep B. Kulkarni)

Partner

FCS: 7260; C.P.No: 7835

UDIN: F007260F000362835

Peer Review Certificate No. 5543/2024

Date: May 14, 2024

Place: Bengaluru

Annexure 4**Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo for the Financial Year 2023-24**

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

1. Conservation of Energy

i)	The steps taken or impact on conservation of energy	<ul style="list-style-type: none"> Replacement of CFL lights with LED at buffer area, PHI, and PHI(E) contributed to reduction in power consumption from 28032 KW to 14016 kW and resulted in saving ₹ 1.1 lakh For RHI and RHI2. Condensate recovery system (SOPT) installed with Steam operating pumping trap Total investment of this project ₹ 1.5 lakh and cost saving of ₹ 10 Lakhs per annum. Audio visual hooter installed in PHI, PHI & PHI(A) for power failure alarm as part of power failure study as a proactive measure and alert in case of power failure / change over. Access controllers have been installed at all USP water plant, Nitrogen plant PHI(A) HVAC area as part of securing the area. USP RO water plant reject water sump installed with level sensors to utilize reject water for makeup water. By installing VFDs as part of energy savings measure for 4 numbers of ventilation units at SFP facility by investing 2.25lacs, company achieved power savings of 25442 KWH per annum in equivalence of approx. 1.9lacs per annum. The old conventional DOL starter were replaced with VFD for MSAT Ventilation units resulting in an overall energy saving of 15912 KWH per annum and total savings amounting to ₹ 1.19 lakhs per annum.
ii)	The steps taken by the company for utilizing alternate source of energy	Nil
iii)	The Capital investment on energy conservation equipment's	Nil

B) Technology Absorption

i)	The efforts made towards technology absorption	<ul style="list-style-type: none"> Thermography test has been implemented for all electrical panel's PM for better improvement. To improve illumination (LUX level) and to facilitate ease of operation and maintenance in PHI and PHI(E) water plant, new light fixtures were installed.
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)	Expenditure incurred on Research and Development by the Company is tabled below:

Expenditure incurred on Research and Development

(Amounts in ₹ million)

Particulars	FY 23-24
Research and Development expenses	950
Other Research and Development expenses included in other heads of account:	
A. Employee Benefit Expenses	1,311
B. Lab Consumables	818
Total	3,079

C) Foreign Exchange Earnings and Outgo

(Amounts in ₹ million)

Particulars	FY 23-24
Total earnings in foreign exchange during the year	28,081
Total outflow of foreign exchange during the year	9,177

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

Kiran Mazumdar-Shaw

Executive Chairperson

DIN: 00347229

Date: May 14, 2024

Place: Bengaluru

ANNEXURE 5
ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended.]

1. Brief outline on CSR Policy of the Company

The Company's contributions and initiatives towards social welfare and environment sustainability have been integral to its business. CSR activities of the Company shall continuously evolve for a long-term sustainability of business, society and environment at large. CSR shall further align and integrate social wellbeing, economic growth and environmental sustainability with the Company's core values, operations and growth. The CSR strategy shall create long-term and scalable values for communities and society. In the process of executing CSR, the Company shall comply with the statutory requirements of the Companies Act, 2013, and the related rules and regulations as may be amended from time to time.

2. Composition of CSR and ESG Committee:

The Corporate Social Responsibility and Environmental, Social and Governance Committee ("CSR and ESG 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 Member	Designation / Nature of Directorship	Designation / Nature of Directorship	Number of meetings of CSR and ESG Committee held during the year	Number of meetings of CSR and ESG Committee attended during the year
1.	Peter Baron Plot	Chairperson	Independent Director	4	4
2.	Kiran Mazumdar-Shaw	Member	Executive Chairperson	4	4
3.	Shreehas Pradeep Tambe	Member	CEO and Managing Director	4	4
4.	Nivruti Rai	Member	Independent Director	4	4
5.	Thomas Jason Roberts	Member	Non Executive Non Independent Director	4	4

3. Web-link(s) where Composition of CSR and ESG committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

- i. Composition of the CSR and ESG Committee: <https://www.bioconbiologics.com/investors/corporate-governance/board-committees/>
- ii. CSR Policy: <https://www.bioconbiologics.com/docs/BBL-CSR-ESG-POLICY.pdf>. The projects as approved by the Board shall be disclosed on the website at <https://www.bioconbiologics.com/investors/corporate-governance/governance-policies/>

4. Executive summary along with web-link(s) 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)

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

6. (a) Average net profit of the Company as per section 135(5): Loss of ₹ 629 million
- (b) Two percent of average net profit of the company as per section 135(5): Loss of ₹ 13 million
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Not Applicable
- (d) Amount required to be set off for the financial year, if any – Not Applicable
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)] – Nil
7. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹120.3 million
- (b) Amount spent in Administrative Overheads : Not Applicable
- (c) Amount spent on Impact Assessment, if applicable : Not Applicable

(d) Total amount spent for the Financial Year [(a)+(b)+(c)] : ₹ 120.3 million

(e) CSR amount spent or unspent for the financial year:

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

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

Sl. No.	Particulars	Amount (in ₹ million)
(i)	Two percent of average net profit of the company as per section 135(5)	Nil
(ii)	Total amount spent for the financial year	120.3
(iii)	Excess amount spent for the financial year [(ii)-(i)]	120.3
(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)]	120.3

8. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹ million)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹ million)	Amount spent in the Financial Year (in ₹ million)	Amount transferred to a Fund specified under Schedule VII as per second proviso to subsection (5) of section 135, if any, if any			Amount remaining to be spent in succeeding financial years (in ₹ million)	Deficiency, if any
					Name of the Fund	Amount (in ₹ million)	Date of transfer		
NA									

9. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year – No

Number of Capital assets created/ acquired: NA

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
NA							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): NA

Peter Baron Piot

Chairperson – CSR and ESG Committee

DIN: 09015343

Shreehas Pradeep Tambe

CEO and Managing Director

DIN: 09796480

May 14, 2024

Bengaluru

Annexure 6 - 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/ CS in the FY 2023-24 (%)	Ratio of the remuneration of each Director to the median remuneration of the employees
Executive Directors			
1	Kiran Mazumdar-Shaw Executive Chairperson	51.33	58.99
2	Shreehas Pradeep Tambe ⁽¹⁾ CEO and Managing Director	NA	118.61
Non-Executive Directors			
3	Dr. Arun Suresh Chandavarkar ⁽¹⁾	NA	8.59
4	Thomas Jason Roberts	12.07	8.46
5	Rajiv Malik ⁽⁴⁾	NA	NA
Independent Directors			
6	Bobby Kanubhai Parikh	8.45	10.02
7	John Russell Fotheringham Walls	8.20	8.59
8	Nivruti Rai	5.08	8.07
9	Daniel Mark Bradbury	12.12	9.63
10	Nicholas Robert Hagggar ⁽²⁾	NA	NA
11	Peter Baron Piot	4.55	8.98
Key Managerial Personnel			
12	Chinappa MB ⁽³⁾	NA	NA
13	Kedar Upadhye ⁽²⁾	NA	NA
14	Akhilesh Nand	7.81	25.61
15	Deepika Srivastava ⁽¹⁾	NA	8.33

⁽¹⁾ Shreehas Pradeep Tambe was appointed as CEO and Managing Director effective from December 5, 2022, Dr. Arun Suresh Chandavarkar was ceased to be Managing Director and continued as Non-Executive, Non-Independent Director of the Company effective from December 5, 2022 and Deepika Srivastava was appointed as Company Secretary effective from February 14, 2023, hence the percentage of increase of their remuneration is not comparable with that of the previous year.

⁽²⁾ Nicholas Robert Hagggar and Kedar Upadhye were in office only for part of the year (appointed w.e.f. February 6, 2024, and October 31, 2023, respectively) and hence the percentage of increase of remuneration in their case is not comparable with that of the previous year.

⁽³⁾ Chinappa MB was in office only for part of the year (ceased to be KMP w.e.f. October 30, 2023) hence the percentage of increase of remuneration in their case is not comparable with that of the previous year.

⁽⁴⁾ Rajiv Malik, being Non-Executive and Non-Independent Director and a nominee of Mylan Inc. (Viatris), did not withdraw any remuneration including sitting fees or commission during the 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 Financial Year 2023-24.
- 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.

1	Percentage increase / (decrease) in median remuneration of employees in the financial year	The median remuneration of employees increased from ₹ 6,76,884 as at March 31, 2023 to as ₹ 7,68,192 at March 31, 2024, representing an increase of 13.49 %.
2	Number of permanent employees on the rolls of the Company	There were 4,191 permanent employees as on March 31, 2024.
3	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 RSUs based compensation on a mid-to-long-term basis to align middle and senior management compensation to enhance Member values.

It is hereby affirmed that the remuneration paid for the Financial Year 2023-24 was as per the Company's Policy on Director's Appointment and Remuneration.

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

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

Place: Bengaluru
Date: May 14, 2024

Corporate Governance Report

Corporate Governance Report

I Company's philosophy on Code of Governance

Biocon Biologics Limited ("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 business operations, has always underpinned 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 focus is not only to ensure compliance with the requirements as stipulated under the Companies Act, 2013, ('the Act') and other applicable laws 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.

We are committed to continuously scaling up our Corporate Governance standards, hence we are suo-motu presenting a report on compliance with corporate governance principles.

II. Board of Directors

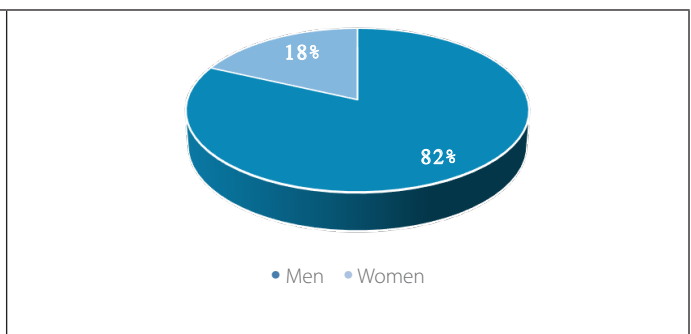
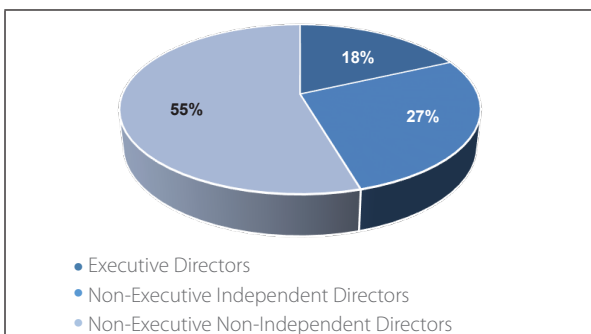
The Board of Directors ('the Board') are elected by the Members to oversee the Company's overall functioning. The Board is responsible for providing strategic guidance and supervision, overseeing the management, performance and governance of the Company on behalf of the shareholders and other stakeholders. 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 provide strategic guidance to the Management Team and ensure the Company's success by collectively directing the Company's affairs and ensure they are in-line with the appropriate interests of its Members and relevant stakeholders.

The Board is committed to represent 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 Act 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, 2024, the Board comprised of 11 (eleven) members, consisting of 2 (two) Executive Directors, 2 (two) Non-Executive Non- Independent Directors, 6 (six) Independent Directors and 1 (one) Non-Executive Non-Independent and Nominee Director. Out of the total members, 2 (two) are women directors comprising of 1 (one) Executive Chairperson and 1 (one) Independent Director.



During the year under review, the following appointment and re-appointment were made:

1. Mr. Peter Baron Piot (DIN: 09015343) was re-appointed as an Independent Director of the Company for a second term comprising of 5 (five) years with effect from January 21, 2024, by the Board of Directors in their meeting held on November 07, 2023, and the Members at the 23rd Extra-ordinary General Meeting held on December 12, 2023.
2. Ms. Kiran Mazumdar-Shaw (DIN: 00347229) was re-appointed as an Executive Director and Executive Chairperson of the Company for a period of 5 (five) years from April 01, 2024, by the Board of Directors on February 06, 2024, and the Members at the 24th Extra-ordinary General Meeting held on April 23, 2024.
3. Mr. Nicholas Robert Hagggar (DIN: 08518863) was appointed as an Additional Director categorised as Non-Executive and Independent Director of the Company by the Board of Directors on February 06, 2024 and the Members at the 24th Extra-ordinary General Meeting held on April 23, 2024 had regularised his appointment as an Independent Director of the Company for a term commencing from February 06, 2024 till the conclusion of the Annual General Meeting of the Company to be held in the year 2027.

None of the Directors serve as a director in more than 7 (seven) listed companies. Further, none of the Director serves as an Independent Director in more than 7 (seven) listed companies or 3 (three) listed companies in case he/she serves as an Executive Director 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 Independent Directors serve as Non-Independent Director of any Company on the Board of which any of our Non-Independent Director of the Company is an Independent Director.

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(6) of the Act and that they are independent of the management and also they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Further, the Independent Directors have also submitted their declaration under compliance with the provision of Rule 6(3) of Companies (Appointment and Qualification of Directors) Rules, 2014, which mandated the inclusion of an Independent Director's name in the data bank of Indian Institute of Corporate Affairs ("IICA") for a period of 1 (one) year or 5 (five) years or life time till they continue to hold the office of an Independent Director. Pursuant to Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Bobby Kanubhai Parikh, Mr. John Russell Fotheringham Walls, Mr. Daniel Mark Bradbury and Mr. Nicholas Robert Hagggar are exempted from appearing the Online Proficiency Self-Assessment Test, and Ms. Nivruti Rai and Mr. Peter Baron Piot have passed the Online Proficiency Self-Assessment Test conducted by IICA.

The 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:

Composition of the Board

Name of the Directors	Category	Director Identification Number	Total Number of Directorships, Committee Chairpersonships and Memberships of Indian Public Limited Companies as on March 31, 2024			Name of Indian Listed Entities where person is a Director	Category of Directorship
			Directorships ¹	Committee Chairpersonships ²	Committee Memberships [^]		
Executive Directors							
Ms. Kiran Mazumdar -Shaw	Promoter and Executive Chairperson	00347229	9	-	-	Biocon Limited	Executive Chairperson
						Syngene International Limited	Non-Executive Chairperson
						Narayana Hrudayalaya Limited	Non-Executive Non-Independent
						United Breweries Limited	Independent Non-Executive
						Trent Limited ⁴	Non-Executive Independent
Mr. Shreehas Pradeep Tambe	Non-Promoter, CEO and Managing Director	09796480	1	-	-	-	-

Name of the Directors	Category	Director Identification Number	Total Number of Directorships, Committee Chairpersonships and Memberships of Indian Public Limited Companies as on March 31, 2024			Name of Indian Listed Entities where person is a Director	Category of Directorship
			Directorships ¹	Committee Chairpersonships ²	Committee Memberships ⁴		
Non-Executive, Non-Independent Directors							
Dr. Arun Suresh Chandavarkar	Non-Promoter; Non-Executive and Non-Independent	01596180	1	-	-	-	-
Mr. Thomas Jason Roberts	Non-Promoter; Non-Executive and Non-Independent	09337723	1	-	-	-	-
Mr. Rajiv Malik	Non-Promoter; Non-Executive Non-Independent and Nominee of Mylan Inc.	00120557	2	1	-	-	-
Independent Directors							
Mr. Bobby Kanubhai Parikh	Non-Promoter; Non-Executive and Independent	00019437	4	4	3	Biocon Limited	Non-Executive Independent
						Infosys Limited	Non-Executive Independent
						Indostar Capital Finance Limited	Independent, Non-Executive
Mr. John Russell Fotheringham Walls	Non-Promoter; Non-Executive and Independent	03528496	1	-	-	-	-
Mr. Daniel Mark Bradbury	Non-Promoter; Non-Executive and Independent	06599933	1	-	-	-	-
Ms. Nivruti Rai	Non-Promoter; Non-Executive and Independent	01353079	1	-	-	-	-
Mr. Peter Baron Piot	Non-Promoter; Non-Executive and Independent	09015343	1	-	-	-	-
Mr. Nicholas Robert Hagggar	Non-Promoter; Non-Executive and Independent	08518863	2	-	2	Biocon Limited	Non-Executive Independent

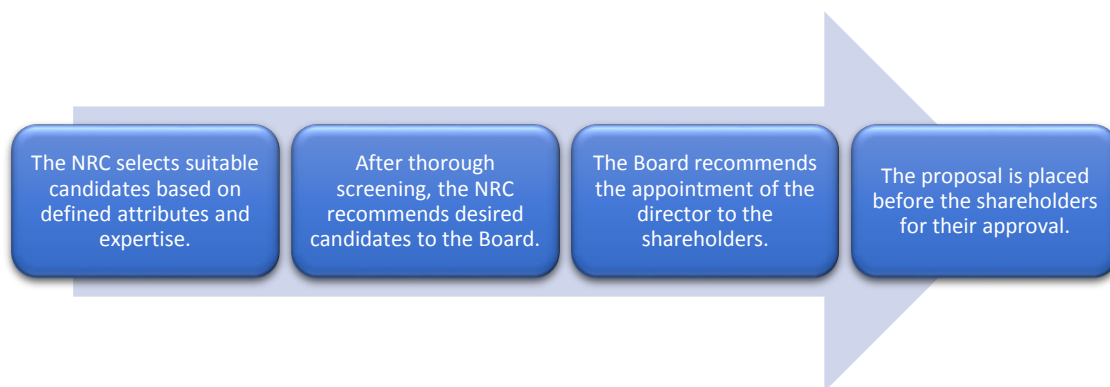
Notes:

1. Includes Directorship in all Indian public limited companies including Biocon Biologics Limited and excludes directorships of private limited companies, foreign companies and companies registered under Section 8 of the Companies Act, 2013 (Act¹).
2. Committees considered are Audit Committee and Stakeholders Relationship Committee, across all Indian public limited companies including that of Biocon Biologics Limited and excludes private limited companies, foreign companies and companies registered under Section 8 of the Act.
3. None of the Directors are related to each other as per the provision of the Act.
4. Appointment in Trent Limited is effective from April 1, 2024.

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 Act. While selecting a candidate, the NRC reviews and evaluates the Board's composition and diversity to ensure that the Board and its Committees have the appropriate mix of skills, experience, independence and knowledge for continued effectiveness. For the Board, diversity comprehends plurality in perspective, experience, education, background, ethnicity, nationality, age, gender and other personal attributes. These attributes may extend to professional experience, functional expertise, educational and professional background.

The Independent Directors annually provide a certificate of Independence, in accordance with the applicable laws, which is taken on record by the Board. All Board members are encouraged to meet and interact with the management. Board Members are invited to key meetings to provide strategic guidance and advice.



B. Board Procedure

The Board and Committee meetings are pre-scheduled based on the availability of the Director(s), and an annual calendar of the meetings is circulated to them well in advance to facilitate planning of their schedule and ensure participation in the meetings. However, in case of urgent matters, subject to regulatory conditions, the Board's approval is taken by passing resolutions by circulation. The Board meets at least once in a quarter to review and approve the quarterly financial results/statements and other agenda items. However, with the Board being represented by Independent Directors from various parts of the world, it may not be possible for all of them to be physically present at all meetings. Hence, we provide video conferencing/other audio-visual means facilities to enable their participation. The Committees of the Board, other than Audit Committee, usually meet the day before the Board meeting, or whenever the need arises for transacting business. 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 applications. 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. Every Board member can suggest the inclusion of additional items in the agenda. 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 CEO and Managing Director provides an overview of the overall performance of the Company at the meeting of the Board of Directors. The Board inter-alia reviews minutes of meetings of various committees of the Board and 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, 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, etc.

At the Board and Committee Meetings, apart from Board Members and the Company Secretary, members of 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 the Minutes of the proceedings of each Board and Committee meeting. In compliance with the Secretarial Standard on Board Meetings, the draft Minutes are circulated to Board / Committee Members within 15 (fifteen) days from the date of conclusion of their respective meetings 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 date of conclusion of the Meeting.

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 (ATRs) 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 year under review, the Board met 8 (Eight) times on April 26, 2023; May 11, 2023, May 22, 2023, August 08, 2023, October 18, 2023, November 07, 2023, February 06, 2024 and March 13, 2024. The composition of the Board and attendance details of the Board members for the year ended March 31, 2024 are given below:

Name of Directors	Designation	Board Meetings held during tenure	Attended	% of attendance	Attendance at the 7th AGM
Ms. Kiran Mazumdar-Shaw	Executive Chairperson	8	8	100%	Yes
Mr. Shreehas Pradeep Tambe	CEO and Managing Director	8	8	100%	Yes
Mr. Rajiv Malik	Non-Executive Non-Independent Director and Nominee of Mylan Inc.	8	5	62.5%	No
Dr. Arun Suresh Chandavarkar	Non-Executive Non-Independent Director	8	7	88%	Yes
Mr. Thomas Jason Roberts	Non-Executive Non-Independent Director	8	7	88%	No
Mr. Bobby Kanubhai Parikh	Independent Director	8	7	88%	No
Mr. John Russell Fotheringham Walls	Independent Director	8	7	88%	No
Mr. Peter Baron Piot	Independent Director	8	8	100%	No
Mr. Daniel Mark Bradbury	Independent Director	8	8	100%	No
Ms. Nivruti Rai	Independent Director	8	8	100%	No
Mr. Nicholas Robert Hagggar*	Independent Director	1	1	100%	NA

*Mr. Nicholas Robert Hagggar was appointed as an Additional Director in the capacity of Independent Director w.e.f. February 06, 2024.

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.

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
Dr. Arun Suresh Chandavarkar	Non-Executive Non-Independent Director	6,00,000	0.05%
Mr. Bobby Kanubhai Parikh	Non-Executive Independent Director	50,000	0.004%
Mr. John Russell Fotheringham Walls	Non-Executive Independent Director	50,000	0.004%

E. Meeting of the Independent Directors

Pursuant to Schedule IV of the Companies Act 2013, the Independent Directors met twice on August 08, 2023 and May 14, 2024 without

the presence of Executive Directors, Non- Independent Directors and Members of the Management.

They had *inter-alia* considered and discussed the following

- 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. Board evaluation, Key expertise and attributes of the Board of Directors

(i) 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 designed 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 FY 2020-21, Egon Zehnder, had conducted the Board Evaluation.

For the current FY 2023-24, 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 and Procedures
- Execution and performance of specific duties
- Board and Management relations
- Succession Planning
- Committee effectiveness
- Evaluation of Chairperson, Executive and Non- Executive Directors.

A detailed presentation was made to the Board on outcome of evaluation results. In order to further uphold the effectiveness

Based on the above-mentioned skill matrix, the skills which are currently available with the Board have been mapped below:

Directors	Area of Expertise						
	Scientific Knowledge	Research and Innovation	Global Healthcare	Finance and Risk Management	Compliance and Governance	Technology and Digital Perspective	General Management and Leadership
Ms. Kiran Mazumdar-Shaw	✓	✓	✓	✓	✓	✓	✓
Mr. Shreehas Pradeep Tambe	✓	✓	✓	✓	✓	✓	✓
Mr. Rajiv Malik	✓	✓	✓	✓	✓	✓	✓
Dr. Arun Suresh Chandavarkar	✓	✓	✓	✓	✓	✓	✓
Mr. Thomas Jason Roberts	✓	✓	✓	✓	✓		
Mr. Bobby Kanubhai Parikh				✓	✓		✓
Mr. John Russell Fotheringham Walls	✓		✓	✓	✓		✓
Mr. Peter Baron Piot	✓	✓	✓		✓		✓
Mr. Daniel Mark Bradbury	✓	✓	✓	✓	✓		✓
Ms. Nivruti Rai				✓	✓	✓	✓
Mr. Nicholas Robert Haggart	✓	✓	✓	✓	✓	✓	✓

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.

(ii) Key expertise and attributes of the Board of Directors

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.



G. Role of Company Secretary

The Company Secretary plays a key role in ensuring that effective board procedures are followed and reviewed periodically. The Company Secretary is primarily responsible for ensuring compliance with the provisions of the 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 Executives are invited to present various details called for by the Committees at their meetings. The Company Secretary of the Company acts as the Secretary to all Committees of the Board as detailed below:

S No.	Name of Members	Designation	AC ¹		NRC ²		CSR and ESG ³		RMC ⁴	
			C	M	C	M	C	M	C	M
1.	Ms. Kiran Mazumdar-Shaw	Executive Chairperson						•		
2.	Mr. Shreehas Pradeep Tambe	CEO and Managing Director						•		•
3.	Mr. Rajiv Malik	Non-Executive Non-Independent Director and Nominee of Mylan Inc.								
4.	Dr. Arun Suresh Chandavarkar	Non-Executive Non-Independent Director		•						•
5.	Mr. Thomas Jason Roberts	Non-Executive Non-Independent Director				•		•		•
6.	Mr. Bobby Kanubhai Parikh	Independent Director	•						•	
7.	Mr. John Russell Fotheringham Walls	Independent Director		•						•
8.	Mr. Peter Baron Piot	Independent Director				•	•			•
9.	Mr. Daniel Mark Bradbury	Independent Director		•		•				•
10.	Mr. Nicholas Robert Haggar ⁵	Independent Director		•						•
11.	Ms. Nivruti Rai	Independent Director			•			•		

C: Chairperson; M: Member

1. AC: Audit Committee;

2. NRC: Nomination and Remuneration Committee;

3. CSR and ESG: Corporate Social Responsibility and Environmental, Social and Governance Committee; and

4. RMC: Risk Management Committee

5. Mr. Nicholas Robert Haggar was inducted as member on the following committees with effect from February 06, 2024:

a) Audit Committee

b) Risk Management Committee

A. Audit Committee

(i) Brief description of terms of reference

The Company has constituted an Audit Committee 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 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 inter-alia 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.

(ii) Details of meetings and attendance during the year:

During the year under review, the Audit Committee met 8 (eight) times on April 26, 2023; May 22, 2023; August 08, 2023, September 21, 2023, October 18, 2023, November 07, 2023; February 06, 2024 and March 13, 2024. The composition of the Committee and attendance details of the members for the year ended March 31, 2024 are given below:

Sr. No.	Members	Position	Designation	No. of Meetings which member was entitled to attend	No. of Meeting attended	% of Attendance
1.	Mr. Bobby Kanubhai Parikh	Chairperson	Independent Director	8	8	100%
2.	Mr. John Russell Fotheringham Walls	Member	Independent Director	8	7	88%
3.	Mr. Daniel Mark Bradbury	Member	Independent Director	8	8	100%
4.	Dr. Arun Suresh Chandavarkar	Member	Non-Executive Non-Independent Director	8	7	88%
5.	Mr. Nicholas Robert Hagggar*	Member	Independent Director	1	1	100%

*Mr. Nicholas Robert Hagggar was inducted as a member of Audit Committee with effect from February 06, 2024.

The Members of the Committee possess sound knowledge of accounts, finance, audit, governance and legal matters.

Senior Executives from the Finance and Accounts Department and representatives of the Statutory and Internal Auditors are invited to attend the Audit Committee meetings. The Company Secretary acts as the Secretary to the Committee.

The Committee, as a good governance practice, also meets Statutory Auditors and Internal Auditors 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, which assist the Board of Directors in timely identification, assessment and mitigation of risks (i.e. financial, operational, strategic, regulatory, statutory, reputational, and others) faced by the Company. The Committee inter-alia has overall responsibility for monitoring and approving the enterprise risk management framework and is capable of effectively addressing and monitoring these risks etc. The Committee also approves and oversees a Company-wide risk management framework which is capable of effectively addressing these risks.

(ii) Details of meetings and attendance during the year:

During the year under review, the Risk Management Committee met 4 (four) times on May 17, 2023; August 07, 2023; November 06, 2023 and February 07, 2024. The composition of the Committee and attendance details of the Members for the year ended March 31, 2024 are given below:

Sr. No.	Members	Position	Designations	No. of Meetings which member was entitled to attend	No. of Meeting attended	% of Attendance
1.	Mr. Bobby Kanubhai Parikh	Chairperson	Independent Director	4	4	100%
2.	Mr. Shreehas Pradeep Tambe	Member	CEO and Managing Director	4	4	100%
3.	Dr. Arun Suresh Chandavarkar	Member	Non-Executive Non-Independent Director	4	4	100%
4.	Mr. Thomas Jason Roberts	Member	Non-Executive Non-Independent Director	4	4	100%
5.	Mr. John Russell Fotheringham Walls	Member	Independent Director	4	4	100%
6.	Mr. Peter Baron Piot	Member	Independent Director	4	4	100%
7.	Mr. Daniel Mark Bradbury	Member	Independent Director	4	3	75%
8.	Mr. Nicholas Robert Hagggar*	Member	Independent Director	-	-	NA

*Mr. Nicholas Robert Hagggar was inducted as a member of Risk Management Committee with effect from February 06, 2024.

C. Corporate Social Responsibility and Environmental, Social and Governance 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.

The CSR and ESG activities of the Company shall continuously evolve for a long-term sustainability of business, society and environment at large. The CSR and ESG Committee 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 and ESG Committee are in line with the provisions of Section 135 of the Act, 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; and
- Reporting progress of various initiatives with respect to CSR and ESG activities etc.

(ii) Details of meetings and attendance during the year:

During the year under review, the CSR and ESG Committee met 4 (four) times on May 17, 2023; August 07, 2023; November 06, 2023 and February 07, 2024. The composition of the Committee and attendance details of the Members for the year ended March 31, 2024 are given below::

Sr. No.	Members	Position	Designations	No. of Meetings which member was entitled to attend	No. of Meeting attended	% of Attendance
1.	Mr. Peter Baron Plot	Chairperson	Independent Director	4	4	100%
2.	Ms. Kiran Mazumdar-Shaw	Member	Executive Chairperson	4	4	100%
3.	Mr. Shreehas Pradeep Tambe	Member	CEO and Managing Director	4	4	100%
4.	Ms. Nivruti Rai	Member	Independent Director	4	4	100%
5.	Mr. Thomas Jason Roberts	Member	Non-Executive Non-Independent Director	4	4	100%

D. Nomination and Remuneration Committee

(i) Brief description of terms of reference

Pursuant to the provisions of Section 178 of the Act read with applicable rules made thereunder or other applicable provisions or any statutory modifications thereof, the Company has formed Nomination and Remuneration Committee ("NRC").

The NRC is inter-alia vested with the authority to:

- a) recommend nominations for Board membership and KMP;
- b) succession planning for the senior management and the Board;
- c) develop and recommend policies with respect to composition of the Board commensurate with the size, nature of the business and operations of the Company;
- d) establish criteria for selection of Board Members with respect to competencies; qualifications, experience, track record, integrity, devise appropriate succession plans; and
- e) determine overall compensation policies of the Company, etc.

The scope of the NRC also includes decision on the remuneration of the Executive Director(s) and laying down of performance parameters for the Chairperson and CEO and Managing Director, the Executive Director(s), Key Managerial Personnel and Senior Management.

In addition to the above, the NRC's role includes identifying persons who may be appointed to a Senior Management position in accordance with the criteria laid down, recommending to the Board their appointment and removal.

The NRC also formulates the criteria for determining qualifications, capability and independence of a Director. The Committee on a periodical basis, recommends to the Board, amendments to the policies relating to the remuneration of Directors, Key Managerial Personnel and Senior Management.

The Board 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 and 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.

(ii) Details of meetings and attendance during the year:

During the year under review, the NRC met 5 (five) times on May 18, 2023; August 07, 2023; October 18, 2023; November 07, 2023 and February 05, 2024. The composition of the Committee and attendance details of the Members for the year ended March 31, 2024 are given below:

S r . No.	Members	Position	Designations	No. of meetings which member was entitled to attend	No. of meetings attended	% of Attendance
1.	Ms. Nivruti Rai	Chairperson	Independent Director	5	5	100%
2.	Mr. Daniel Mark Bradbury	Member	Independent Director	5	4	80%
3.	Mr. Peter Baron Piot	Member	Independent Director	5	5	100%
4.	Mr. Thomas Jason Roberts	Member	Non-Executive Non-Independent Director	5	5	100%

IV. Remuneration of Directors

A. Remuneration Policy

The Company has a well-defined policy for Appointment and Remuneration of Directors, Key Management Personnel and other employees. 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 elements of remuneration to the Executive Directors include fixed and variable salary, performance bonus (as per the performance criteria determined by the Nomination and Remuneration Committee), 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 6 (Six) 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 Members at their 6th Extra-Ordinary General Meeting ('EGM') held on August 20, 2019, approved the payment of remuneration to Non-Executive Directors, at an amount not exceeding 1% of the net profit of the Company to be determined as per the provisions of Section 198 of the Companies Act, 2013. In view of this, based on the recommendation of Nomination and Remuneration Committee, the Board of Directors in their meeting held on January 19, 2022, approved remuneration structure for Non-Executive Directors, subject to 1% of net profits of the Company. The payment of such remuneration would be in addition to the sitting fees for attending Board/Committee meetings.

Subsequently, the Members in their 24th EGM held on April 23, 2024 have approved the payment of remuneration to Non-Executive Directors, which was in excess of 1% of the net profits of the Company for the financial year 2023-24, due to inadequate profits.

C. 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 Biologics 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.

D. Remuneration to Executive Directors

The Members, at their 24th Extra-Ordinary General Meeting ("EGM") held on April 23, 2024, approved the re-appointment of Ms. Kiran Mazumdar-Shaw as an Executive Director, designated as an Executive Chairperson for a period of 5 (five) years effective April 1, 2024 to March 31, 2029, 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.

Based on the recommendation of Nomination and Remuneration Committee and Board of Directors, the Members at their 18th Extra-Ordinary General Meeting ("EGM") held on November 24, 2022, approved the appointment of Mr. Shreehas Pradeep Tambe as the CEO and Managing Director of the Company for a period of 5 (five) years with effect from commencement of business hours on December 5, 2022 till December 4, 2027. The remuneration comprises of fixed and variable salary, performance bonus, contribution to provident fund, superannuation, gratuity, perquisites and allowances, reimbursement of expenses, rewards under performance acceleration plan, long term rewards etc. as applicable to employees of the Company.

G. Remuneration to Directors

The details of remuneration paid to Directors for the year ended March 31, 2024 are given below:

Directors	Amount in ₹ Million					
	Salary and Perquisites			Others		
	Fixed Pay & Bonus	Perquisites [^]	Retirement Benefits	Commission	Sitting Fees	Total
Ms. Kiran Mazumdar-Shaw	41.8	1.3	2.1	-	-	45.3
Mr. Shreehas Pradeep Tambe	87.4	1.5	2.2	-	-	91.1
Mr. Rajiv Malik	-	-	-	-	-	-
Dr. Arun Suresh Chandavarkar	-	-	-	5.1	1.5	6.6
Mr. Thomas Jason Roberts	-	-	-	4.8	1.7	6.5
Mr. Bobby Kanubhai Parikh	-	-	-	6.1	1.6	7.7
Mr. John Russell Fotheringham Walls	-	-	-	5.1	1.5	6.6
Mr. Peter Baron Piot	-	-	-	5.2	1.7	6.9
Mr. Daniel Mark Bradbury	-	-	-	5.5	1.9	7.4
Mr. Nicholas Robert Hagggar*	-	-	-	-	0.2	0.2
Ms. Nivruti Rai	-	-	-	4.8	1.4	6.2

* Mr. Nicholas Robert Hagggar was appointed as an Independent Director w.e.f. February 06, 2024.

Note:

- Perquisites valued as per Income Tax Act, 1961.
- During the financial year, Mr. Shreehas Pradeep Tambe, CEO and Managing Director was granted 2,33,929 RSUs, issued and exercisable as per the terms of Biocon Biologics Limited Restricted Stock Units Long Term Incentive Plan FY 2022-24. No options under the Company's ESOP plan were granted to any other Executive/Non-Executive Directors of the Company.

Further, based on the recommendation of Nomination and Remuneration Committee and Board of Directors the Members in their 24th Extra-Ordinary General Meeting ("EGM") held on April 23, 2024, have approved the payment of remuneration to the Directors (including Executive, Non-Executive and Independent Directors), in situation of absence or inadequacy of profits during Financial Year 2023-24 on same terms and conditions of appointment and remuneration as approved by the Members / Board of Directors of the Company from time to time by considering such remuneration to be the minimum remuneration payable to the Directors during Financial Year 2023-24.

E. Service Contracts, Notice Period and Severance Fees

As on March 31, 2024, the Board comprised of 11 (Eleven) Members, including 2 (two) Executive Directors and 9 (nine) Non-Executive Directors, of which 6 (six) are Independent Directors. Ms. Kiran Mazumdar-Shaw, Executive Chairperson and Mr. Shreehas Pradeep Tambe, CEO and Managing Director 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 and service contract. 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.

V. General Meetings

I. 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
2022-23	July 28, 2023 4:30 PM	Biocon House, Ground Floor, Tower-3, Semicon Park, Electronic City, Phase - II, Hosur Road, Bengaluru - 560100	NIL
2021-22	July 26, 2022 02:00 PM	Biocon House, Ground Floor, Tower-3, Semicon Park, Electronics City, Phase - II, Hosur Road, Bengaluru - 560100	<ol style="list-style-type: none"> 1. Reappointment of Ms. Kiran Mazumdar-Shaw as an Executive Director (designated as 'Executive Chairperson'). 2. Reappointment of Mr. Bobby Kanubhai Parikh as an Independent Director of the Company. 3. Reappointment of Mr. Daniel Mark Bradbury as an Independent Director of the Company. 4. Reappointment of Ms. Nivruti Rai as an Independent Director of the Company. 5. Inclusion of grants to employees of the holding company and alteration of the Biocon Biologics Limited Restricted Stock Units Long Term Incentive Plan FY 2022-24.
2020-21	July 22, 2021 11:30 AM	Biocon House, Ground Floor, Tower-3, Semicon Park, Electronic City, Phase - II, Hosur Road, Bengaluru - 560100	<ol style="list-style-type: none"> 1. Appointment of Mr. Peter Baron Piot as an Independent Director of the Company. 2. Re-appointment of Mr. John Russell Fotheringham Walls as an Independent Director of the Company.

VI. General Members Information

A. Company Registration Details

The registered office of the Company is Biocon Biologics Limited, Biocon House, Ground Floor, Tower-3, Semicon Park, Electronic City, Phase - II, Hosur Road, Bengaluru - 560100 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 U24119KA2016PLC093936.

B. Annual General Meeting

Day, Date and Time	Friday, July 26, 2024 at 4:30 PM
Venue	Biocon House, Ground Floor, Tower-3, Semicon Park, Electronic City, Phase - II, Hosur Road, Bengaluru - 560100, Karnataka, India
Financial Year	April 1, 2023 - March 31, 2024
Financial Results Calendar for 2024-25 (tentative)	
Q1 - FY 25	On or before August 14, 2024
Q2 - FY 25	On or before November 14, 2024
Q3 - FY 25	On or before February 14, 2025
Q4 - FY 25	On or before May 30, 2025
International Securities Identification Number ("ISIN")	Equity Shares : INE597V01013

C. Share transfer system

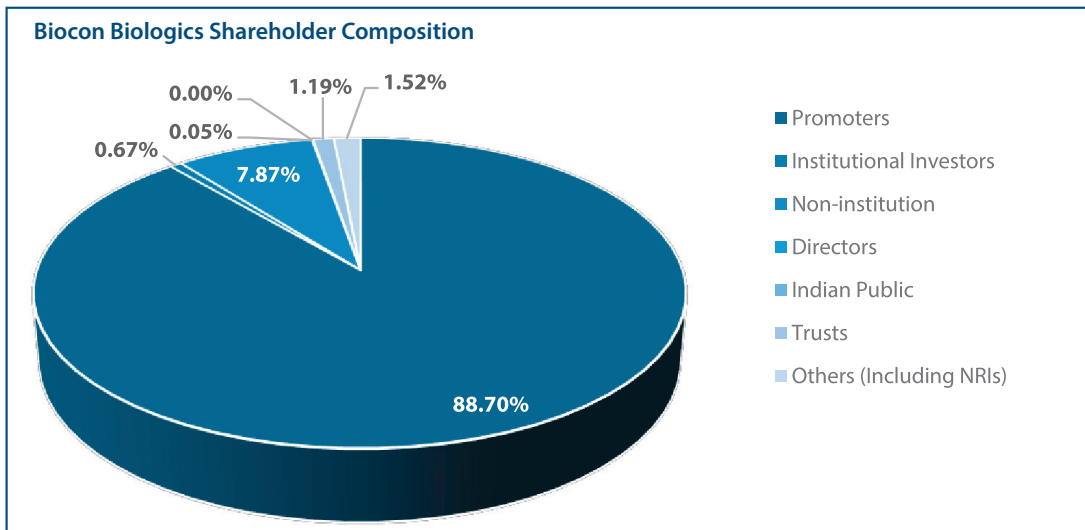
On receipt of proper documentation, the Company facilitates transfer of securities in the name of the transferee(s). Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

D. Dematerialization of shares and liquidity

As on March 31, 2024, all of the equity shares were in Dematerialized form. Transfer of equity shares of the Company is permitted only in dematerialized form.

E. Distribution of shareholding (category wise) as on March 31, 2024 is as under:

S. No	Category	No. of Shares	% to Equity
1	Promoters	1,17,23,99,798	88.70
2	Institutional Investors	88,30,456	0.67
3	Non-institution	10,31,95,638	7.87
4	Directors	7,00,000	0.05
5	Indian Public	54,644	0.00
6	Trusts	1,56,85,714	1.19
7	Others (Including NRIs)	2,00,24,306	1.52
	Total	1,32,17,24,958	100



F. Distribution of shareholding as on March 31, 2024:

S. No	Category (Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 - 5000	2	8.70%	51	0.00%
2	5001 - 10000	Nil	Nil	Nil	0.00%
3	10001 - 20000	Nil	Nil	Nil	0.00%
4	20001 - 30000	4	17.39%	104,644	0.01%
5	30001 - 40000	Nil	Nil	Nil	0.00%
6	40001 - 50000	4	17.39%	200,000	0.01%
7	50001 - 100000	1	4.35%	75,000	0.01%
8	100001 - 99999999	12	52.17%	1,321,345,263	99.97%
	Total	23	100.00	1,321,724,958	100.00

G. Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity.

As on March 31, 2024, details of outstanding convertible instruments are as below:

- During the year under review, the Company allotted Compulsorily Convertible Debentures to ESOF III Investment Fund, a scheme set up under Edelweiss Alternative Investment Trust and Edelweiss Alternative Asset Advisors Limited, for an aggregate consideration of ₹ 300,00,00,000 (Indian Rupees Three Hundred Crore), as set out below:

Sr. No.	Name and address of the Investor	Type of Securities	No. of Securities	Face Value per security (In ₹)	Premium per security (In ₹)	Issue Price per security (in ₹)	Total Subscription Amount Payable (in ₹)
1.	ESOF III Investment Fund	Series A CCD	47,90,678	10	270.74	280.74	1,34,49,35,000
		Series B CCD	2,52,141	10	270.74	280.74	7,07,86,040
		Series C CCD	47,90,678	10	270.74	280.74	1,34,49,35,000
		Series D CCD	2,52,141	10	270.74	280.74	7,07,86,040
2.	Edelweiss Alternative Asset Advisors Limited	Series A CCD	2,85,193	10	270.74	280.74	8,00,65,000
		Series B CCD	15,010	10	270.74	280.74	42,13,960
		Series C CCD	2,85,193	10	270.74	280.74	8,00,65,000
		Series D CCD	15,010	10	270.74	280.74	42,13,960

- ii. During the year under review, the Company allotted 1,78,10,073 (One Crore Seventy Eight Lakhs Ten Thousand and Seventy Three) Optionally Convertible Debentures, each having face value of ₹ 10, at an issue price of ₹ 280.74/- (Indian Rupees Two Hundred Eighty and Paise Seventy Four) including a premium of ₹ 270.74/- (Indian Rupees Two Hundred Seventy and Paise Seventy Four) for an aggregate consideration of ₹ 500,00,00,000 (Indian Rupees Five Hundred Crore) to Biocon Limited.
- iii. During the year under review, the Company has prepaid Non-Convertible Debentures ('NCD') on February 23, 2024. The said 2,000 NCD's were issued to HDFC Bank Limited amounting to ₹2,000 million at a face value ₹ 10,00,000 each for a tenure of 43 months at a fixed coupon rate of 6.8949% p.a. and the same were repayable at the end of the term in April 2024.
- iv. As on March 31, 2024, Mylan Inc. is holding 23,11,63,944 Compulsorily Convertible Preference Shares at a face value of ₹10 (Indian Rupees Ten) each.
- v. As on March 31, 2024, Goldman Sachs India AIF Scheme - 1, holds 78 Optionally Convertible Debentures ('OCDs') and Goldman Sachs India Alternative Investment Trust AIF Scheme - 2 holds 1,047 OCDs at a face value of ₹1,00,00,000 (Indian Rupees One Crore) each

H. Commodity price risk or foreign exchange risk and hedging activities

Part of Company's payables and receivables in foreign currencies is subject to currency risks, the Company has in place an approved Forex Management policy to minimise the risks associated with foreign currency rate fluctuations. The Company has in place mechanism of reviewing, monitoring and mitigation of commodity price and foreign exchange risks. The details of foreign currency exposure and hedging are disclosed in Notes to Standalone Financial Statements.

I. Plant locations

1	2	3
Biocon Biologics Limited	Biocon Biologics Limited	Biocon SDN BHD
Biocon Campus, 20th KM, Hosur Road, Electronic City, Bengaluru, Karnataka 560100	Biocon Park, Plot No 2 & 3, Biocon SEZ, Bommasandra Jigani Link Road, Phase 4, Bommasandra Industrial Area, Bommasandra, Bengaluru, Karnataka, 560099	No. 1, Jalan Bioteknologi 1, Kawasan Perindustrian SILC, 79200 Iskandar Puteri, Johor, Malaysia

J. Address for correspondence

Corporate Governance Ms. Deepika Srivastava Company Secretary Tel: 91 80 6775 6775 Email: Co.Secretarybiologics@biocon.com	Financial Disclosure & Information and Investor Relations Mr. Kedar Upadhye Chief Financial Officer Tel: 91 80 - 6775 6775 E-mail id: kedar.upadhye@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	Registrar and Share Transfer Agents ('RTA') KFin Technologies Limited (Unit: Biocon Biologics Limited) Plot 31-32, Karvy Selenium, Tower B, Gachibowli, Financial District, Nanakramgud, Hyderabad – 500 032 E-mail id: inward.ris@kfinotech.com

K. Credit Ratings

During the year under review, CRISIL vide its letter dated November 29, 2023, has reaffirmed its 'CRISIL AA+/ Stable' (pronounced as CRISIL double A plus rating with Stable outlook) on ₹700 crores Bank loan facilities.

L. Other Disclosures

I. Materially significant related party transactions

During the 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.

II. Vigil Mechanism

The vigil mechanism as envisaged in the Companies Act, 2013 and the rules prescribed thereunder is implemented through the Company's Whistle Blower Policy to adequately safeguard against victimisation of persons who use such mechanism. The Audit Committee oversees the functioning of the vigil mechanism and receives a summary of the Whistle-blowing incidents on a quarterly basis. 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 Directors, employees and all stakeholder associated with the Company to report any matter of concern.

III. Compliance with mandatory and discretionary requirements

The Company has complied with all mandatory requirements prescribed by the Act and the Company has also complied with below mentioned discretionary requirements, as under:

- **Modified opinion(s) in Audit Report:** During the 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 functionally to the Audit Committee

IV. Policy for determining Related Party transactions

The Company has formulated a Policy on materiality of Related Party Transactions and on dealings with such transactions.

V. Details of utilization of funds raised through preferential allotment

During the year under review, the Company had raised ₹ 300 crores from ESOF III Investment Fund, a scheme set up under Edelweiss Alternative Investment Trust and Edelweiss Alternative Asset Advisors Limited through issuance of Compulsorily Convertible Debentures ('CCDs'). Further, ESOF III Investment Fund and Edelweiss Alternative Asset Advisors Limited also invested ₹ 500 crores in Biocon Limited by way of subscription to the Non-Convertible Debentures which were, in turn, were invested by Biocon Limited into the Company by subscription to Optionally Convertible Debentures ('OCDs') amounting to ₹ 500 crores. The proceeds through issuance of such CCDs and OCDs, were utilized by the Company for refinancing part of the Viatrix Acquisition Debt.

VI. 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 in the Financial Statements of the Company.

VII. 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.

VIII. Disclosure by the Company 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 of the Company are interested.

IX. Details of material subsidiaries of the Company; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.

The Company being unlisted, details of material subsidiaries are not applicable.

X. 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.

XI. 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.bioconbiologics.com/docs/Code-of-Conduct.pdf>

XII. CEO and CFO certification

In view of the good Corporate Governance, the Chief Executive Officer and the Chief Financial Officer of the Company, have placed before the Board, the requisite Certificate for the year ended March 31, 2024 certifying the authenticity of the financial statements for the year ended March 31, 2024.

XIII. Secretarial Audit

The Secretarial Audit Report of the Company for the year ended March 31, 2024, issued by Mr. Pradeep B Kulkarni, Partner of M/s. V. Sreedharan & Associates, Practicing Company Secretaries, the Secretarial Auditor of the Company forms part of the Board's Report as **Annexure – 3**.

XIV. 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 Members or any other third party with regard to compensation or profit sharing in connection with dealings in securities of the Company..

Management Discussion and Analysis

Management Discussion and Analysis

Overview

Biocon Biologics Limited (BBL) is a unique, fully integrated global biosimilars player with a demonstrated track record of success across the value chain from R&D through to manufacturing and commercialization. We are a subsidiary of Biocon Limited, a publicly listed entity, and the biosimilars arm of its business. BBL is the largest contributor to parent company's revenues and continues to be the fastest-growing business segment within the organization.

The early 2000s marked our entry into biosimilars when we became the 1st company worldwide to develop and commercialize bHuman Insulin in 2004 using a proprietary *Pichia pastoris* platform. We subsequently forayed into developing monoclonal antibodies (mAbs) and therapeutic proteins targeting Cancer and Autoimmune diseases using mammalian cell culture-based expression systems. As an early entrant in the biosimilars business, we have invested more than USD 1 billion till date to build world-class R&D and global-scale manufacturing capabilities.

The fiscal year 2024 (FY24) was a transformative year for Biocon Biologics with us crossing the USD 1 billion revenue threshold. The business delivered a strong performance while simultaneously maintaining business continuity and integrating a highly complex, geographically diverse business across 120+ countries one year ahead of schedule.

The acquisition brought complementary capabilities including a direct presence and related infrastructure in several key markets including the U.S., Europe and key Emerging Markets.

With robust demand for our products and several new launches planned in the short to medium term, we expect to maintain and then accelerate our growth momentum as we leverage our end-to-end capabilities to unlock value for all stakeholders.

Biosimilars Market: Increased Adoption and Growth

Biosimilars are large, complex molecules produced from living organisms, tissues or cells. A biosimilar is highly similar to another already approved biological medicine (the 'reference product') in terms of structure, biological activity, efficacy, safety and immunogenicity profile.

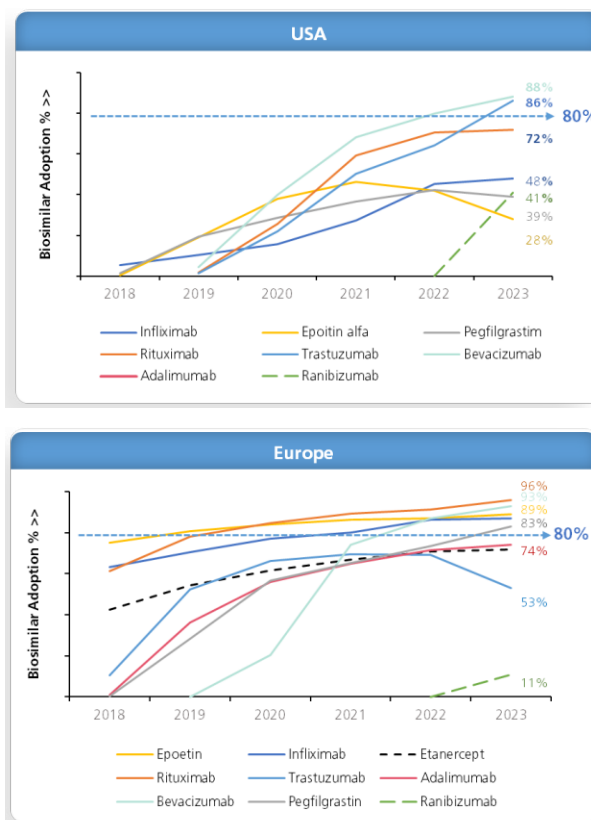
Biosimilars have no clinically meaningful difference versus their reference product and are developed and manufactured with the same scientific rigor and quality guidelines. However, biosimilars are more affordable alternatives to their reference product and can address the affordability and access challenge while ensuring the same treatment outcome.

Like generics, biosimilars offer cost-effective solutions for healthcare systems to broaden patient access to biologic treatments which are increasingly becoming the standard of care and can ease the strain on healthcare budgets. However, given their complexity, biosimilars can take approximately 5 – 8 years and cost between USD 100 million – USD 200 million to develop per product. In contrast, a simple small molecule generic can be developed in approximately 2 years and for as low as USD 1 million – USD 2 million per product.

Biosimilars are a relatively new but rapidly growing and high value segment of the global pharmaceutical industry. Given the increase in incidence of several non-communicable diseases e.g. Diabetes and Cancer, improved diagnosis, proven track record of safety and efficacy, and prescriber familiarity and confidence, biosimilar adoption in most major markets has increased to ~80% or more.

Presently, over 50 biosimilars have been approved in the U.S. spanning 16 molecules while about 90 biosimilars have been approved spanning over 20 molecules in Europe.

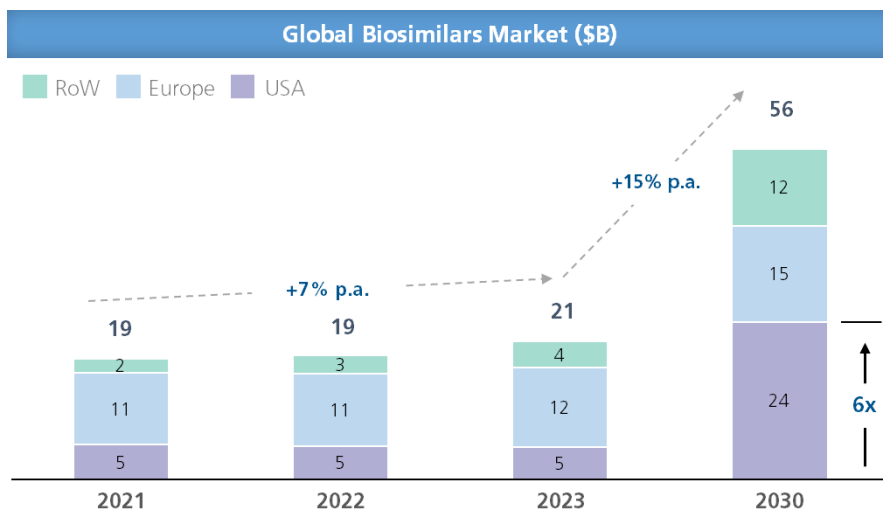
Exhibit 1: Biosimilar Adoption in USA and Europe



Source: Evaluatepharma, Berstein Reports, EMA, FDA and Biocon analysis. McKinsey analysis

As a result of this increase in adoption and an abundant pipeline of over 45 blockbuster biologics set to lose exclusivity (or patent expiry) between now and 2030, the global biosimilar market is expected to grow 2.5x to about USD 56 billion in 2030.

Exhibit 2: Global Biosimilars Market Size



Note: Revenue only from Biosimilars | Methodology – Originator sales based on LOE x 80% biosimilar adoption x 65% price erosion

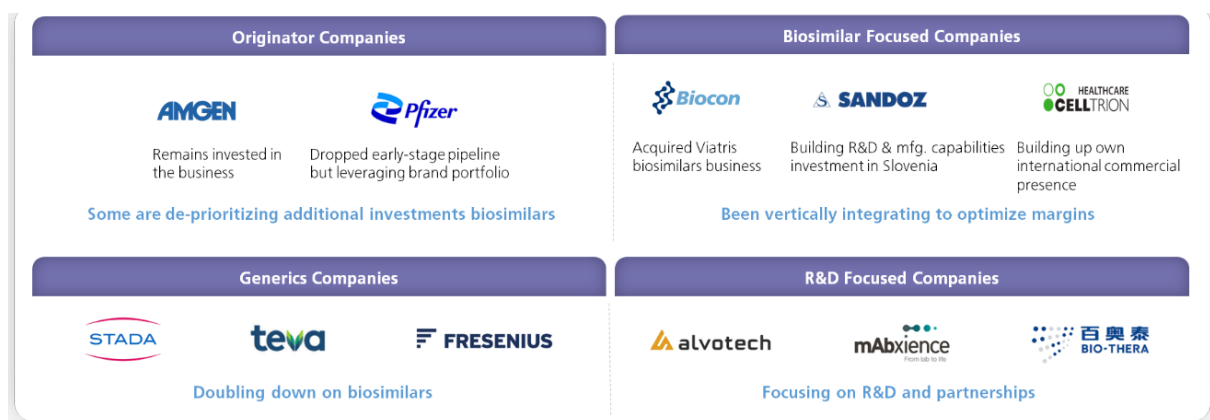
Source: Evaluatepharma, McKinsey analysis

Biosimilars Market: Competitive Landscape

The biosimilars landscape has been evolving rapidly and the players today can be classified into 4 broad cohorts – Originators, Generics, Biosimilars focused, and Development focused or niche companies.

Several big players like Biocon Biologics are vertically integrated to optimize margins, some originators are de-prioritizing biosimilars and we are seeing several large generics and niche players entering the space through partnerships in R&D or commercialization.

Exhibit 3: Competitive Landscape



Companies are pursuing varying strategies to ‘win’ in the context of increased competition, price erosion and an evolving regulatory landscape. However, Biocon Biologics’ operating model of end-to-end to capabilities, industry leading portfolio, laser focus, on biosimilars and early entry into the space presents it with a unique, competitive edge.

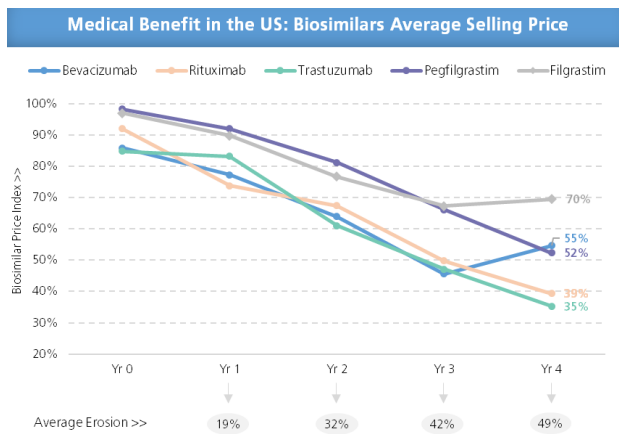
Biosimilars Market: Pricing Trends

There has been an increase in pricing pressure across geographies as competition intensifies. However, the rate and extent of price erosion varies considerably based on market archetype and product.

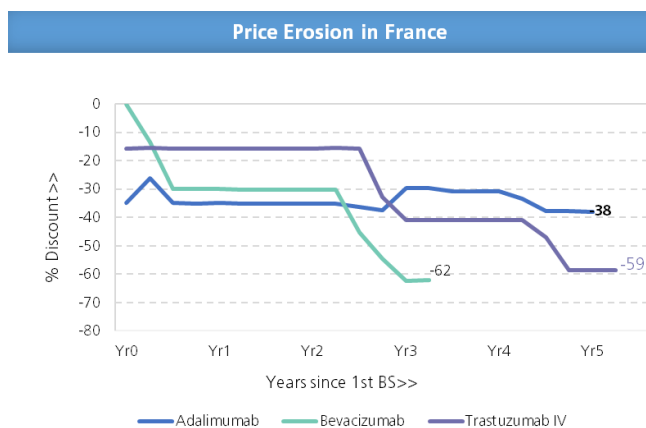
For example, in the Medical Benefit segment in the U.S., we see a lower initial discount of ~5-10% at launch but a steady increase to ~50% erosion in the first 2-3 years. Even several years after launch, price erosion continues to be significant. With an increasing number of players in high-value molecules, this trend is likely to persist.

In France, which is largely a retail market, we are seeing a discount of approximately ~60% over a period of 3-5 years but from a significantly lower base than the U.S. When it comes to Emerging Markets, we are seeing an increase in discounting to similar levels especially in Tender Markets which largely operate as ‘winner takes all.’

Exhibit 4: Price Erosion Trends – Illustrative Examples



Source: CMS, IQVIA, McKinsey Analysis; BBL Analysis



Biosimilars Market: Regulatory and Policy Trends

Given the growing disease burden and significant savings potential that biosimilars offer governments and health systems across the globe, we are seeing favourable movements in both the regulatory and policy landscape across markets that are gradually reducing the barriers to entry and making it a more attractive.

From 2023 to 2027, global cumulative savings from biosimilars could be as high as USD 383 billion, according to IQVIA's recent Global Use of Medicines report. In 2026 and 2027, annual savings from biosimilars could be more than USD 100 billion.

Regulations governing the approval and marketing of biosimilars vary across regions. The European Union (EU) was a pioneer in the space with EMA being the first major regulatory agency to establish a framework in 2003 that outlined an abbreviated pathway to develop and approve biosimilars with the US FDA following suit in 2010.

However, over the past years we have seen regulators globally adopt measures to further simplify the approval pathways and reduce both the cost and time for development e.g. the FDA Modernization Act 2.0.

The MHRA in the UK has removed the need for Phase III trials, the US FDA has removed the need for Phase III trials for approving Interchangeable Insulins and approved Interchangeable biosimilars (i.e. non-insulins products e.g. bAflibercept) without switching data. There regulators are also receptive to further reducing trial sizes and focusing more on non-clinical data to biosimilarity.

On the policy front, we are seeing governments enacting measures to manage prices such as the Inflation Reduction Act in the U.S. and incentivize local manufacturing e.g. Saudi Arabia but the full impact of these legislations are yet to be seen.

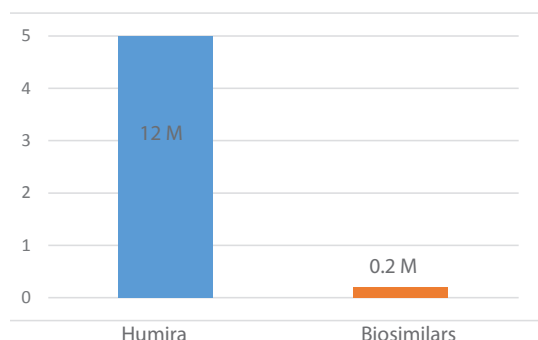
Biosimilars Market: Learnings from bAdalimumab in the U.S.

The launch of biosimilar bAdalimumab in the U.S. in 2023 was one of the most awaited events in the biosimilars space given it represented a more than USD 18 billion opportunity in originator sales and there were ~9 biosimilars players. On the pricing front, we saw players offering up to 85% discounts on the originator's Wholesale Acquisition Cost (WAC).

However, the market dynamics played out very differently than what stakeholders including the originator had predicted. The originator (brand name Humira) was able to retain a preferred or exclusive status on payor formularies and offer high rebates, thereby providing no incentive to prescribers or the pharmacy to switch to biosimilars which translated into the originator retaining over 98% of the market by volume.

Looking ahead, we expect the market to meaningfully open to biosimilars in H2 2024 and 2025 as the originator is excluded from formularies.

Exhibit 5: US Adalimumab Market Size by Volume (40mg Equiv Standard Units), Full Year 2023



Source: IQVIA; BBL Analysis

Biocon Biologics: Commercial Performance

Advanced Markets - North America

Our business in the U.S. continues to see strong demand across our commercial products and we have seen a significant increase in market shares during and after the integration in September'23.

On the Oncology front, Fulphila, our bPegfigrastim, increased its market share by 7% to 21% in March'24 while Ogivri, our bTrastuzumab, increased its share by 8% to ~18% in March'24. On the Diabetes from, Semglee and our Unbranded Glargine Product increased its share by 3% to 15% in March'24. However, if you add in closed door networks not captured in IQVIA, our shared would be ~3% higher.

This growth is a testament to the strong foundation we have built in the U.S. and was driven by several key formulary wins, increased pull through at the physician level and a robust pricing strategy.

Exhibit 6: IQVIA Volume Market Shares for Commercial Products in the U.S.

Product	Mar-24	Mar-23
Fulphila (bPegfilgrastim)	21%	14%
Ogivri (bTrastuzumab)	18%	10%
Semglee (bGlargine)	15%	12%

Source: IQVIA; BBL Analysis

In Canada, Ogivri, our bTrastuzumab increased its share to 28% in March'24, Hulio, our bAdalimumab, increased its share to 8% in March'24 and we onboarded a large customer for our Insulins portfolio. .

Advanced Markets - Europe

On the European front, we have put in place a bespoke country-specific operating model and strategy taking into account the nature of the market (e.g. Tender vs. Retail), size of the opportunity and other parameters to ensure success.

As a result, we have seen our market shares remain stable or increase depending on the product with Germany and France as the key value and growth drivers. This is of particular significance since we only completed the integration of the acquired business in December 2023 and have been managing the business directly only for one quarter.

Our bAdalimumab franchise remains very strong with a market share of 6% pan Europe and shares of 20% in Belgium, 18% in Germany and 11% in France. We have seen a significant increase in market share for Abemvy, our bBevacizumab from 1% to 6% on the back of several tender wins, growth in the retail segment and new launches in large markets such as France, Belgium and Greece.

We are also seeing successes in capturing new market opportunities and expanding reach in the top 5 European countries.

Exhibit 7: IQVIA Volume Market Shares for Commercial Products in Europe

Product	Q4 CY'23	Q4 CY'22
Fulphila (bPegfilgrastim)	8%	6%
Ogivri (bTrastuzumab)	10%	12%
Abemvy (bBevacizumab)	6%	1%
Semglee (bGlargine)	4%	3%
Hulio (bAdalimumab)	6%	6%
Nepexto (bEtanercept)	2%	1%

Source: IQVIA; BBL Analysis

Advanced Markets – Japan, Australia and New Zealand

In the JANZ markets, we successfully transitioned the business and have integrated partners across the region, laying the groundwork for future market opportunities and continued growth.

Emerging Markets

On the Emerging Markets front, we have set up direct commercial infrastructure in several large Emerging Markets such as Brazil and Philippines, allowing us to get closer to patients and customers while maximizing value potential from our existing and pipeline products.

During the year we expanded our geographic footprint significantly and had 18 new launches and 31 new approvals across LATAM, AFMET and APAC regions including bBevacizumab in Brazil.

Our Insulins franchise remains strong and we have captured dominant market shares in several key countries e.g. Mexico and Malaysia. We have also seen a consistent increase in market shares for our mAbs portfolio on the back of several key tender and customer wins across geographies.

Exhibit 8: Market Shares by Volume for Commercialized Products in Key Markets, FY24

Emerging Markets			
Region	Country	Product	Market Share
LATAM	Brazil	Trastuzumab	43%
	Mexico	Rh-Insulin	95%
		Insulin Glargine	95%
APAC	Malaysia	Insulin Glargine	80%
		Rh-Insulin	38%
		Trastuzumab	34%
	Philippines	Trastuzumab	61%
	Indonesia	Trastuzumab	57%
	AFMET	South Africa	Bevacizumab
Trastuzumab			88%
Pegfilgrastim			75%
Morocco		Trastuzumab	60%
Saudi Arabia		Bevacizumab	50%
		Pegfilgrastim	50%
Egypt		Trastuzumab	50%

Source: IQVIA + Partner & Distributor Sales Reports

Partnership with Eris Lifesciences – India

In November 2023, we divested our non-core Nephrology and Dermatology branded formulations business units in India to Eris. Building on this relationship, we also entered into a long-term commercial collaboration with Eris to expand patient access to our portfolio of Metabolics, Oncology, and Critical Care products in India for a total transaction value ₹ 1,242 Crores, effective April 1, 2024, which represented an accretive multiple of 3.4x of revenues and 18x of EBITDA. As part of the collaboration, a 10-year supply agreement was signed with Eris.

These collaborations are in-line with Biocon Biologics’ strategy to unlock value from its legacy business of branded formulations built over the past

two decades and deliver high-quality, lifesaving biosimilars to millions of patients in India.

Biocon Biologics: Portfolio and Regulatory Milestones

During the year we achieved several key regulatory milestones while our pipeline continued to progress well which will be a key driver of future growth.

bUstekinumab

The US FDA has accepted our Biologics License Application (BLA) for bUstekinumab for review under the 351(k) pathway and we have signed a settlement and license agreement with Janssen Biotech Inc., and Johnson & Johnson that clears the way to commercialize the product in the US no later than February 22, 2025, subject to US FDA approval. This positions us to be amongst the first wave of entrants in the U.S.

The product has also been filed in several other key geographies. Once approved, this will expand our Immunology offering complementing our bAdalimumab and bEtanercept products.

bAflibercept

We received approvals from several key regulators including the US FDA, MHRA UK, European Medicines Agency (EMA), and provisional approval from Health Canada. It is important to note that our product was the first Interchangeable product to be approved in the U.S. and hence qualifies for exclusivity.







We are currently in litigation with the originator in the U.S. but have signed a settlement agreement with Bayer Inc. and Regeneron Pharmaceuticals, Inc. that paves the way for the introduction of Yesafili®, our bAflibercept, into the Canadian market in July’25. Once launched, bAflibercept will mark our entry into the ophthalmology segment thereby expanding our patient each.

bDenosumab: We are on-track to submit regulatory filings before the end of 2024.

bPertuzumab: Global Phase III clinical trial for bPertuzumab has been initiated.

Other Products: All pipeline products have progressed as planned.

Exhibit 8: Summary of Biocon Biologics' Product Portfolio

	Commercial / Approved	Late Stage	Early Stage
 Oncology	<ul style="list-style-type: none"> ✓ Pegfilgrastim ✓ Trastuzumab ✓ Bevacizumab 	<ul style="list-style-type: none"> ✓ Denosumab ✓ Pertuzumab 	<ul style="list-style-type: none"> ✓ 2 undisclosed
 Immunology	<ul style="list-style-type: none"> ✓ Adalimumab ✓ Etanercept 	<ul style="list-style-type: none"> ✓ Ustekinumab 	<ul style="list-style-type: none"> ✓ 3 undisclosed
 Diabetes	<ul style="list-style-type: none"> ✓ Glargine U100 ✓ rh-Insulin ✓ Aspart 		<ul style="list-style-type: none"> ✓ Glargine U300 ✓ 1 undisclosed
 Bone Health		<ul style="list-style-type: none"> ✓ Denosumab 	
 Ophthalmology	<ul style="list-style-type: none"> ✓ Aflibercept 		
 Others			<ul style="list-style-type: none"> ✓ 1 undisclosed

Facility and Audit Updates

Our mAbs Drug Substance (B3) manufacturing facility in Banguluru, has been approved by EMA and other regulatory agencies for global supplies of bTrastuzumab and bBecacizumab. This is the largest facility in India for manufacturing mAbs and will allow us to meet the significant increase in demand we are seeing for our robust portfolio of mAbs.

We have made considerable progress on the Phase II expansion of our Malaysia facility for Insulin and Insulin Analogs which will double our capacity for both Drug Substance and Drug Product and will become one of the largest facilities of its kind in the world. The expanded facility will play a key role in servicing the increase demand we are seeing for our Insulins portfolio globally, especially in-light of several players prioritizing GLP-1RA's.

We continue to build out a distributed, global supply chain and an external manufacturing network to both expand our capacity multi-fold as well as de-risk dependencies on specific sites of geography.

During the year the US FDA issued a Complete Response Letter (CRL) for our bBecacizumab filing citing the need to complete a pre-approval inspection of our India facility. The CRL did not identify any outstanding scientific issues.

We also received a CRL for our bAspart filing from our Malaysia site. The CRL did not identify any outstanding scientific issues but cites the need for the completion of a pre-approval inspection. We have completed the implementation of all Corrective and Preventive Actions (CAPA) as per the committed timelines and have provided the US FDA with a comprehensive update.

As a next step, we are awaiting the Agency to visit and inspect both sites which would pave the way for approval of our bAspart from Malaysia and our bBecacizumab from India. It is important to note that the same facilities are already cGMP certified by leading global regulators including EMA and Health Canada.

The EMA has renewed the Certificates of GMP Compliance of our fully integrated manufacturing facilities in Bengaluru and Malaysia.

Till date, our facilities have received 80+ cGMP approvals from over 25 agencies, including the US FDA and EMA.

These approvals reflect Biocon Biologics' compliance with the highest international regulatory standards and unlocks significant additional capacity to cater to the needs of patients well as our pipeline products.

ESG

ESG is core to our business operations and Biocon Biologics has a robust governance in place to develop and refine its ESG Strategy and oversee various initiatives. This is comprised of a dedicated ESG and CSR Board Committee, an internal ESG Steering Committee of senior leaders including the CEO, CFO and CHRO as well as a Working Group with representatives from across all business functions and geographies.

During the year we made significant progress on several key sustainability parameters including a reduction in carbon emissions, waste generation and fresh-water consumption which have translated to some rebates on our sustainability-linked-loan.

The core of our business is to provide access to life-saving medicine for patients, and we remain steadfast in our commitment to increase product approvals and launches in LIC/LMIC countries. This year, we also made significant strides in our human capital by enhancing employee engagement, improving gender diversity, and establishing a dedicated culture and values department.

Our continuous journey toward a more sustainable business is demonstrated by the significant increase in our scores from leading global sustainability indexes. For instance, our group company's ESG score improved from 52 to 63 in the Dow Jones Sustainability Index, leading to our induction into S&P DJSI's prestigious annual "Sustainability Yearbook 2024." Biocon Biologics is also a signatory to the United Nations Global Compact. Additionally, we were honored with the Best Sustainability-Linked Loan – Pharmaceuticals at The Asset Triple A Sustainable Finance Awards 2024.

In FY24, we also kicked-off an ESG 'Strategic Plan' exercise to expand the metrics we use to track ESG performance, design new programs such as a Net Zero Roadmap (which is a work-in-progress) and make our approach to ESG more global and in-line with the evolved nature of the business.

Looking ahead, the focus will be on fleshing out this 'Strategic Plan' in more detail with clear milestones and KPIs to track progress and impact.

Financial Growth

Biocon Biologics crossed the USD 1 billion Revenue mark with revenues from operations at ₹ 8,824 Crores, representing a strong 58% year-on-year growth driven by the acquisition and robust growth in the core business.

The business delivered ₹ 2,190 Crores in EBITDA representing a healthy margin of 25%. We also continued to invest in our pipeline to drive future growth with R&D at 10% of Revenue. We ended the year on a strong note and remain focused on delivering profitable, sustainable growth.

Reducing our acquisition debt remains a key priority and we are evaluating a range of options. In FY24 we were able to pare down USD 250 million in debt.

Biosimilars - FY25 Outlook:

In summary, this has been a transformative year for Biocon Biologics as we emerge as a unique, fully integrated, leading global biosimilars player and crossing the USD 1 billion revenue threshold. The business delivered a strong performance while simultaneously maintaining business continuity and integrating a highly complex, geographically diverse business across 120+ countries 1 year ahead of schedule which is one of the fastest in the industry.

Looking ahead, we remain focused on leveraging our vertically integrated model to accelerate growth for existing products while simultaneously expanding our geographical footprint and preparing for new product launches. These new product launches will be key catalysts in the short to medium term to drive sustainable and profitable growth.

Financial Performance - An Overview

Consolidated Balance Sheet

The following table highlights the Consolidated Balance Sheet as on March 31, 2023 (FY23) and March 31, 2022 (FY22)

All figures in ₹ million

Particulars	FY 24	FY 23	Change
Assets			
Non-current assets			
Tangible, Intangible and Right-of-use assets	158,905	157,108	1%
Goodwill	163,460	161,098	1%
Financial assets	1,133	9,207	-88%
Income-tax assets (net)	574	818	-30%
Deferred tax assets (net)	2,568	1,807	42%
Other non-current assets	3,529	2,351	50%
	330,169	332,389	-1%
Current assets			
Inventories	37,092	31,607	17%
Financial assets	59,992	33,974	77%
Other current assets	3,839	3,678	4%
	100,923	69,259	46%
Total	431,092	401,648	7%
Equity and Liabilities			
Equity share capital	13,217	13,217	-
Other equity	170,192	162,859	5%
	183,409	176,076	4%
Non-current liabilities			
Financial liabilities	122,163	166,119	-26%
Deferred tax liability (net)	3,950	3,713	6%
Provisions and other non-current liabilities	2,015	2,153	-6%
	128,128	171,985	-26%
Current liabilities			
Financial liabilities	116,652	48,585	1.4x
Income -tax liability (net)	986	853	-16%
Provisions and other current liabilities	1,917	4,149	-54%
	119,555	53,587	1.2x
Total	431,092	401,648	7%

Non-current assets

No significant movement in the non-current assets. Impact of additions was offset by depreciation and amortization. Management conducted the impairment assessment for the carrying values of intangibles and goodwill and concluded that there were no impairment as at March 31, 2024.

Current assets

Increase in the inventory balances in line with increase in the volume of business across regions. Financial assets has increased on account of increase in trade receivables. Increased trade receivables represents highest quarterly revenue for the Group in FY24 as compared to FY23.

Other equity

Other equity mainly comprises of securities premium, reserves and surplus, equity component of preference shares, equity component of compulsorily convertible debentures and other reserves. Profits for the year contributed for the increase in the Other equity balance. In addition during the year, the company issued compulsory convertible debentures (refer note 13(j) of the consolidated financial statements of Biocon Biologics Limited) resulting in increased Other equity.

Non-current liabilities

Non-current liabilities decreased in FY24, primarily due to repayment of term loans out of cash generated from operating activities and funds raised during the year.

Current liabilities

Commensurate to increase in the inventory and the business, there was an increase in the trade payables. Further there is an increase in the current portion of financial liabilities as the deferred consideration payable to Viatrix is due for payment within 12 months from end of financial year (in FY23, classified as non-current liabilities)

Debt equity

Total debt as at March 31, 2024 stood at ₹ 136,866 million (March 31, 2023: ₹ 142,769 million) (refer note 32 of the consolidated financial statements of Biocon Biologics Limited) and the debt equity ratio stood at 0.74 (March 31, 2023: 0.80). Improvement in debt equity ratio on account of repayment of term loan.

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, 2024 (FY24) and March 31, 2023 (FY23)

All figures in ₹ million

Particulars	FY 23	FY 22	Change
Revenue from operations ("Revenue")	88,242	55,838	58%
Other income	1,764	120	13x
Total income	90,006	55,958	61%
Expenses			
Cost of material consumed	27,321	16,028	70%
Employee benefit expense	12,702	8,488	50%
Finance costs	8,637	2,969	1.9x
Depreciation and amortisation expense	10,302	6,382	61%
R&D expenses, net of recovery from co-development partners	9,110	8,890	2%
Other expenses	18,977	9,171	107%
Total expenses	87,049	51,928	68%
Profit before tax and exceptional item	2,957	4,030	-27%
Exceptional item	166	(2,844)	-106%
Profit before tax	3,123	1,186	1.6x
Tax expense	941	(149)	-7x
Profit attributable to Members of the Company	2,182	1,335	63%
Other comprehensive income attributable to Members	2,610	1,537	70%
Total comprehensive income attributable to Members	4,792	2,872	67%

Revenue

During the year, revenue grew by 58% on a consolidated basis from ₹ 55,838 million to ₹ 88,242 million. FY24 represents full year of consolidation of the acquired business from Viatrix as compared to only 4 months of consolidation in FY23. The Group has witnessed market share growth with all the products over last four quarters in FY24

Cost of materials consumed

Material costs for the year comprised of raw materials, packing materials, traded goods and change in inventories. Cost of material consumed, as a percentage of revenue from operations at ~31% and ~ 29% for financial years FY24 and FY23 respectively.

Employee benefit expenses

Our employee benefit expenses comprise the following items:

- Salaries, wages, allowances and bonuses
- Contributions to Provident Fund
- Contributions to gratuity provisions

- Amortisation of employees' stock compensation expenses, and welfare expenses (including employee insurance schemes)

These expenses increased 50% in FY24, representing increased headcount across geography post TSA cut over from Viatrix.

Research and development expenses, net of recovery

The net R&D expenditure for FY24 is ₹ 9,110 million representing 10% of Revenue (₹ 8,890 million in FY23). We continue to invest significantly in our pipeline to drive future growth.

Depreciation and amortization

Intangibles acquired as part of acquisition was amortized for full year in FY24 as compared to four months in FY23 (post acquisition), resulting in increase of 61% in FY24 over FY23.

Finance costs

The finance cost increased by 191% to ₹ 8,637 million from ₹ 2,969 million in FY23, primarily due to long-term debt raised to fund acquisition of Viatrix biosimilar business in November 2022. Four months costs in FY23 compared to full year cost in FY24.

Other expenses

Other expenses primarily consists of TSA cross charge, legal and professional charge, repairs and maintenance, increase is primarily due to full year TSA cross charge in FY24 as against 4 months in FY23 and increase in legal and professional charges towards integration related spends.

Exceptional items (net)

The Exceptional items during FY 24 comprised the following:

1. The Group has received ₹ 18,269 (USD 220 million) towards working capital under the terms of the definitive agreement [refer note 35(d)] [out of total contingent consideration receivable of ₹ 20,835 (USD 250 million)]. The Group had recorded these receivables at fair value of ₹ 10,219 at the time of settlement having regard to the timing and probability of recovery. The resulting difference of ₹ 8,050 is recorded as a gain in the consolidated statement of profit and loss. Consequential tax impact of ₹ 407 is included within tax expense for year ended March 31, 2024.
2. The Group obtained services of professional experts (like advisory, legal counsel, valuation experts etc.) for the acquisition completed during the year, as mentioned in note 35. The Group has recorded ₹ 1,582 (March 31, 2023: ₹ 2,374) as an expense in the consolidated statement of profit and loss. Consequential tax impact of ₹ 80 (March 31, 2023: ₹ 231) is included within tax expense.
3. The Group has recorded Provision for inventory for a product due to its low demand and consequentially lower probability of liquation amounting ₹ 2,366 in the consolidated statement of profit and loss. Consequential tax impact of ₹ 296 is included within tax expense for year ended March 31, 2024.
4. The Group on pursuant to the uncertainty of ability to commercialize a product for development and commercialization in certain territories, recorded an impairment of the carrying value of the intangible asset under development amounting ₹ 3,854 that has been disclosed in the consolidated statement of profit and loss for year ended March 31, 2024.

Ministry of Chemicals and fertilizers, Department of Pharmaceuticals issued an Corrigendum on October 20, 2023 vide File No. 31026/99/2020 clarifying the operational guidelines for the Production Linked Incentive (PLI) Scheme with total capping of 33% in any of the four years. Accordingly, the Group during the year ended March 31, 2024, has reversed ₹ 82 as exceptional items. Consequential tax impact of ₹ 11 is included within tax expense for the year.

Other comprehensive income

Other comprehensive income includes re-measurement gains/losses on defined benefit plans, gains/losses on hedging instruments designated as cash flow hedges and exchange differences on translation of foreign operations (FCTR). The increase is primarily due to gain on hedging instruments designated as cash flow hedges ₹ 896 million in FY24 as against ₹ 45 million in FY23.

Key financial ratios

Ratio	FY 2023-24	FY 2022-23
Revenue Growth	58%	61%
Core EBITDA margin	30%	41%
R&D as % of sales	10%	16%
EBITDA margin	25%	24%
Effective tax Rate ¹	32%	-4%
Debtors' turnover ratio	2.47	3.47
Current ratio	0.84	1.34
Debt equity ratio ²	0.74	0.80

¹ excludes tax impact on exceptional items

² Equity includes NCRPS issued to Biocon Limited

Standalone Financial Statements

Independent Auditor's Report

To the Members of Biocon Biologics Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Biocon Biologics Limited (the "Company") and its employee welfare trust which comprise the standalone balance sheet as at 31 March 2024, 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 material accounting policies and other explanatory information (herein referred to as ("the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the Company/Board of Trustees of the employee welfare trust ("Trust") are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of 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 respective 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 respective Board of Directors/Board of Trustees are responsible for overseeing the financial reporting process of the 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 of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

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

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - 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. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - f. On the basis of the written representations received from the directors as on 01 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - g. 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 Auditors) 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 2024 on its financial position in its standalone financial statements - Refer Note 33 to the standalone financial statements.
 - b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 31 to the standalone financial statements.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d.
 - (i) The management of the Company represented to us that, to the best of its knowledge and belief, other than as disclosed in the Note 13 and 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 person(s) or entity(ies), 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 by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management of the Company represented to us that, to the best of its knowledge and belief, other than as disclosed in the Note 13 and Note 43 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), 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 by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
 - e. The Company has neither declared nor paid any dividend during the year.
 - f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software:
 - i. For data changes performed by users having privileged access (debug)
 - ii. At the application level for certain fields / tables relating to all the significant financial processes

- iii. At the database level to log any direct data changes

Further, where audit trail (edit log) facility was enabled, we did not come across any instance of audit trail feature being tampered with.

- 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 by the Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

for **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Sanjay Sharma

Partner

Membership No.: 063980

ICAI UDIN:24063980BKFGHJ5179

Place: Bengaluru

Date: 15 May 2024

Annexure A to the Independent Auditors' Report

on the Standalone Financial Statements of Biocon Biologics Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (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 material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (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.
- (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 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
- (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 been sanctioned working capital limits in excess of five crore rupees in aggregate from banks and financial institutions. However, these loans are not secured with the 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 granted any loans and advances in the nature of

loans to companies, firms, Limited Liability Partnerships or any other parties during the year. The Company has made investments, provided guarantee or security in companies in respect of which the requisite information is as below. The Company has not made any investments, provided guarantee or security in firms, limited liability partnership or any other parties.

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

Particulars	Guarantees (INR Million)	Security (INR Million)	Loans (INR Million)	Advances in nature of loans (INR Million)
Aggregate amount during the year Subsidiaries*	-	-	-	-
Balance outstanding as at balance sheet date Subsidiaries*	128,760 million	100,008 million	-	-

*As per the Companies Act, 2013

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of Investment made, guarantee or security provided are, prima facie, not prejudicial to the interest of the company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loan or advance in the nature of loan to any party during the year. Accordingly, clause 3(iii)(c) to (iii)(f) of the order is not applicable.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security to any other company other than to its wholly owned subsidiary and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (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 or services provided by it and are of the opinion that prima facie, the serviced 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 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 Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited 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 Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 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, statutory dues relating to Goods and Service Tax, 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 dispute are as follows:

Name of the statute	Nature of the dues	Amount (INR Million)*	Amount paid under protest (INR in Million)*	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1045	166	FY 2009-10, FY 2015-16 FY 2017-18 and FY 2021-22	Commissioner (Appeals)
Value Added Tax Act, 2005	Value Added Tax	2	1	FY 2005-06	Commissioner (Appeal)
Entry Tax (The West Bengal Tax on Entry of Goods into Local Area Act 2012)	Entry Tax	20	20	FY 2012-13 to FY 2016-17	High Court of West Bengal
Value Added Tax Act, 2005	Value Added Tax	81	8	FY 2008-09 to FY 2015-16	Joint Commissioner (Appeal)
Value Added Tax Act, 2005	Value Added Tax	2	-	FY 2017-18	Additional Commissioner (Appeal)
Central Sales Tax Act 1956	CST	38	1	FY 2008-09 to 2013-14	Joint Commissioner (Appeal)
Central Sales Tax Act 1956	CST	2	-	FY 2017-18	Additional Commissioner (Appeal)

* All the figures have been rounded off to millions.

- (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) During the year, the Company raised certain debentures amounting to INR 8,000 million for the purpose of repaying the existing loan facility that was taken by one of its step-down wholly owned subsidiaries. Out of the proceeds of the debentures, the Company transferred INR 7,501 million to its wholly owned subsidiary by way of investments in the form of Optionally convertible redeemable preference shares. The Company also made certain on account payments to its wholly owned subsidiary for inter-company transactions, which along with the aforesaid investments, was transferred by its wholly owned subsidiary to the step-down subsidiary to repay the loan facility.

- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that the company has used funds raised on short term basis aggregating to INR 2,919 million for long-term purposes.

- (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 taken funds from following entities and persons on account of or to meet the obligations of its subsidiaries (as defined under the Act) as per details below:

Nature of fund taken	Name of Lender	Amount Involved (INR millions)	Name of the Subsidiary	Relationship	Nature of transaction for which fund utilised	Remarks
Optionally Convertible Debentures	Biocon Limited	5,000	Biosimilar Newco Limited	Wholly owned Subsidiary	Repayment of borrowing.	
Compulsory Convertible Debentures	Edelweiss Alternative Asset Advisors Limited	169	Biosimilar Newco Limited	Wholly owned Subsidiary	Repayment of borrowing.	
Compulsory Convertible Debentures	ESOF III Investment Fund	2,831	Biosimilar Newco Limited	Wholly owned Subsidiary	Repayment of borrowing.	

- (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 subsidiaries (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.
- (b) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of preferential allotment of optionally convertible debenture and compulsory convertible debentures made during the year, the Company has duly complied with the requirements of Section 42 and Section 62 of the Act. Also refer (ix)(c).
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, 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.
- (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 financial year; however an amount of INR 1,963 million cash loss was incurred in previous 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 the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. 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 No.:101248W/W-100022

Sanjay Sharma
Partner
Membership No.: 063980
ICAI UDIN:24063980BKFGHJ5179

Place: Bengaluru
Date: 15 May 2024

Annexure B to the Independent Auditors' Report

on the standalone financial statements of Biocon Biologics Limited for the year ended 31 March 2024

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 Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Biocon Biologics Limited ("the Company") as of 31 March 2024 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 financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities 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 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 the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to 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 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 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 Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Sanjay Sharma

Partner

Membership No.: 063980

ICAI UDIN:24063980BKFGHJ5179

Place: Bengaluru

Date: 15 May 2024

Standalone Balance Sheet

as at March 31, 2024

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

	Note	March 31, 2024	March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	18,344	18,797
Capital work-in-progress	3(a)	12,228	10,571
Other intangible assets	4	1,144	160
Right-of-use assets	3(b)	1,325	1,445
Financial assets			
(i) Investments	5(a)	173,538	166,057
(ii) Derivative assets		86	63
(iii) Other financial assets	6(a)	75	84
Income-tax assets (net)		573	818
Deferred tax assets (net)	7	1,872	1,807
Other non-current assets	8(a)	1,992	1,561
Total non-current assets		211,177	201,363
Current assets			
Inventories	9	14,277	15,509
Financial assets			
(i) Investments	5(b)	-	463
(ii) Trade receivables	10	16,322	5,827
(iii) Cash and cash equivalents	11	864	1,202
(iv) Bank balance other than (iii) above	11	531	500
(v) Derivative assets		222	148
(vi) Other financial assets	6(b)	191	773
Other current assets	8(b)	1,760	1,714
Total current assets		34,167	26,136
TOTAL		245,344	227,499
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12(a)	13,217	13,217
Other equity	12(b)	161,043	154,639
Total equity		174,260	167,856
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13	29,282	27,748
(ii) Lease liabilities	27	1,142	1,316
(iii) Derivative liabilities		1,163	21
(iv) Other financial liabilities	18(a)	7,426	6,583
Provisions			
Other non-current liabilities	14(a)	385	340
Other non-current liabilities	15(a)	1,071	1,330
Total non-current liabilities		40,469	37,338
Current liabilities			
Financial liabilities			
(i) Borrowings	16	20,857	10,842
(ii) Lease liabilities	27	539	473
(iii) Trade payables	17		
Total outstanding dues of micro and small enterprises		297	1,013
Total outstanding dues of creditors other than micro and small enterprises		5,453	6,971
(iv) Derivative liabilities		2	131
(v) Other financial liabilities	18(b)	2,492	2,089
Provisions	14(b)	536	479
Other current liabilities	15(b)	439	307
Income tax liabilities (net)		-	-
Total current liabilities		30,615	22,305
TOTAL		245,344	227,499

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

Sanjay Sharma

Partner

Membership No.: 063980

Place : Bengaluru

Date: May 15, 2024

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

Kiran Mazumdar-Shaw

Executive Chairperson

DIN: 00347229

Kedar Upadhye

Chief Financial Officer

Place : Bengaluru

Date: May 14, 2024

Shreehas P Tambe

Managing Director

DIN: 09796480

Deepika Srivastava

Company Secretary

Standalone Statement of Profit & Loss

for the year ended March 31, 2024

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

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
INCOME			
Revenue from operations	19		
Sale of products		21,171	15,505
Sale of services		5,678	2,537
Other operating revenue		4,084	2,882
Other income	20	6,814	969
Total income		37,747	21,893
EXPENSES			
Cost of raw materials and packing materials consumed	21	9,394	10,240
Purchases of traded goods		944	829
Changes in inventories of traded goods, finished goods and work-in-progress	22	253	(3,224)
Employee benefits expense	23	7,426	6,311
Finance costs	24	2,585	1,243
Depreciation and amortisation expense	25	2,722	2,281
Other expenses	26	10,025	9,661
		33,349	27,341
Less: Recovery of cost from co-development partners (net)		(10)	(235)
Total expenses		33,339	27,106
Profit/(loss) before exceptional item and tax		4,408	(5,213)
Exceptional items	38	(82)	(38)
Profit/(loss) before tax		4,326	(5,251)
Tax expense/(credit)	29		
Current tax		750	(81)
Deferred tax charge/(credit)			
MAT credit entitlement		(750)	32
Other deferred tax		637	(749)
Tax expense/(credit)		637	(798)
Profit/(loss) for the year		3,689	(4,453)
Other comprehensive income/(expense)			
(i) Items that will not be reclassified subsequently to profit or loss			
Re-measurement (loss)/gain on defined benefit plans		(35)	(33)
Income tax effect		12	12
		(23)	(21)
(ii) Items that will be reclassified subsequently to profit or loss			
Effective portion of gain/(loss) on hedging instrument in cash flow hedges		258	44
Income tax effect		(60)	(16)
		198	28
Other comprehensive income for the year, net of taxes		175	7
Total comprehensive income/(expense) for the year		3,864	(4,446)
Earnings per equity share	34		
Basic (in Rs)		2.36	(3.58)
Diluted (in Rs)		2.35	(4.14)

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

Sanjay Sharma

Partner

Membership No.: 063980

Place : Bengaluru

Date: May 15, 2024

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

Kiran Mazumdar-Shaw

Executive Chairperson

DIN: 00347229

Kedar Upadhye

Chief Financial Officer

Place : Bengaluru

Date: May 14, 2024

Shreehas P Tambe

Managing Director

DIN: 09796480

Deepika Srivastava

Company Secretary

Standalone Statement of Changes in Equity

for the year ended March 31, 2024

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

	March 31, 2024	March 31, 2023
(A) Equity share capital		
Opening balance	13,217	10,588
Shares issued during the year	-	2,629
Closing balance	13,217	13,217

B. Other equity

Particulars	Equity component of compulsorily convertible preference shares	Equity component of compulsorily convertible Debentures	Securities premium	Retained earnings	Amalgamation adjustment reserve	Reserves and surplus			Fair value reserve for Compound Financial Instrument	Treasury shares	Cash flow hedging reserve	Other comprehensive income/(expense) of other comprehensive income/(expense)	Total other equity
						Debt redemption reserve	Capital redemption Reserve	Share-based payment reserve					
As at April 1, 2022	-	-	7,378	1,901	(1,614)	1,363	1,292	412	-	-	(64)	(50)	10,618
(Loss)/profit for the year	-	-	-	(4,453)	-	-	-	-	-	-	-	-	(4,453)
Other comprehensive income/(expense), net of tax	-	-	-	-	-	-	-	-	-	-	28	(21)	7
Total comprehensive income for the period	-	-	-	(4,453)	-	-	-	-	-	-	28	(21)	(4,446)
Transactions recorded directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	-
Employee stock compensation expense (refer note 36)	-	-	-	-	-	-	-	447	-	-	-	-	447
Securities premium received on issue of shares during the year	-	-	63,022	-	-	-	-	-	-	-	-	-	63,022
Conversion of Optionally Convertible Redeemable Preference Shares to equity shares (refer note 12a)(i)(c))	-	-	10,424	-	-	-	-	-	-	-	-	-	10,424
Dividend paid	-	-	-	(228)	-	-	-	-	-	-	-	-	(228)
Compulsorily Convertible Preference Shares issued during the year (refer note 12a)(i)(d))	2,312	-	-	-	-	-	-	-	-	-	-	-	2,312
Contingent consideration embedded in Convertible Preference Shares at inception (refer note 18(a))	-	-	(7,366)	-	-	-	-	-	-	-	-	-	(7,366)
Treasury shares with Biocon Biologics Employee Welfare Trust	-	-	-	-	-	-	-	-	(13)	-	-	-	(13)
As at March 31, 2023	2,312	2,850	153,327	(2,780)	(1,614)	1,363	1,292	859	(13)	(36)	(71)	(23)	154,639
Profit/(loss) for the period	-	-	-	3,689	-	-	-	-	-	-	198	(23)	3,689
Other comprehensive income/(expense), net of tax	-	-	-	-	-	-	-	-	-	-	198	(23)	175
Total comprehensive income for the period	-	-	-	3,689	-	-	-	-	-	-	198	(23)	3,864
Transactions recorded directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	-
Employee stock compensation expense (refer note 36)	-	-	-	-	-	-	-	730	-	-	-	-	730
Securities premium received on issue of securities during the year (refer note 13(e) and (f))	-	-	7,714	-	-	-	-	-	-	-	-	-	7,714
Compulsorily convertible debentures classified as Equity (refer note 13(f))	-	2,850	(2,893)	-	-	-	-	-	-	-	-	-	(43)
Compulsorily convertible debentures classified as Compound Financial Instrument (refer note 13(f) and 31)	-	-	-	-	-	-	-	-	(1,039)	-	-	-	(1,039)
Optionally convertible debentures classified as Liability (refer note 13(e))	-	-	(48,22)	-	-	-	-	-	-	-	-	-	(48,22)
As at March 31, 2024	2,312	2,850	153,326	909	(1,614)	1,363	1,292	1,589	(13)	162	(94)	(94)	161,043

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

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

Sanjay Sharma

Partner

Membership No.: 063980

Kiran Mazumdar-Shaw

Executive Chairperson

DIN: 00347229

Shreehas P Tambe

Managing Director

DIN: 09796480

Kedar Upadhye

Chief Financial Officer

Place : Bengaluru

Date: May 14, 2024

Deepika Srivastava

Company Secretary

Place : Bengaluru

Date: May 15, 2024



Standalone Statement of Cash Flows

for the year ended March 31, 2024

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

	Year ended March 31, 2024	Year ended March 31, 2023
I Cash flows from operating activities		
Profit/(loss) for the year	3,689	(4,453)
<u>Adjustments to reconcile (loss)/profit for the year to net cash flows</u>		
Depreciation and amortisation expenses	2,722	2,281
Unrealised foreign exchange (gain)/loss	121	1,297
Tax expense	637	(798)
Finance costs	2,585	1,243
Interest income	(38)	(29)
Net gain on sale of current investments	(493)	(67)
Fair value gain on financial assets measured at fair value through profit or loss	966	(783)
Share based compensation expense	730	447
Exceptional expenses (non-cash) (Refer Note 38)	-	38
Operating profit before working capital changes	10,919	(824)
Movements in working capital		
(Increase) in inventories	1,232	(3,323)
Decrease/(Increase) in trade receivables	(10,439)	2,596
Increase/(Decrease) in trade payables, other liabilities and provisions	(1,946)	4,025
(Increase) in other assets	(44)	(712)
Cash generated from from operations	(278)	1,762
Income taxes paid (net of refunds)	(505)	(56)
Net cash flow (used in)/generated from operating activities	(783)	1,706
II Cash flows from investing activities		
Purchase of property, plant and equipment	(2,278)	(3,853)
Purchase of other intangible assets	(1,160)	(33)
Proceeds from sale of property, plant and equipment	-	3
Purchase of equity shares of subsidiary	-	(417)
Purchase of preference shares of subsidiary (refer note 5)	(7,481)	(65,408)
Proceeds from sale of current investments	31,798	69,877
Purchase of current investments	(30,842)	(70,168)
Redemption of fixed deposit with original maturity more than 3 months	(1)	500
Interest received	33	15
Net cash flow (used in) investing activities	(9,931)	(69,484)
III Cash flows from financing activities		
Proceeds from issuance of equity shares (net of expenses)	-	65,265
Proceeds from issuance of optionally convertible debentures [Refer Note 13(e)]	5,000	-
Proceeds from issuance of compulsorily convertible debentures [Refer Note 13(f)]	3,000	-
Repayment of non-current borrowings	(2,000)	-
Proceeds/(Repayment) from current borrowings (net)	6,701	4,930
Repayment of lease liabilities (including interest)	(582)	(540)
Interest paid	(1,737)	(1,105)
Dividend paid	-	(228)
Net cash flow generated from financing activities	10,382	68,322
IV Net (decrease)/increase in cash and cash equivalents (I + II + III)	(332)	544

Standalone Statement of Cash Flows

for the year ended March 31, 2023

	Year ended March 31, 2024	Year ended March 31, 2023
V Effect of exchange differences on cash and cash equivalents held in foreign currency	(6)	30
VI Cash and cash equivalents at the beginning of the year	1,202	628
VII Cash and cash equivalents at the end of the year (IV + V + VI)	864	1,202
Reconciliation of cash and cash equivalents as per statement of cash flow		
Cash and cash equivalents (Note 11)		
Balances with banks - on current accounts	864	1,202
Balance as per statement of cash flows	864	1,202

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities

	As at April 1, 2023	Cash flows	Non -cash movement	As at March 31, 2024
Non-current borrowings (including current maturities)	27,748	6,000	(1,153)	32,595
Current borrowings (excluding current maturities)	10,842	6,701	1	17,544
Interest accrued but not due	161	(57)	-	104
Total liabilities from financing activities	38,751	12,644	(1,152)	50,243

	As at April 1, 2022	Cash flows	Non -cash movement	As at March 31, 2023
Non-current borrowings (including current maturities)	36,402	-	(8,654)	27,748
Current borrowings (excluding current maturities)	5,907	4,930	5	10,842
Interest accrued but not due	131	30	-	161
Total liabilities from financing activities	42,440	4,960	(8,649)	38,751

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

Sanjay Sharma

Partner

Membership No.: 063980

Place : Bengaluru

Date: May 15, 2024

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

Kiran Mazumdar-Shaw

Executive Chairperson

DIN: 00347229

Kedar Upadhye

Chief Financial Officer

Place : Bengaluru

Date: May 14, 2024

Shreehas P Tambe

Managing Director

DIN: 09796480

Deepika Srivastava

Company Secretary

Notes to the standalone financial statement

for the year ended March 31, 2024

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

1. Company Overview

1.1 Reporting entity

Biocon Biologics Limited ("BBL" or "the Company"), a subsidiary of Biocon Limited, was incorporated on June 8, 2016 under the Companies Act, 2013 as a public limited company. The Company is a public limited company incorporated and domiciled in India and has its registered office at Biocon House, Semicon Park Electronics City, Phase – II, Hosur Road, Bengaluru – 560 100. The Company is engaged in manufacture and development of pharmaceutical formulations.

1.2 Basis of preparation of financial statements

a) *Statement of compliance*

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

These standalone financial statements are approved for issuance by the Company's Board of Directors on May 14, 2024.

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

b) *Functional and presentation currency*

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

c) *Basis of measurement*

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

- Derivative financial instruments at fair value
- Certain financial assets and liabilities are measured at fair value;
- Net defined benefit assets/(liability) are measured at fair value of plan assets, less present value of defined benefit obligations;
- Employee stock compensation at grant date fair value
- Contingent consideration assumed in a business combination at fair value

d) *Use of estimates and judgements*

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

becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

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

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

1.3 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2023 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 7 and 29 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 2(i) and 19 – Revenue Recognition; estimate of expected returns, chargebacks, rebates and other allowances;
- Note 30 – measurement of defined benefit obligation: key actuarial assumptions;
- Note 31 – impairment of financial assets;
- Note 14 and 33 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources; and
- Note 36 – Employee stock compensation

1.4 Measurement of fair values

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

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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

- Note 31 – financial instruments.
- Note 36 – Employee stock compensation.

1.5 Operating Cycle

The Company classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when –

- it expects to settle the liability, or consume it, in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company's normal operating cycle is twelve months

2 Material accounting policies

a. Financial instruments

i. Recognition and initial measurement

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

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

ii. Classification and subsequent measurement

Financial assets

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

- amortised cost;
- Fair value through other comprehensive income (FVOCI) – debt investment;
- FVOCI – equity investment; or
- FVTPL

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

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss. However, see Note 31 for derivatives designated as hedging instruments.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit and loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

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

Financial liabilities

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

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

iv. Offsetting

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

v. *Derivative financial instruments and hedge accounting*

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

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

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

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

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

Cash flow hedges

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

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

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

vi. Investments in subsidiaries

Equity investments in subsidiaries are carried at cost less accumulated impairment losses, if any.

Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

vii. Cash and cash equivalents

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

viii. Cash dividend to equity holders

The Company recognises a liability to make cash distribution to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

b. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment

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

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

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

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

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

ii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

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

Asset	Management estimate of useful life	Useful life as per Schedule II
Building	25-30 years	30 years
Roads	5-12 years	5 years
Plant and equipment (including Electrical installation and Lab equipment)	9-15 years	8-20 years
Computers and servers	3 years	3-6 years
Office equipment	3-5 years	5 years
Research and development equipment	9-10 years	5-10 years
Furniture and fixtures	6 years	10 years
Vehicles	6 years	6-10 years
Leasehold improvements	5 years or lease period whichever is lower	

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the



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

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

management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

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

c. Intangible assets

Internally generated: Research and development

Expenditure on research activities is recognised in statement of profit and loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in statement of profit and loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Others

Other intangible assets are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

i. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in statement of profit and loss as incurred and cost can be measured reliably

ii. Amortisation

Intangible assets are amortised on a straight line basis over the estimated useful life as follows:

— Computer software 3-5 years

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

d. Business combination

In accordance with Ind AS 103, Business combinations, the Company accounts for business combinations after acquisition date using the acquisition method when control is transferred to the Company. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration and deferred consideration, if any. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised

directly in equity as capital reserve. Transaction costs are expensed as incurred.

Business combinations – common control transaction

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

e. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, packing 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.

f. Impairment

i. Impairment of financial assets

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

- financial assets measured at amortised cost; and
- financial assets measured at FVOCI- 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

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

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deducted from gross carrying amount of the assets.

ii. *Impairment of non-financial assets*

The Company assess at each reporting date whether there is any indication that the carrying amount may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated and an impairment loss is recognised if the carrying amount of an asset or 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, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or groups of CGUs) on a pro rata basis.

g. **Employee benefits**

i. *Short-term employee benefits:*

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

ii. *Post-employment benefits:*

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

i. *Gratuity*

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

Liability with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

The Company recognises the net obligation of a defined benefit plan as a liability in its balance sheet. Gains or losses through re-measurement of the net defined benefit liability are recognised in other comprehensive income and are not reclassified to statement of profit and loss in the subsequent periods.

The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognised in other comprehensive income. The effect of any plan amendments are recognised in the statement of profit and loss.

ii. *Provident Fund*

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

iii. *Compensated absences*

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

iv. *Employee stock compensation*

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

The grant date fair value of options granted (net of estimated forfeiture) to employees of the Company is recognised as an employee expense.

The Company has adopted the policy to account for Employees Welfare Trust as a legal entity separate from the Company, but as a subsidiary of the Company. Any loan from the Company to the trust is accounted for as a loan in accordance with its term.

The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards.

The increase in equity recognised in connection with share based payment transaction is presented as a separate component

in equity under "Employee stock options outstanding reserve". The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

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h. Provisions (other than for employee benefits)

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

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

Onerous contracts

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

i. Revenue from contracts with customers

i. *Sale of goods*

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

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

The consideration received by the Company in exchange for its goods may be fixed or variable. Variable consideration is

only recognised when it is considered highly probable that a significant revenue reversal will not occur once the underlying uncertainty related to variable consideration is subsequently resolved.

Provision for chargeback, rebates and discounts

Revenues are recorded net of provisions for variable consideration, including discounts, rebates, governmental rebate programs, price adjustments, returns, chargebacks, promotional programs and other sales allowances. Accruals for these provisions are presented in the standalone financial statements as reductions in determining net sales and as a contra asset in accounts receivable, net (if settled via credit) and trade payables (if paid in cash).

Provisions for chargeback, rebates, discounts and Medicaid payments are estimated and provided for in the year of sales and recorded as reduction of revenue. A chargeback claim is a claim made by the wholesalers for the difference between the price at which the product is initially invoiced to the wholesaler and the net price at which it is agreed to be procured from the Company. Provisions for such chargebacks are accrued and estimated based on historical average chargeback rate actually claimed over a period of time, current contract prices with wholesalers/other customers and estimated inventory holding by the wholesalers/other customers.

Amounts recorded for revenue deductions can result from a complex series of judgements about future events and uncertainties and can rely heavily on estimates and assumptions.

ii. *Milestone payments and out licensing arrangements*

The Company enters into certain dossier sales, licensing and supply arrangements that, in certain instances, include certain performance obligations. Based on an evaluation of whether or not these obligations are inconsequential or perfunctory, the Company recognise or defer the upfront payments received under these arrangements.

Income from out-licensing agreements typically arises from the receipt of upfront, milestone and other similar payments from third parties for granting a license to product- or technology-related intellectual property (IP). These agreements may be entered into with no further obligation or may include commitments to regulatory approval, co-marketing or manufacturing. These may be settled by a combination of upfront payments, milestone payments and other fees. These arrangements typically also consist of subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement. Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, if the milestones are considered substantive, or over the period when we have continuing performance obligations, if the milestones are not considered substantive. Whether to consider these commitments as a single performance obligation or separate ones, or even being in scope of Ind-AS 115' Revenues from Contracts with Customers, is not straightforward and requires some judgement. Depending on the conclusion, this may result in all revenue being calculated at inception and either being recognised at point in time or spread over the term of a longer performance obligation. Where performance obligations may not be distinct, this will be bundled with the

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

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

subsequent product supply obligations. The new standard provides an exemption for sales-based royalties for licenses of intellectual property which will continue to be recognised as revenue as and when underlying sales are made/completed.

The Company recognises a deferred income / contract liability if consideration has been received (or has become receivable) before the company transfers the promised goods or services to the customer. Deferred income mainly relates to remaining performance obligations in (partially) unsatisfied long-term contracts or are related to amounts the Company expects to receive for goods and services that have not yet been transferred to customers under existing, non-cancellable or otherwise enforceable contracts.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

iii. *Research services*

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

iv. *Royalty income and profit share*

The Royalty income and profit share earned through a License or collaboration partners is recognised as the underlying sales are recorded by the Licensee or collaboration partners.

v. *Sales Return Allowances*

The Company accounts for sales return by recording an allowance for sales return concurrent with the recognition of revenue at the time of a product sale. The allowance is based on Company's estimate of expected sales returns. The estimate of sales return is determined primarily by the Company's historical experience in the markets in which the Company operates.

vi. *Dividends*

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

vii. *Contribution received from customers/co-development partners towards plant and equipment*

Contributions received from customers/co-development partners towards items of property, plant and equipment which require an obligation to supply goods to the customer in the future, are recognised as a credit to deferred revenue. The contribution received is recognised as revenue from operations over the useful life of the assets. The Company capitalises the gross cost of these assets as the Company controls these assets.

viii. *Interest income and expense*

Interest income is recognised using the effective interest method.

ix. *Export incentive accrual*

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

recognition of the related export sales.

j. **Government grants**

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

k. **Income taxes**

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

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

- taxable temporary differences arising on the initial recognition of goodwill;
- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or substantive enactment date. A deferred income tax assets is recognised to the extent it is probable that future taxable income will be available against which the deductible temporary timing differences and tax losses can be utilised. The Company offsets income-tax assets and liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.



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

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

i. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the statement of profit and loss in the period in which they are incurred.

m. 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 assess 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 receives 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.

n. 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.

o. Earnings per equity share

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

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

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

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

	Leasehold improvements	Plant and equipment [Refer note (a)]	Research and development equipments	Furniture and fixtures	Vehicles	Total	Capital work- in-progress [Refer note (b)]
Gross carrying amount							
As at April 1, 2022	116	11,237	2,132	287	36	13,808	20,952
Additions	2,402	10,679	251	216	18	13,566	3,185
Disposals/transfers	-	(9)	-	-	(8)	(17)	(13,566)
As at March 31, 2023	2,518	21,907	2,383	503	46	27,357	10,571
Additions	168	1,062	382	57	20	1,689	3,346
Disposals/transfers	-	(33)	(39)	-	-	(72)	(1,689)
As at March 31, 2024	2,686	22,938	2,726	560	66	28,974	12,228
Accumulated depreciation							
As at April 1, 2022	31	5,508	1,138	141	10	6,827	-
Depreciation for the year	68	1,452	168	54	6	1,747	-
Disposals	-	(9)	-	-	(5)	(14)	-
As at March 31, 2023	99	6,950	1,305	195	11	8,560	-
Depreciation for the year	132	1,729	201	71	9	2,142	-
Disposals	-	(33)	(39)	-	-	(72)	-
As at March 31, 2024	231	8,646	1,467	266	20	10,630	-
Net carrying amount							
As at March 31, 2023	2,419	14,957	1,078	308	35	18,797	10,571
As at March 31, 2024	2,455	14,292	1,259	294	46	18,344	12,228

(a) Plant and equipment includes computer and office equipment.

(b) Capital work-in-progress primarily comprises of the Biologics manufacturing unit being set up in India.

(c) For details on security on certain property, plant and equipment against loan taken by the Company, refer note 13.

(d) Borrowing cost capitalised during the year amounted to Rs 756 (March 31, 2023: Rs 1,150).

(e) Refer note 33(ii) for contractual commitments for purchase of property, plant and equipment.

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

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

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

CWIP ageing schedule:

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,763	2,579	2,298	4,588	12,228
As at March 31, 2024	2,763	2,579	2,298	4,588	12,228
Projects in progress	3,234	2,334	3,997	1,006	10,571
As at March 31, 2023	3,234	2,334	3,997	1,006	10,571

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

	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Project 1	2,750	-	-	-	2,750
Project 2	6,563	-	-	-	6,563
As at March 31, 2024	9,313	-	-	-	9,313
Projects in progress					
Project 1	1,962	-	-	-	1,962
Project 2	-	6,159	-	-	6,159
As at March 31, 2023	1,962	6,159	-	-	8,121

3 (b). Right-of-use assets

	Land	Buildings	Plant and equipment	Total
Gross carrying amount				
As at April 1, 2022	53	1,695	1,064	2,812
Additions	-	70	-	70
Disposals	-	(173)	-	(173)
As at March 31, 2023	53	1,592	1,064	2,709
Additions	-	283	-	283
As at March 31, 2024	53	1,875	1,064	2,992
Accumulated depreciation				
As at April 1, 2022	15	528	510	1,053
Depreciation for the year*	5	204	175	384
Disposals	-	(173)	-	(173)
As at March 31, 2023	20	559	685	1,264
Depreciation for the year	5	224	175	404
As at March 31, 2024	25	783	860	1,668
Net carrying amount				
As at March 31, 2023	33	1,033	379	1,445
As at March 31, 2024	28	1,093	204	1,325

*includes Nil capitalised during the year (March 31, 2023: Rs 1).

4. Other Intangible assets

	Computer software	Total
Gross carrying amount		
As at April 1, 2022	441	441
Additions	34	34
As at March 31, 2023	475	475
Additions	1,160	1,160
Deletion	(9)	(9)
As at March 31, 2024	1,626	1,626

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

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

	Computer software	Total
Accumulated amortisation		
As at April 1, 2022	164	164
Amortisation for the year	151	151
As at March 31, 2023	315	315
Amortisation for the year	176	176
Deletion for the year	(9)	(9)
As at March 31, 2024	482	482
Net carrying amount		
As at March 31, 2023	160	160
As at March 31, 2024	1,144	1,144

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

5. Investments

	March 31, 2024	March 31, 2023
(a) Non-current		
Unquoted equity instruments		
In subsidiary company at cost:		
Biocon Biologics UK Limited - 116,771,297 (March 31, 2023 : 116,771,297) equity shares of GBP 1 each	10,810	10,810
Biosimilars Newco Limited - 1,000,000,000 (March 31, 2023 : 1,000,000,000) equity shares of USD 1 each *	82,598	82,598
* Provided as security against loan taken by subsidiary - Biosimilars Newco Limited. Also refer note 28.		
Unquoted preference shares		
In subsidiary company at cost:		
Biocon Biologics UK Limited		
Optionally convertible redeemable non-cumulative preference shares of USD 1 each 990,000,000 (March 31, 2023 - 900,000,000 shares) fully paid	80,130	72,649
	173,538	166,057
Aggregate amount of unquoted investments	173,538	166,057
Aggregate amount of impairment in value of investments	-	-
[Also refer note 28 for details on related party transactions]		
(b) Current		
Quoted - Investment in mutual funds at fair value through profit or loss :		
Investment in mutual funds	-	463
Quoted - Investment in mutual funds at fair value through profit or loss	-	463
Aggregate market value of quoted investments	-	463
Aggregate carrying value of quoted investments	-	463
The Company's exposure of credit and currency risks, and loss allowances are disclosed in notes 31.		

6. Other financial assets

	March 31, 2024	March 31, 2023
(a) Non-current		
Unsecured, considered good		
Deposits	75	84
	75	84
(b) Current		
Interest accrued but not due	-	25
Other receivables (considered good - Unsecured):		
Others*	191	748
	191	773

* Refer note 28 for details on related party transactions.

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

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

7. Deferred tax assets

	March 31, 2024	March 31, 2023
Deferred tax liabilities		
Property, plant and equipment and intangible assets	1,623	1,406
Derivative assets	104	94
Gross deferred tax liabilities	1,727	1,500
Deferred tax assets		
MAT credit entitlement	1,631	881
Provision for employee benefit	232	182
Allowance for doubtful debts	9	9
Derivative liabilities	1	51
Deferred revenue	63	76
Lease liabilities	89	103
Expenses allowed on payment basis	84	107
Carried forward losses	1,424	1,722
Others	66	176
Gross deferred tax assets	3,599	3,307
Deferred tax asset (net)	1,872	1,807

8. Other assets

	March 31, 2024	March 31, 2023
(Unsecured considered good, unless otherwise stated)		
(a) Non-current		
Capital advances	94	212
Duty drawback receivable	16	24
Balances with statutory/government authorities	1,270	669
Prepayments	612	656
	1,992	1,561
(b) Current		
Advance to suppliers	182	589
Export incentive receivable	10	8
Balances with statutory/government authorities	1,141	831
Prepayments	427	286
	1,760	1,714

9. Inventories

	March 31, 2024	March 31, 2023
Raw materials, including goods-in-bond*	3,296	3,752
Packing materials*	1,887	2,410
Work-in-progress	6,415	6,508
Finished goods	2,495	2,439
Traded goods	184	400
	14,277	15,509

*includes goods in-transit Rs 51 (March 31, 2023: Rs 39)

Write-down of inventories to net realisable value and provision for stock obsolescence amounted to Rs 489 (March 31, 2023: Rs 374). These were recognised as an expense during the year and included in 'changes in inventories of traded goods, finished goods and work-in-progress' in statement of profit and loss.

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

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

10. Trade receivables

	March 31, 2024	March 31, 2023
Current		
(a) Trade receivables considered good - Unsecured [also refer note 28]	16,322	5,827
(b) Trade receivables - credit impaired	27	27
	16,349	5,854
Allowance for expected credit loss	(27)	(27)
	16,322	5,827

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

(a) Trade receivables Ageing Schedule

	Unbilled	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	6,736	7,359	1,665	545	-	17	-	16,322
Undisputed Trade Receivables - credit impaired	-	-	-	-	5	2	20	27
As at March 31, 2024	6,736	7,359	1,665	545	5	19	20	16,349
Less: Allowance for expected credit loss								(27)
								16,322
Undisputed Trade Receivables - considered good	2,495	2,483	832	-	17	-	-	5,827
Undisputed Trade Receivables - credit impaired	-	-	-	5	2	9	11	27
As at March 31, 2023	2,495	2,483	832	5	19	9	11	5,854
Less: Allowance for expected credit loss								(27)
								5,827

11. Cash and bank balances

	March 31, 2024	March 31, 2023
Cash and cash equivalents		
Balances with banks:		
On current accounts	864	1,202
	864	1,202
Other bank balance		
Deposits with remaining maturity of less than 12 months	531	500
	531	500
Total Cash and bank balance	1,395	1,702

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

12(a). Share capital

	March 31, 2024	March 31, 2023
Authorised		
2,500,000,000 (March 31, 2023: 2,500,000,000) equity shares of Rs 10 each (March 31, 2023: Rs 10 each)	25,000	25,000
1,000,000,000 (March 31, 2023: 1,000,000,000) preference shares of Rs 10 each (March 31, 2023: Rs 10 each)	10,000	10,000
Issued, subscribed and fully paid-up share capital		
1,321,724,958 (March 31, 2023: 1,321,724,958) equity shares of Rs 10 each	13,217	13,217
205,420,000 (March 31, 2023: 205,420,000) Non Convertible Redeemable Preference Shares ("NCRPS") of Rs 10 each	2,054	2,054
231,163,944 (March 31, 2023: 231,163,944) Compulsorily Convertible Preference Shares ("CCPS") of Rs 10 each	2,312	2,312
	17,583	17,583
Less: NCRPS classified as a financial liability (refer note 13)	(2,054)	(2,054)
Less: CCPS classified as a equity instrument	(2,312)	(2,312)
Equity share capital	13,217	13,217

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

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

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

(a) Equity shares

	March 31, 2024		March 31, 2023	
	No.	₹ Million	No.	₹ Million
At the beginning of the year	1,321,724,958	13,217	1,058,849,676	10,588
Issued during the year	-	-	262,875,282	2,629
Outstanding at the end of the year	1,321,724,958	13,217	1,321,724,958	13,217

(b) Non convertible redeemable preference shares

	March 31, 2024		March 31, 2023	
	No.	₹ Million	No.	₹ Million
At the beginning of the year	205,420,000	2,054	205,420,000	2,054
Issued during the year	-	-	-	-
Redeemed during the year	-	-	-	-
Outstanding at the end of the year	205,420,000	2,054	205,420,000	2,054

(c) Optionally convertible redeemable preference shares

	March 31, 2024		March 31, 2023	
	No.	₹ Million	No.	₹ Million
At the beginning of the year	-	-	1,081,000,000	10,810
Redeemed during the year	-	-	(1,081,000,000)	(10,810)
Outstanding at the end of the year	-	-	-	-

(d) Compulsorily convertible preference shares

	March 31, 2024		March 31, 2023	
	No.	₹ Million	No.	₹ Million
At the beginning of the year	231,163,944	2,312	-	-
Issued during the year	-	-	231,163,944	2,312
Outstanding at the end of the year	231,163,944	2,312	231,163,944	2,312

(ii) Terms/ rights attached to

(a) Equity shares

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

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

(b) Non convertible redeemable preference shares

- The tenure of the NCRPS shall be 10 years.
- The Company or NCRPS holder shall have the option to redeem the NCRPS at any time during the tenure of the NCRPS. If the Company or holder of NCRPS exercises such option of early redemption, the NCRPS shall be redeemable at its face value.
- The holder of the NCRPS shall be entitled to preferential dividend of 8.3% per annum on the face value of the NCRPS as may be mutually decided between the Company and the NCRPS holder. The dividends are non-cumulative and will be payable subject to availability of profits in the respective financial year and subject to declaration by the Board of Directors of the Company.
- Until redemption of the NCRPS, the NCRPS holder shall have priority of payment of dividend over the equity shareholders.
- The NCRPS are redeemable, at its face value, any time during the tenure of the instrument at the option of the holder. Owing to this feature, the instrument has been classified as financial liability and disclosed at its fair value which is equivalent to the face value. Also refer note 13.

(c) Optionally convertible redeemable preference shares

- The tenure of the OCRPS shall be 10 years.
- The Company shall have the option to redeem the OCRPS at any time during the tenure of the OCRPS at its face value. The OCRPS shall become redeemable at its face value at the end of the tenure.
- The OCRPS holder shall have the option to convert the OCRPS into equity shares of the Company at any time during the tenure of the OCRPS at a ratio based on fair value or face value of the equity shares as on the date of exercise of the option whichever is higher.
- The holder of the OCRPS shall be entitled to preferential dividend of 3% per annum on the face value of the OCRPS as may be mutually decided between the Company and the OCRPS holder. The dividends are non-cumulative and will be payable subject to availability of profits in the respective financial year and subject to declaration by the Board of Directors of the Company.

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

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

- (v) During the year ended 31 March 2023 OCRPS holder exercised their option to convert to equity shares. Accordingly 38,505,379 equity shares were issued upon conversion at a issue price of Rs 280.74 per share.

(d) Compulsorily convertible preference shares

- (i) The tenure of the CCPS shall be 10 years.
- (ii) Each CCPS shall be convertible into equity shares at any time at the option of the holder at a conversion rate of 1:1. The Company has an obligation to issue further equity shares to Mylan Inc, subject to maximum of 61,562,420 equity shares, such that the fair value of the equity holding by Mylan Inc post conversion is atleast USD 1,000 Mn.
- (iii) The holder of CCPS shall be entitled to preferential dividend of 0.001% per annual of the face value per CCPS.
- (iv) Until redemption of the CCPS, the CCPS holder shall have priority of payment of dividend over the equity shareholders.
- (v) The CCPS holder shall be entitled to vote in all general meetings of Shareholders as if such CCPS holder held the number of Shares into which its CCPS can be converted (on a fully diluted basis).

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

	March 31, 2024		March 31, 2023	
	No.	% holding	No.	% holding
Equity shares of Rs 10 each fully paid				
"Biocon Limited, the Holding Company (including shares held through nominees and its subsidiaries)"	1,172,399,798	88.70%	1,216,568,780	92.04%
NCRPS of Rs 10 each fully paid				
Biocon Limited, the Holding Company	205,420,000	100.00%	205,420,000	100.00%
CCPS of Rs 10 each fully paid				
Mylan Inc	231,163,944	100.00%	231,163,944	100.00%

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

- (iv) Pursuant to the Scheme of amalgamation between the Company and Biocon Research Limited, the Board of Directors on March 27, 2020 allotted 155,300,000 equity shares of Rs 10 each to the shareholders of Biocon Research Limited. These shares were issued for consideration other than cash.
- (v) Pursuant to approval of the shareholders the Company on September 3, 2020 issued 824,175,932 bonus shares to equity shareholders at a ratio of 4:1 by utilising retained earnings and securities premium balances.
- (vi) Pursuant to the Transaction Agreement (TA) between the Company and Viatrix Inc, the Board of Directors on November 29, 2022 allotted 1 equity shares at a issue price of Rs 280.74 per share and 231,163,944 CCPS of Rs 10 each for Rs 355.51 per share to Mylan Inc as consideration for acquisition of equity interest in Biosimilars NewCo Limited. These shares were issued for consideration other than cash.
- (vi) For details of any securities convertible into equity, please refer notes 12(a)(c), 12(a)(II)(c) and note 13(d).
- (vii) For details of shares reserved for issue under Employee stock compensation plans, please refer note 36.

(ix) Shareholding of Promoters

	March 31, 2024		March 31, 2023		March 31, 2022		% Change during the year ending	
	No. of shares	% of total shares	No. of shares	% of total shares	No. of shares	% of total shares	March 31, 2024	March 31, 2023
Biocon Limited								
(a) Equity shares	1,172,399,798	88.70%	1,216,568,780	92.04%	989,717,600	93.47%	(3.34%)	(1.43%)
(b) NCRPS	205,420,000	100.00%	205,420,000	100.00%	205,420,000	100.00%	-	-
(c) OCRPS	-	-	-	-	1,081,000,000	100.00%	-	(100%)

(x) Equity shares allotted during the year

During the year ended March 31, 2023, the Company has issued 224,369,903 equity shares on private placement and rights issue basis. Further, OCRPS were converted to equity shares during the year [refer note 12(a)(ii)(c)(v)]

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

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

(xi) Dividends

The amount of per share dividend recognized as distributions to equity shareholders for the year ended March 31, 2024 Nil (March 31, 2023 : 0.2155). The Board of Directors had recommended a final dividend of Rs 0.2155 per equity share for the financial year ended March 31, 2022 through a resolution by circulation on July 18, 2022. This was approved by the shareholders at the Annual General Meeting held on July 26, 2022. The aforesaid dividend was paid during the year ended 31 March 2023 resulting in a cash outflow of Rs 228.

12(b). Other equity

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Retained earnings

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

Amalgamation adjustment reserve

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

Debenture redemption reserve

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

Capital redemption reserve

The Company had redeemed Non Convertible Redeemable Preference Shares in prior years 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.

Share based payment reserve

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

Fair value reserve for Compound Financial Instrument

The Company has issued Compulsory Convertible Debentures during the year. Fair value of derivative embedded in CCD at inception amounts to Rs. 1,039. Refer note 13(f) and 31 for further details.

Treasury shares

Own equity instruments held by Biocon Biologics Employees Welfare Trust 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 gain or loss (net of taxes, if any) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges.

Other Items of other comprehensive income

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

13. Non-current borrowings

	March 31, 2024	March 31, 2023
Loans from banks (secured)		
Term loan [refer note (a) and (b) below]	9,751	9,664
Non convertible debentures ("NCD") [refer note (c) below]	-	2,000
Other loans from related parties (unsecured)		
Non Convertible Redeemable Preference Shares [refer note 12(a)(ii)(b)]	2,054	2,054
Optionally Convertible Debentures ("BL OCD") [refer note (e) below]	5,701	-
Other loans (unsecured)		
Redeemable Optionally Convertible Debentures ("OCD") [refer note (d) below]	14,939	14,030
Compulsory Convertible Debentures ("CCD") [refer note (f) below]	150	-
	32,595	27,748
Less: Current Maturities disclosed under the head "Current borrowings" [refer note 16]	(3,313)	-
	29,282	27,748

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

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

- (a) During the year ended March 31, 2019, the Company had obtained an external commercial borrowing facility of USD 75 million from MUFG Bank Limited. The loan is repayable in 3 annual instalments commencing from April 2024 and carries an interest rate of SOFR + 1.26% p.a.[31 Mar 2023: 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, 2024 amounts to Rs 6,251 (March 31, 2023: 6,164).
- (b) During the year ended March 31, 2021, the Company had obtained a term loan facility from The Hongkong and Shanghai Banking Corporation Limited amounting to Rs 3,500 repayable in 2 equal annual instalments commencing from April 2024. Term loan carries an interest rate of 3 Months Treasury Bill + 2.3% p.a. and are secured by first pari-passu charge on the present and future of movable fixed assets of the Company.
- (c) During the year ended March 31, 2021, the Company had issued NCD of face value Rs 1,000,000 each to HDFC Bank Limited amounting to Rs. 2,000 for a tenure of 43 months. The debentures are repayable at the end of the term in April 2024. The NCD carries call/put option on or after September 21, 2023. The debentures carries fixed coupon rate of 6.8949% p.a. and are secured by first pari-passu charge on the movable fixed assets of the Company. During the year ended March 31, 2024, the Company has pre-paid the NCD along with interest.
- (d) During the year ended March 31, 2021, the Company had entered into an agreement with Goldman Sachs India AIF Scheme-1 ('Investor') whereby the Investor had infused Rs. 11,250 against issuance of OCD. The debentures are issued for a tenor of 61 months, are unsecured, redeemable at par and carry a conversion option at any time during the tenor at the option of the investor. OCD bears a coupon rate of 5% per annum payable on compounded and cumulative basis only on redemption.

The debentures was accounted as a compound financial instrument in line with Ind AS, given that it has both financial liability and equity feature. Accordingly, the consideration received was bifurcated into financial liability and equity. The financial liability is subsequently recorded at amortised cost.

During the year ended March 31, 2022, the Company had entered into amendment to the terms of OCD agreement which provides for redemption amount INR equivalent of USD 153.23 million with reference to rate published by RBI for conversion of USD to INR one day prior to redemption. This resulted in the modification of the compound financial instrument and OCD is classified as financial liability from the modification date.

- (e) During the year, the Company has entered into debenture subscription agreement with Biocon Limited for issuance of 17,810,073 Optionally Convertible Debentures ("BL OCD") private placement basis at an issue price of 280.74 amounts to Rs. 5,000. The BL OCD's are issued for a tenor of 47 months, are unsecured, redeemable at par and carry a conversion option at any time during the tenor at the option of the investor. BL OCD bears a coupon rate of 12% per annum plus agreed variable coupon payable on compounded and cumulative basis only on redemption. The variable coupon is linked to the equity share price of the Company. The BL OCD's are convertible upon occurrence of Conversion event. The debentures was accounted as a debt financial instrument in line with Ind AS, given that it has financial liability feature. Accordingly, the consideration received was recorded as financial liability. As at 31 March 2024, the interest payable is Rs. 701 and has been recorded under "Finance cost".
- (f) During the year, the Company has issued 10,686,044 compulsory convertible debentures("CCD") to ESOF III Investment Fund and Edelweiss Alternative Asset Advisors Limited, on private placement basis at an issue price of 280.74 amounts to Rs. 3,000. The CCD's are issued for a tenor of 36 months, are unsecured, redeemable at par and carry a conversion option at any time during the tenor at the option of the investor. CCD bears a coupon rate of 12% per annum plus agreed variable coupon payable on compounded and cumulative basis only on redemption. The variable coupon is linked to the equity share price of the Company. The CCD's are convertible upon occurrence of conversion event at 1:1 ratio. The debentures was accounted as a compound financial instrument in line with Ind AS, given that it has financial liability and equity feature.
- (g) Term loans from the Bank provides for certain financial covenants. As at the date of adoption of these financial statements, the Company complies with the financial covenants. Also refer note 33(iii).
- (h) The Company's exposure to liquidity, interest rate and currency risks are disclosed in note 31.
- (i) With respect to funds raised in points (e) and (f) above, the Company has advanced these funds to one of its subsidiaries, which in turn has been further advanced to its step down subsidiary for the purpose of repaying the step-down subsidiary's loan.

14. Provisions

	March 31, 2024	March 31, 2023
(a) Non-current		
Provision for employee benefits		
Gratuity [refer note 30]	385	340
	385	340
(b) Current		
Provision for employee benefits		
Gratuity [refer note 30]	69	59
Compensated absences	331	284
Provision for sales return	136	136
	536	479

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

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

(i) Movement in provisions

	For the year ended March 31, 2024		
	Gratuity	Compensated absences	Sales return
Opening balance	399	284	136
Provision recognised/(utilised) during the year	55	47	-
Closing balance	454	331	136

	For the year ended March 31, 2023		
	Gratuity	Compensated absences	Sales return
Opening balance	348	236	136
Provision recognised/(utilised) during the year	51	48	-
Closing balance	399	284	136

15. Other liabilities

	March 31, 2024	March 31, 2023
(a) Non-current		
Deferred revenues [refer note 19]	1,071	1,330
	1,071	1,330
(b) Current		
Advance from customers [refer note 19]	79	29
Statutory dues and dues payable	239	188
Deferred revenues [refer note 19]	121	90
	439	307

16. Current borrowings

	March 31, 2024	March 31, 2023
From banks/ financial institutions		
Packing credit foreign currency loan (unsecured) [refer note (i) below]	4,884	1,972
Packing credit rupee export loan (unsecured) [refer note (ii) below]	7,660	8,870
Term Loan (unsecured) [refer note (iii) below]	5,000	-
Current maturities of non-current borrowings [refer note 13]	3,313	-
	20,857	10,842

- (i) The Company has obtained foreign currency short term unsecured pre-shipment credit loans from various banks that carries fixed interest rate ranging from 5.75% p.a. to 6.45% p.a. (March 31, 2023: 5.62% to 6.23%). Packing credit foreign currency loan tenure is upto 180 days from the date of draw down.
- (ii) The Company has obtained rupee denominated short term unsecured pre-shipment credit loans from various banks that carries interest rate ranging from 7.24% p.a. to 8.2% p.a. (March 31, 2023: 6.96% to 8.2%). Packing credit rupee loan tenure is upto 180 days from the date of draw down.
- (iii) The Company has obtained short term unsecured loan from various banks that carries interest rate ranging from 7.9% p.a. to 8.2% p.a. The tenure of the loan is 365 days from the date of draw down.

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

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

17. Trade payables

	March 31, 2024	March 31, 2023
Trade payables		
Total outstanding dues of micro and small enterprises	297	1,013
Total outstanding dues of creditors other than micro and small enterprises	5,453	6,971
	5,750	7,984

Refer note 28 for details on related party transactions

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

(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	297	1,013
Interest due on the above	7	18

(ii) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year

	1,436	1,484
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(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

	28	23
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(iv) The amount of interest accrued and remaining un-paid at the end of each accounting year

	-	-
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(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

	88	53
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The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.

Trade payables ageing schedule:

	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Micro and small enterprises	-	208	80	4	3	2	297
(ii) Others	1,702	1,072	2,425	242	12	-	5,453
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
As at March 31, 2024	1,702	1,280	2,505	246	15	2	5,750
(i) Micro and small enterprises	-	222	786	4	1	-	1,013
(ii) Others	326	1,413	5,194	12	12	14	6,971
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
As at March 31, 2023	326	1,635	5,980	16	13	14	7,984

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

18. Other financial liabilities

	March 31, 2024	March 31, 2023
(a) Non-Current		
Contingent consideration payable (Derivative) (refer note below)	7,426	6,583
	7,426	6,583

Contingent consideration payable represents Compulsorily Convertible Preference Shares (CCPS). These CCPS was issued to Mylan Inc. for acquisition of Biosimilar business. CCPS were fair valued using Binomial Option Pricing Model at Rs. 82,181. Each CCPS shall be convertible into equity shares at any time at the option of the holder at a conversion rate of 1:1. The Company has an obligation to issue further equity shares to Mylan Inc, subject to maximum of 61,562,420 equity shares, such that the fair value of the equity holding post conversion is atleast USD 1,000 Mn. The issue of additional shares results in contingent consideration. The CCPS on initial recognition has been bifurged into equity component of Rs. 74,815 (fixed to fixed conversion) and contingent consideration (derivative liability) of Rs. 7,366.

At March 31, 2024, the fair value of contingent consideration is Rs. 7,426 (March 31, 2023: Rs. 6,583).

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

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

(b) Current

Interest accrued but not due	104	161
Payables for capital goods	1,172	976
Employee benefits payable (refer note a below)	1,216	942
Derivative premium payable	-	10
	2,492	2,089

(a) Employee benefit payable was disclosed under trade payable in the previous year. In the current year, the employee payable has been disclosed under other financial liabilities including comparable period.

19. Revenue from operations

	Year ended March 31, 2024	Year ended March 31, 2023
Sale of products		
Finished goods	19,817	13,635
Traded goods	1,354	1,870
Sale of services		
Research fees	5,558	2,526
Licensing and development fees	120	11
Other operating revenue		
Export incentive	25	-
Performance linked incentives	250	503
Sale of process waste	5	14
Sale of Brands [refer note (a) below]	3,500	
Others [refer note (b) below]	304	2,365
	30,933	20,924

(a) Biocon Biologics Limited ("BBL") has entered into an agreement with Eris Lifesciences for sale of its business of commercialization of (i) Branded generic immunotherapy and nephrology small molecules formulations being manufactured by third parties under manufacturing agreements and (ii) the in-licensed products in India for consideration of Rs. 3,660 million. The Group has recorded gain of Rs. 3,500 million net of costs of the related underlying assets.

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

19.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Revenues By Geography

Revenues from contracts with customers

India	8,811	6,297
United Kingdom	15,444	9,173
Rest of the world	6,678	5,454
Total revenue from operations	30,933	20,924

Geographical revenue is identified based on the location of the customers.

19.2 Changes in contract liabilities: deferred revenue and advance from customers

Balance at the beginning of the year	1,449	1,245
Add: Increase due to invoicing during the year	211	389
Less: Amounts recognised as revenue during the year	(389)	(185)
Balance at the end of the year	1,271	1,449
Expected revenue recognition from remaining performance obligations:		
- Within one year	200	119
- More than one year	1,071	1,330
	1,271	1,449

19.3 Contract balances

Trade receivables	16,322	5,827
Contract liabilities	1,271	1,449

Trade receivables are non-interest bearing. Contract liabilities include deferred revenue and advance from customers

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

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

19.4 Performance obligation:

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

19.5 Significant customer

Two (March 31, 2023: One) customer individually accounted for Rs 16,006 which is more than 10% of the total revenue of the Company for the year ended March 31, 2024 (March 31, 2023: Rs 7,618).

19.6 Reconciliation of revenue from contracts with customers

	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from contracts with customers as per contract price	27,260	18,917
Adjustments made to contract price on account of :-		
a) Sales returns/ reversals	(411)	(875)
Revenue from contracts with customers as per statement of profit and loss	26,849	18,042

20. Other income

	Year ended March 31, 2024	Year ended March 31, 2023
Interest income on deposits with banks and financial institutions under the effective interest method on financial asset carried at amortised cost	38	29
Net gain on liabilities measured at fair value through profit or loss	-	783
Net gain on sale of current investments	493	67
Other non-operating income [refer note (a) below]	6,283	90
	6,814	969

(a) Other non-operating income includes support services cross charge to subsidiaries.

21. Cost of raw materials and packing materials consumed

Inventory at the beginning of the year	6,162	3,717
Add: Purchases	8,415	12,685
Less: Inventory at the end of the year	(5,183)	(6,162)
	9,394	10,240

22. Changes in inventories of traded goods, finished goods and work-in-progress

Inventory at the beginning of the year		
Traded goods	400	255
Finished goods	2,439	1,481
Work-in-progress	6,508	4,387
	9,347	6,123
Inventory at the end of the year		
Traded goods	184	400
Finished goods	2,495	2,439
Work-in-progress	6,415	6,508
	9,094	9,347
	253	(3,224)

23. Employee benefits expense

Salaries, wages and bonus*	5,976	5,086
Contribution to provident and other funds	273	241
Gratuity [refer note 30]	79	68
Employee stock compensation expense [refer note 36]	789	679
Staff welfare expenses	309	237
	7,426	6,311

* Includes expenses towards compensated absences (refer note 30)

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

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

24. Finance cost

Interest expenses on financial liabilities [refer note (a) below]
Interest expenses on lease liabilities [refer note 27]

	Year ended March 31, 2024	Year ended March 31, 2023
Interest expenses on financial liabilities [refer note (a) below]	2,394	1,045
Interest expenses on lease liabilities [refer note 27]	191	198
	2,585	1,243

(a) Interest expense on financial liabilities is net off borrowing cost capitalised during the year amounting to Rs. 756 (March 31, 2023 - Rs. 1,150).

25. Depreciation and amortisation expense

Depreciation of Property, plant and equipment [refer note 3(a)]
Depreciation of right-of-use assets [refer note 3(b)]
Amortisation of intangible assets [refer note 4]

Depreciation of Property, plant and equipment [refer note 3(a)]	2,142	1,747
Depreciation of right-of-use assets [refer note 3(b)]	404	383
Amortisation of intangible assets [refer note 4]	176	151
	2,722	2,281

26. Other expenses

Royalty and technical fees
Rent [refer note 27]
Communication expenses
Power and fuel
Repairs and maintenance:
 Plant and machinery
 Building
 Others
Selling expenses:
 Freight outwards and clearing charges
 Sales promotion expenses
 Commission and brokerage (other than sole selling agents)
Lab consumables
Professional charges
Payment to auditors [refer note (a) below]
Rates, taxes and fees
Travelling and conveyance
Research and development expenses
Foreign exchange loss, net
Net loss on financial liabilities measured at fair value through profit or loss
Printing and stationery
Directors' fees including commission
Corporate social responsibility (CSR) expenses [refer note 39]
Insurance
Miscellaneous expenses

Royalty and technical fees	31	22
Rent [refer note 27]	14	20
Communication expenses	20	13
Power and fuel	1,598	1,434
Repairs and maintenance:		
Plant and machinery	1,558	981
Building	223	160
Others	284	223
Selling expenses:		
Freight outwards and clearing charges	304	151
Sales promotion expenses	152	489
Commission and brokerage (other than sole selling agents)	131	123
Lab consumables	818	1,369
Professional charges	1,718	757
Payment to auditors [refer note (a) below]	58	26
Rates, taxes and fees	61	104
Travelling and conveyance	430	307
Research and development expenses	950	1,379
Foreign exchange loss, net	353	1,704
Net loss on financial liabilities measured at fair value through profit or loss	966	-
Printing and stationery	30	39
Directors' fees including commission	48	41
Corporate social responsibility (CSR) expenses [refer note 39]	-	44
Insurance	147	147
Miscellaneous expenses	131	128
	10,025	9,661

(a) Payment to auditors:

As auditor:

Statutory audit fee

Tax audit fee [refer note (b) below]

In other capacity:

Other services (certification fees)

Reimbursement of out-of-pocket expenses

Statutory audit fee	53	23
Tax audit fee [refer note (b) below]	1	-
In other capacity:		
Other services (certification fees)	1	1
Reimbursement of out-of-pocket expenses	3	2
	58	26

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

(b) Details of research and development expenditure incurred (charged to statement of profit and loss)

Research and development expenses

Lab consumables

Employee benefits expense

Research and development expenses	950	1,379
Lab consumables	818	1,369
Employee benefits expense	1,311	1,074
	3,079	3,822

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

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

27. Lease

The Company had entered into lease agreements for use of land, buildings and plant & machinery which expires over a period ranging up to the financial year of 2032-2033. Gross payment for the year aggregate to Rs 583 (March 31, 2023 - Rs. 540).

The following is the movement in the lease liability

	Total
Balance as at March 31, 2022	2,058
Additions during the year	70
Finance cost accrued during the year*	201
Payment of lease liabilities	(540)
Balance as at March 31, 2023	1,789
Additions during the year	283
Finance cost accrued during the year*	191
Payment of lease liabilities	(582)
	1,681

*includes Rs. Nil (March 31, 2023 - Rs 2) capitalised during the year.

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

	March 31, 2024	March 31, 2023
Current lease liabilities	539	473
Non-current lease liabilities	1,142	1,316
The table below provides details regarding the contractual maturities of lease liabilities, on an undiscounted basis:		
Less than one year	590	519
One to five years	1,438	1,424
More than five years	115	421
Total	2,143	2,364

The following are the amounts recognised in Statement of profit or loss for the year

Depreciation expense of right of use-assets	404	383
Interest expenses on lease liabilities	191	198
Payment for leases for short term and low value asset [refer note (i) below]	14	20
Total	609	601

(i) The Company applies the short-term lease recognition exemption to its short-term leases of certain premises taken on lease (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

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Notes to the standalone financial statement

for the year ended March 31, 2024

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

28. Related party disclosures:

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

Sl No	Name of related party	Relationship	Description of transactions	April 1, 2023 to March 31, 2024 (Income)/Expenses/Other transactions	Balance as at March 31, 2024 (Payable)/Receivable	April 1, 2022 to March 31, 2023 (Income)/Expenses/Other transactions	Balance as at March 31, 2023 (Payable)/Receivable
1	Bionco Limited	Holding Company	Expenses incurred by related party on behalf of the Company	49	-	138	-
			Expenses incurred on behalf of the related party	(16)	-	(28)	-
			Professional charges	324	-	383	-
			Charges for Guarantee Cost	-	-	-	-
			Research fees	(28)	-	(33)	-
			Cross charges towards facility and other expenses	(54)	-	(6)	-
			Sale of goods	-	-	(6)	-
			Payment for leases	269	-	246	-
			Power and fuel	1,539	-	1,673	-
			Staff welfare expenses towards canteen charges	62	-	41	-
			Royalty expense	16	-	13	-
			Share based payments to employees	78	-	232	-
			Interest on Optionally Convertible Debentures	701	-	-	-
			Purchase of goods	122	-	95	-
			Issue of equity shares	-	-	(40,710)	-
			Conversion of preference shares	-	-	(10,810)	-
			Dividend paid	-	-	213	-
			Funding paid towards property plant and equipment / Prepayment	-	-	-	719
			Sale of car	-	-	(3)	-
			Optionally Convertible Debentures [Refer Note 13(e)]	(5,000)	(5,701)	-	(662)
			Trade payables	-	(1,263)	-	-
			Reimbursement of performance linked incentive	(168)	-	495	-
2	Bionco Biologics UK Limited	Subsidiary	Research fees	(4,682)	-	336	-
			Cross charges towards facility and other expenses	34	-	(2,274)	-
			Sale of goods	(7,741)	-	(5,680)	-
			Expenses incurred by related party on behalf of the Company	-	-	412	-
			Income from Support Service	(1,528)	-	-	-
			Idle cost recovery	(7)	-	(236)	-
			Investment in preference shares[Refer Note 5]	7,481	-	65,408	-
			Trade receivables	-	5,990	-	524



Notes to the standalone financial statements for the year ended March 31, 2023 (All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

Sl No	Name of related party	Relationship	Description of transactions	April 1, 2023 to March 31, 2024 (Income)/ Expenses/ Other transactions	Balance as at March 31, 2024 (Payable)/ Receivable	April 1, 2022 to March 31, 2023 (Income)/ Expenses/ Other transactions	Balance as at March 31, 2023 (Payable)/ Receivable
3	Biosimilars NewCo Limited	Subsidiary	Investment in equity shares Sale of goods Research fees Charges for guarantee income Idle cost recovery Income from Support Service Expenses incurred by related party on behalf of the Company Expenses incurred on behalf of the related party Guarantee released / (given) Trade receivables Other current financial assets - Others	- (2,867) (4) (191) (3) (2,882) 27 (161) - - -	- - - - - - (113,342) 4,274 -	82,598 (71) (1,986) (55) - - - (451) (111,765) - - -	- - - - - - (111,765) 2,380 490
4	Biosimilar Collaborations Ireland Limited	Subsidiary	Expenses incurred on behalf of the related party Income from Support Service Charges for guarantee income Sale of goods Trade receivables Guarantee released / (given)	(107) (1,499) (73) (258) - -	- - - - 1,277 (14,585)	(226) - - - - (14,382)	- - - - 226 (14,382)
5	Biocon SDN BHD	Subsidiary	Expenses incurred on behalf of the related party Research fees Cross charges towards facility and other expenses Sale of goods Expenses incurred by related party on behalf of the Company [Refer Note (g) below] Purchase of goods Trade receivables Trade payables Guarantee released / (given)	(94) (514) (1) (650) - 816 - - -	- - - - - - 731 - (833)	(40) (834) (346) (660) - 15 1,017 - -	- - - - - - - (108) (822)
6	Syngene International Limited	Fellow subsidiary	Research and development expenses Expenses incurred by related party on behalf of the Company Sale of goods Purchase of goods Expenses incurred on behalf of the related party Power and utility expense Payment for leases Royalty expense Trade payables	6 11 - - (67) 90 303 - -	- - - - - - - - (56)	29 6 - - (11) 92 284 - -	- - - - - - - - (181)



Notes to the standalone financial statements for the year ended March 31, 2023
 (All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

Sl No	Name of related party	Relationship	Description of transactions	April 1, 2023 to March 31, 2024 (Income)/Expenses/Other transactions	Balance as at March 31, 2024 (Payable)/Receivable	April 1, 2022 to March 31, 2023 (Income)/Expenses/Other transactions	Balance as at March 31, 2023 (Payable)/Receivable
7	Bicara Therapeutics Inc. (upto December 12, 2023)	Fellow associate	Research fees Cross charges towards facility and other expenses Trade Receivables	(7) (4) -	- - 24	(1) (11) -	- - -
8	Biocon Pharma Limited	Fellow subsidiary	Research fees Cross charges towards facility and other expenses Expenses incurred by related party on behalf of the Company Sale of goods/other product Purchase of goods Issue of equity shares Trade receivables	(12) (12) (3) (1) - - -	- - - - - - 146	(5) (186) - (2) 7 (12,166) -	- - - - - - 117
9	Biocon Biologics Inc, USA	Subsidiary	Expenses incurred on behalf of the related party Expenses incurred by related party on behalf of the Company Sale of goods Trade receivables	43 (158) - -	- - 131 -	- - - -	- - - 0
10	Biocon Biologics Canada Inc	Subsidiary	Expenses incurred by related party on behalf of the Company Trade receivables	- -	- 3	- -	- -
11	Biocon FZ LLC	Fellow subsidiary	Professional charges	-	-	-	-
12	Biocon Foundation	Fellow subsidiary	Contribution towards CSR expense Advance to suppliers	74 -	27	44 -	6
13	Biofusion Therapeutics Limited	Fellow subsidiary	Expenses incurred on behalf of the related party Transfer of fixed assets Trade Receivables	- - -	- - 70	- - -	- - 70
14	Biocon Academy	Fellow subsidiary	Expenses incurred on behalf of the related party Contribution towards CSR expense Trade Receivables	(13) 47 -	- - 70	(8) -	- - 9
15	Biocon Biosphere Limited	Fellow subsidiary	Expenses incurred on behalf of the related party Trade Receivables	(1) -	- 1	- -	- -



Notes to the standalone financial statements for the year ended March 31, 2023

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

Sl No	Name of related party	Relationship	Description of transactions	April 1, 2023 to March 31, 2024 (Income)/Expenses/Other transactions	Balance as at March 31, 2024 (Payable)/Receivable	April 1, 2022 to March 31, 2023 (Income)/Expenses/Other transactions	Balance as at March 31, 2023 (Payable)/Receivable
16	Jeeves	Enterprise in which relative to a director of the Company is proprietor	Miscellaneous expenses Sale of assets Trade payables	39 - -	- - (5)	39 (1) -	- - -
17	Narayana Hrudayalaya Limited	Enterprise in which a director of the Company is a member of board of directors	Sale of goods/other products Trade Receivables	(44) -	- 7	(53) -	- 16
18	Viatrix Group(w.e.f November 29, 2022)	Enterprise whose director has significant influence in the Company	Contingent consideration payable [Refer Note 18(a)]	-	(7,426)	-	(6,583)
19	Refer note (c) below	Key management personnel	Salary and perquisites [refer note (d) & (e) below]	211	(54)	144	29
(a)	The related party disclosed above are as per Ind AS 24 on "Related Party Disclosures" and Companies Act, 2013.		Sitting fees and remuneration	48	(1)	41	1
(b)	All transactions with these related parties are priced on an arm's length basis and none of the balances are secured.						
(c)	Key managerial personal includes						
(i)	Kiran Mazumdar Shaw		Executive Chairperson				
(ii)	Arun Chandavarkar		Managing Director (till December 5, 2022) and Non-Independent Non-Executive Director (w.e.f December 6, 2022)				
(iii)	Shreehas P Tambe		Managing Director & Chief Executive Officer (w.e.f December 5, 2022)				
(iv)	M.B. Chinappa		Chief Financial Officer (till October 30, 2023)				
(v)	Kedar Upadhye		Chief Financial Officer (w.e.f October 31, 2023)				
(vi)	Akhilesh Nand		Company Secretary (till February 13, 2023) and General Council and Head of Corporate Governance (w.e.f February 13, 2023)				
(vii)	Deepika Srivastava		Company Secretary (w.e.f February 13, 2023)				
(viii)	Peter Plot		Independent director				



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

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

(ix)	Bobby Kanubhai Parikh	Independent director
(x)	Nivruti Rai	Independent director
(xi)	Russell Walls	Independent director
(xii)	Daniel M Bradbury	Independent director
(xiii)	Thomas Jason Roberts	Non-Independent Non-Executive Director
(xiv)	Rajiv Malik	Non-Independent Non-Executive Director (w.e.f November 29, 2022)
(xv)	Nicholas Robert Haggar	Non-Executive Independent Director (w.e.f February 06, 2024)

- (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 Group as a whole.
- (e) Share based compensation expense allocable to key management personnel is Rs 179 (March 31, 2023: Rs 114), which is not included in the remuneration disclosed above.
- (f) Fellow subsidiary companies and subsidiaries with whom the Company did not have any transactions:

	Name	Relation		Name	Relation
(i)	Biocon Biologics FZ LLC	Step-down subsidiary	(xv)	Biocon Pharma UK Limited,	Wholly-owned subsidiary of Biocon Pharma Limited
(ii)	Syngene USA Inc	Wholly-owned subsidiary of Syngene International Limited	(xvi)	Biocon Pharma Ireland Limited	Wholly-owned subsidiary of Biocon Pharma Limited
(iii)	Biocon SA	Wholly-owned subsidiary of Biocon Limited	(xvii)	Biocon Pharma Inc	Wholly-owned subsidiary of Biocon Pharma Limited
(iv)	Biocon Pharma Malta Limited	Wholly-owned subsidiary of Biocon Pharma Limited	(xviii)	Biocon Pharma Malta I Limited	Wholly-owned subsidiary of Biocon Pharma Limited
(v)	Syngene Manufacturing Solutions Limited	Wholly-owned subsidiary of Syngene International Limited	(ixx)	Biocon FZ LLC	Wholly-owned subsidiary of Biocon Limited
(vi)	NeoBiocon FZ-LLC	Associate of Biocon Limited	(xx)	Biocon Generics Inc.	Wholly-owned subsidiary of Biocon Limited
(vii)	Biocon Biologics Do Brasil Ltda	Step-down subsidiary	(xxi)	Syngene Scientific Solutions Limited	Wholly-owned subsidiary of Syngene International Limited
(viii)	Biocon Biologics Healthcare Malaysia Sdn Bhd	Step-down subsidiary	(xxii)	Biocon Biologics Germany GmbH	Step-down subsidiary
(ix)	Biocon Biologics Finland OY	Step-down subsidiary	(xxiii)	Biocon Biologics Belgium BV	Step-down subsidiary
(x)	Biocon Biologics Spain S.L.	Step-down subsidiary	(xxiv)	Biocon Biologics France S.A.S	Step-down subsidiary
(xi)	Biocon Biologics South Africa (PTY) Ltd	Step-down subsidiary	(xxv)	Biocon Biologics Switzerland AG	Step-down subsidiary
(xii)	Biocon Biologics Italy S.R.L.	Step-down subsidiary	(xxvi)	Biocon Biologics Greece Single Member P.C.	Step-down subsidiary
(xiii)	Biocon Biologics (Thailand) Co., Ltd.	Step-down subsidiary	(xxvii)	Biocon Biologics Morocco S.A.R.L.A.U	Step-down subsidiary
(xiv)	Biocon Biologics Philippines Inc.	Step-down subsidiary	(xxviii)	Biocon Biologics Croatia LLC	Step-down subsidiary

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

Notes to the standalone financial statement

for the year ended March 31, 2024

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

29. Tax expense

(a) Amount recognised in Statement of profit and loss

	March 31, 2024	March 31, 2023
Current tax	750	(81)
Deferred tax charge/(credit) related to:		
MAT credit entitlement	(750)	32
Origination and reversal of temporary differences	637	(749)
Tax expense/(credit) for the year	637	(798)

(b) Reconciliation of effective tax rate

(Profit)/loss before tax	4,326	(5,251)
Tax at statutory income tax rate 34.944% (March 31, 2023 - 34.944%)	1,512	(1,835)
<i>Tax effects of amounts which are not deductible/(taxable) in calculating taxable income:</i>		
Exempt income and other deductions	(1,156)	1,233
Non-deductible expense	343	(260)
Tax for earlier years	(52)	20
Others	(10)	44
Income tax expense/(credit)	637	(798)

(c) Recognised deferred tax assets and liabilities

The following is the movement of deferred tax assets/liabilities presented in the balance sheet

	Opening balance	Recognised in profit or loss	Recognised in OCI	Recognised in equity	Closing balance
For the year ended March 31, 2024					
Deferred tax liabilities					
Property, plant and equipment and intangible assets	1,406	217	-	-	1,623
Derivative assets	94	-	10	-	104
	1,500	217	10	-	1,727
Gross deferred tax liabilities					
Employee benefit obligations	182	38	12	-	232
Allowance for doubtful debts	9	-	-	-	9
MAT credit entitlement	881	750	-	-	1,631
Derivative liabilities	51	-	(50)	-	1
Deferred revenue	76	(13)	-	-	63
Lease liabilities	103	(14)	-	-	89
Expenses allowed on payment basis	107	(23)	-	-	84
Carried forward losses	1,722	(298)	-	-	1,424
Others	176	(110)	-	-	66
Gross deferred tax assets	3,307	330	(38)	-	3,599
Deferred tax assets (net)	1,807	113	(48)	-	1,872

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

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

For the year ended March 31, 2023	Opening balance	Recognised in profit or loss	Recognised in OCI	Recognised in equity	Closing balance
Deferred tax liabilities					
Property, plant and equipment and intangible assets	283	1,123	-	-	1,406
Derivative assets	78	-	16	-	94
Gross deferred tax liability	361	1,123	16	-	1,500
Deferred tax assets					
Employee benefit obligations	132	38	12	-	182
Allowance for doubtful debts	9	-	-	-	9
MAT credit entitlement	913	(32)	-	-	881
Derivative liabilities	51	-	-	-	51
Deferred revenue	30	46	-	-	76
Lease liabilities	90	13	-	-	103
Expenses allowed on payment basis	189	(81)	-	-	107
Carried forward losses	-	1,722	-	-	1,722
Others	43	134	-	-	176
Gross deferred tax assets	1,456	1,840	12	-	3,307
Deferred tax assets (net)	1,095	717	(4)	-	1,807

30. Employee benefit plans

- (i) The Company has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972. Under this legislation, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement/termination age and does not have any maximum monetary limit for payments. The gratuity plan is a unfunded.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	Net defined benefit obligation	
	March 31, 2024	March 31, 2023
Balance as at beginning of the year	399	348
Current service cost	49	47
Interest expense	30	21
Amount recognised in Statement of profit and loss	79	68
<i>Remeasurements:</i>		
Actuarial (gain)/loss arising from:		
Financial assumptions	3	(26)
Experience adjustment	32	59
Amount recognised in other comprehensive income	35	33
Liabilities transfer out	(8)	-
Benefits paid	(51)	(50)
Balance as at end of the year	454	399
Non-current	385	340
Current	69	59
	454	399

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

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

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

	March 31, 2024	March 31, 2023
Discount rate	7.2%	7.3%
Expected return on plan assets	NA	NA
Salary increase	9.0%	9.0%
Attrition rate	14% - 30%	14% - 30%
Retirement age - Years	58	58

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

The weighted average duration of the defined benefit obligation was 6 years (March 31, 2023: 6 years).

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

(b) Sensitivity analysis

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

Particulars	March 31, 2024		March 31, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% change)	(21)	24	(19)	21
Salary increase (1% change)	23	(21)	20	(19)
Attrition rate (1% change)	(4)	4	(3)	3

Sensitivity of significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.

Maturity profile of defined benefit obligation

Particulars	March 31, 2024	March 31, 2023
1st Following year	69	59
2nd Following year	53	49
3rd Following year	62	47
4th Following year	45	52
5th Following year	48	37
Years 6 and above	427	383

- (ii) The Company provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service years. During the year ended March 31, 2024, the Group has incurred an expense on compensated absences amounting to Rs 131 (March 31, 2023: Rs 117). The Group determines the expense for compensated absences basis the actuarial valuation of the present value of the obligation, using the Projected Unit Credit Method.

31. Financial instruments: Fair value and risk managements

A. Accounting classification and fair values

March 31, 2024	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments#	-	-	173,538	173,538	-	-	-	-
Trade receivables	-	-	16,322	16,322	-	-	-	-
Cash and cash equivalents	-	-	864	864	-	-	-	-
Other bank balance	-	-	531	531	-	-	-	-
Derivative Assets	-	308	-	308	-	308	-	308
Other financial assets	-	-	266	266	-	-	-	-
	-	308	191,521	191,829	-	308	-	308
Financial liabilities								
Borrowings	7,755	-	42,384	50,139	-	-	7,755	7,755
							Refer note (a)	
Lease liabilities	-	-	1,681	1,681	-	-	-	-
Trade payables	-	-	5,750	5,750	-	-	-	-
Derivative liability	1,162	3	-	1,165	-	3	1,162	1,165
							Refer note (b)	
Other financial liabilities	7,426	-	2,492	9,918	-	-	7,426	7,426
							Refer note (c)	
	16,343	3	52,307	68,653	-	3	16,343	16,346

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

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

March 31, 2023	Carrying amount				Fair value			Total
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3	
Financial assets								
Investments#	463	-	166,057	166,520	463	-	-	463
Trade receivables	-	-	5,827	5,827	-	-	-	-
Cash and cash equivalents	-	-	1,202	1,202	-	-	-	-
Other bank balance	-	-	500	500	-	-	-	-
Derivative Assets	-	211	-	211	-	211	-	211
Other financial assets	-	-	857	857	-	-	-	-
	463	211	174,443	175,117	463	211	-	674
Financial liabilities								
Borrowings	2,054	-	36,536	38,590	-	-	2,054	2,054
							Refer note (a)	
Lease liabilities	-	-	1,789	1,789	-	-	-	-
Trade payables	-	-	8,926	8,926	-	-	-	-
Derivative liability	-	152	-	152	-	152	-	152
Other financial liabilities	6,583	-	1,147	7,730	-	-	6,583	6,583
							Refer note (c)	
	8,637	152	48,398	57,187	-	152	8,637	8,789

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

"(a) Preference shares of Rs. 2,054 are convertible / redeemable, at its face value, any time during the tenure of the instrument at the option of the holder. Owing to this feature, the instrument has been recorded at its fair value which is equivalent to the face value.

BL OCD of Rs. 5,701 are convertible / redeemable. BL OCD's are valued using valuation techniques in consultation with market expert. Refer note 13(e)."

(b) CCD is recorded at fair value [refer note 13(f)]. Fair value of derivative embedded in CCD at inception amounts to Rs. 1,039 [refer note 31 (d)] and was recorded in Other equity. The fair value of derivative liability as at March 31, 2024 amounts to Rs. 1,162. Derivatives are valued using valuation techniques in consultation with market expert.

(c) Refer note 18(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. Measurement of fair values

Derivative financial instruments are value based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

Sensitivity analysis

For the fair values of forward contracts and options contracts of foreign currencies and interest rate swaps, reasonably possible changes at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effects.

Significant observable inputs	March 31, 2024 Impact on other components of equity		March 31, 2023 Impact on other components of equity	
	Increase	Decrease	Increase	Decrease
Spot rate of the foreign currency (1% movement)	(4)	(18)	(82)	82
Interest rates (100 bps movement)	(23)	23	139	(139)

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

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

C. Significant Unobservable inputs used in Level 3 Fair Values

As at March 31, 2024	Valuation Techniques	Significant unobservable inputs	Sensitivity of input to fair value measurement
a) Contingent consideration payable (Derivative) (refer note 18(a))	Binomial Option Pricing Model - using risk free discount rate and growth rate. The fair value is equal to the present value of the probability - weighted future payoffs	a) Discount rate	A 1% increase in discount rate would have led to approximately Rs. 231 gain in Statement of Profit and loss. A 1% decrease would have led to approximately Rs. 233 loss in Statement of Profit and loss.
		b) Volatility rate	A 5% increase in volatility rate would have led to approximately Rs. 144 gain in Statement of Profit and loss. A 5% decrease would have led to approximately Rs. 76 loss in Statement of Profit and loss.
b) Non-Convertible Redeemable Preference Shares ("NCRPS") [refer note 12(a)(ii)(b)]	Equivalent to Face value	Not Applicable	Not Applicable
c) Optionally Convertible Debentures ("BL OCD")	Binomial Option Pricing Model - using risk free discount rate and growth rate. The fair value is equal to the present value of the probability - weighted future payoffs	a) Discount rate	A 1% increase in discount rate would have led to approximately Rs. 96 gain in Statement of Profit and loss. A 1% decrease would have led to approximately Rs. 98 loss in Statement of Profit and loss.
		b) Volatility rate	A 5% increase in volatility rate would have led to approximately Nil gain in Statement of Profit and loss. A 5% decrease would have led to approximately Rs. 3 loss in Statement of Profit and loss.
d) Derivative liability towards Compulsory Convertible Debentures ("CCD")	Binomial Option Pricing Model - using risk free discount rate and growth rate. The fair value is equal to the present value of the probability - weighted future payoffs	a) Discount rate	A 1% increase in discount rate would have led to approximately Rs. 56 gain in Statement of Profit and loss. A 1% decrease would have led to approximately Rs. 58 loss in Statement of Profit and loss.
		b) Volatility rate	A 5% increase in volatility rate would have led to approximately Rs. 94 loss in Statement of Profit and loss. A 5% decrease would have led to approximately Rs. 86 gain in Statement of Profit and loss.

As at March 31, 2023	Valuation Techniques	Significant unobservable inputs	Sensitivity of input to fair value measurement
a) Contingent consideration payable (Derivative) (refer note 18(a))	Binomial Option Pricing Model - using risk free discount rate and growth rate. The fair value is equal to the present value of the probability - weighted future payoffs	a) Discount rate	A 1% increase in discount rate would have led to approximately Rs. 265 gain in Statement of Profit and loss. A 1% decrease would have led to approximately Rs. 268 loss in Statement of Profit and loss.
		b) Volatility rate	A 5% increase in volatility rate would have led to approximately Rs. 78 gain in Statement of Profit and loss. A 5% decrease would have led to approximately Rs. 365 loss in Statement of Profit and loss.
c) Non-Convertible Redeemable Preference Shares ("NCRPS") [refer note 12(a)(ii)(b)]	Equivalent to Face value	Not Applicable	Not Applicable

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

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

D. Reconciliation of Level 3 fair values

	Contingent consideration Payable	NCRPS	OCRPS	BL OCD	Derivative Liability on CCD
At March 31, 2022	-	2,054	10,810	-	-
- Contingent consideration embedded in Convertible Preference Shares at inception	7,366	-	-	-	-
- Net change in fair value gain (unrealised)	(783)	-	-	-	-
- Derecognised on account of conversion to equity shares (Refer Note 12)	-	-	(10,810)	-	-
At March 31, 2023	6,583	2,054	-	-	-
- Proceeds from issue of BL OCD [Refer Note 13(e)]	-	-	-	5,000	-
- Fair value of derivative embedded in CCD at inception [Refer Note 13(f)]	-	-	-	-	1,039
- Net change in fair value loss (unrealised) recognised in Finance cost [Refer Note 13(e)]	-	-	-	701	-
- Net change in fair value loss (unrealised)	843	-	-	-	123
At March 31, 2024	7,426	2,054	-	5,701	1,162

E. 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 (refer note 13).

(ii) Credit risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

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

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables, unbilled revenue and other receivables. The exposure to credit risk as at reporting date amounts to Rs 27 (March 31, 2022: Rs 27).

Allowance for impairment	March 31, 2024	March 31, 2023
Opening Balance	27	27
Impairment loss recognised / (reversed)	-	-
Closing Balance	27	27

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

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

Trade receivables including unbilled revenue from Two (March 31, 2024: one) customer is Rs 10,358 (March 31, 2023 : Rs 5,895) which is individually more than 10 percent of the Company's trade receivables including unbilled revenue.

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

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation (refer note 13).

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

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

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2024:

Particulars	Less than 1 year	1 - 2 years	2-5 years	>5 years	Total
Borrowings	20,857	3,938	25,344	-	50,139
Lease liabilities	590	393	1,046	115	2,144
Trade payables	5,750	-	-	-	5,750
Derivative liabilities	2	1	1,162	-	1,165
Other financial liabilities	2,492	-	7,426	-	9,918
Total	29,691	4,332	34,978	115	69,116

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2023:

Particulars	Less than 1 year	1 - 2 years	2-5 years	>5 years	Total
Borrowings	10,842	5,291	22,457	-	38,590
Lease liabilities	519	519	905	421	2,364
Trade payables	7,984	-	-	-	7,984
Derivative liabilities	131	21	-	-	152
Other financial liabilities	2,089	6,583	-	-	8,672
Total	21,565	12,414	23,362	421	57,762

(iv) Market risk

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

Foreign currency risk

The Company is exposed to foreign exchange risk through operating and borrowing activities in foreign currency. The Group holds derivative instruments such as cash flow hedge contracts, 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, 2024 and March 31, 2023 are expressed in Indian rupees millions as below:

March 31, 2024	USD	EUR	Others
Financial assets			
Trade Receivables	14,751	29	30
Cash and cash equivalents	238	17	-
Derivative Assets	308	-	-
Other financial assets	-	-	-
Financial liabilities			
Non-current borrowings	(19,627)	-	-
Current borrowings	(6,446)	-	-
Derivative liabilities	(3)	-	-
Trade Payables	(1,023)	(225)	(21)
Other financial liabilities	(7,532)	(142)	(36)
Net assets / (liabilities)	(19,334)	(321)	(27)

March 31, 2023	USD	EUR	Others
Financial assets			
Trade Receivables	3,798	67	-
Cash and cash equivalents	510	3	-
Derivative Assets	211	-	-
Other financial assets	490	-	-
Financial liabilities			
Non-current borrowings	(20,194)	-	-
Current borrowings	(1,972)	-	-
Derivative liabilities	(152)	-	-
Trade Payables	(2,501)	(957)	(129)
Other financial liabilities	(6,925)	(64)	(51)
Net assets / (liabilities)	(26,736)	(951)	(180)

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

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

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, 2024	March 31, 2023	March 31, 2024	March 31, 2023
USD Sensitivity				
INR/USD - Increase by 1%	(193)	(267)	(198)	(349)
INR/USD - Decrease by 1%	193	267	176	349
EUR Sensitivity				
INR/EUR - Increase by 1%	(3)	(10)	(3)	(10)
INR/EUR - Decrease by 1%	3	10	3	10

Derivative financial instruments

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

Particulars	March 31, 2024 (in USD Million)	March 31, 2023 (in USD Million)
Foreign exchange forward contracts to buy between 0-2 Years	115	116
Foreign exchange forward contracts to sell between 0-2 Years	74	0
European style option contracts with periodical maturity dates between 0-2 Years	17	25
European style range forward contracts with periodical maturity dates between 0-2 Years	108	108
Interest rate swaps used for hedging LIBOR component in external commercial borrowings	75	75

Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from non-current/current borrowings with variable rates, which expose the Company to cash flow interest rate risk. During the year ended March 31, 2024 and March 31, 2023 the Company's borrowings at variable rate were denominated in INR and USD.

(a) Interest rate risk exposure

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

Particulars	March 31, 2024	March 31, 2023
Variable rate borrowings	26,895	7,632
Fixed rate borrowings	23,244	30,958
Total borrowings	50,139	38,590

(b) Sensitivity

The Company policy is to maintain a optimum balance between fixed and variable rate borrowings using interest rate swaps to achieve this when necessary. The Company is therefore subject to interest rate risk as defined under Ind AS 107.

A reasonably possible change of 100 basis points in interest rates for variable rate borrowings at the reporting date would have increased (decreased) equity and profit or loss by Rs. 269 (March 31, 2023 : Rs. 76)

32. Capital Management

The key objective of the company's capital management is to ensure that it maintains a stable capital structure with the focus on total capital to uphold investor, creditor and customer confidence and to ensure future development of its business. The Company focused on keeping strong total capital base to ensure independence, security as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company (refer note 12 and 13).

To maintain a stable capital structure, during the year ended 31 Mar 2023, the Company has issued equity shares (refer note 12) for a consideration (net of issue expense) of Rs. 65,265.

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

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

During the year ended 31 March 2023, the Company had issued NCRPS to the Holding Company which are classified as financial liabilities in these financial statements. However, the Company has considered NCRPS as part of capital for below disclosure.

The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute annual dividends in future periods.

The future dividends of equity and preference shares will be balanced with efforts to continue to maintain an adequate liquidity status.

The capital structure as of March 31, 2024 and March 31, 2023 was as follows:

Particulars	March 31, 2024	March 31, 2023
Total equity	174,260	167,856
Preference share capital (NCRPS)	2,054	2,054
Total capital attributable to the shareholders of the Company (including NCRPS)	176,314	169,910
As a percentage of total capital	79%	82%
Non-current borrowings*	27,228	25,694
Current borrowings	20,857	10,842
Total borrowings	48,085	36,536
As a percentage of total capital	21%	18%
Total capital (Equity capital, preference capital and borrowings)	224,399	206,446

* includes OCD amounting to Rs. 14,939 (March 31, 2023 : 14,030) [refer note 13]

* includes BL OCD amounting to Rs. 5,701 (March 31, 2023 : Nil) [refer note 13]

33. Contingent liabilities and commitments

(to the extent not provided for)

	March 31, 2024	March 31, 2023
(i) Contingent liabilities		
(a) Claims against the Company not acknowledged as debt	1,170	1,111
The above includes		
(i) Direct taxation	1,045	986
(ii) Indirect taxation (includes matters pertaining to disputes on VAT and CST)	125	125

The Company is involved in taxation matters that arise from time to time in the ordinary course of business. Judgment is required in assessing the range of possible outcomes for some of these tax matters, which could change substantially over time as each of the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents. Based on its internal assessment supported by external legal counsel views, if any, the Company believes that it will be able to sustain its positions if challenged by the authorities and accordingly no additional provision is required for these matters.

Other than the matter disclosed above, the Company is involved in disputes, lawsuits, proceedings etc. including patent and commercial matters that arise from time to time in the ordinary course of business. Management is of the view that above matters will not have any material adverse effect on the Company's financial position and results of operations.

(ii) Commitments:		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	1,240	1,722
(iii) Corporate guarantee given to subsidiaries towards borrowings from the bank and other financial commitments	128,760	126,968

Corporate Guarantees includes guarantee towards long-term funding arrangement between lender and wholly owned subsidiary. During the year long-term funding arrangement was amended, whereby the lenders have relied upon the Equity Support Agreement ('ESA') given by Biocon Limited and has resulted in relief for purpose of covenant compliance by the Company and its subsidiaries. ESA was approved by the shareholders of Biocon Limited ("the Holding Company") on 22 April 2024. Further, In April 2024, the Holding Company has received approval from its board of directors to infuse funds amounting to Rs 6,250 to provide liquidity to the Company.

Based on the evaluation described above, management believes that the Company has sufficient financial resources available meet the commitment of corporate guarantee for foreseeable future.

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

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

34. Earnings per equity share (EPS)

	Year ended March 31, 2024	Year ended March 31, 2023
Earnings		
For Basic EPS	3,689	(4,453)
For Dilutive EPS [refer note (c) below]	3,689	(5,236)
Weighted average shares		
For computing basic EPS [refer note (a) and (c) below]	1,560,883,944	1,242,977,197
Adjustments for calculation of diluted earnings per share [refer note (b)] :		
- Employee stock options	5,894,446	-
- CCPS	-	20,577,028
For computing diluted EPS	1,566,778,390	1,263,554,225
Earnings per equity share		
Basic (in Rs)	2.36	(3.58)
Diluted (in Rs)	2.35	(4.14)

(a) Excludes Treasury shares

(b) Potential ordinary shares are antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

(c) Weighted average shares considered for computing basic EPS includes the effect of mandatory conversion of CCPS for the current period and accordingly the comparative period has been adjusted. CCPS are anti-dilutive as at March 31, 2024. The earnings for dilutive EPS in the comparative period is adjusted with the fair value gain on contingent consideration payable related to CCPS.

35. Segmental reporting

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

Geographical segment

For details of revenue by geography please refer to note 19.1

For details of significant customer refer note 19.5

36. Employee stock compensation

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

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

In August 2021, based on the approval of the Board, the Company granted RSUs to its employees under this Plan. For grants made before August 1, 2021, the options 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. For grants made in August 2022 and October 2022, the vesting would be 50% and 50% of the total grant at the end of first and second year, respectively from the date of grant. For grants made in July 2023, October 2023 and January 2024 the vesting would be 100% of the total grant at the end of first year. Exercise period is 3 years for each grant. These options are exercisable at Rs. 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.

b) Biocon Biologics Limited Restricted Stock Units Plan 2023

On February 22, 2023, Board of Directors of the Company approved the Biocon Biologics Limited Restricted Stock Units Long Term Incentive Plan FY 2023 ('RSU Plan 2023') for the grant of Restricted stock units to the employees of the Company and its subsidiaries. The Nomination and Remuneration Committee ('Remuneration Committee') administers the plan through a trust established specifically for this purpose, called the Biocon Limited Employees Welfare Trust.

In March 2023, based on the approval of the Board, the Company granted RSUs to its employees under this Plan. The options under this grant would vest to the employees as 25% in first year after the grant date, 25% on the event of IPO, 25% after the expiry of one year from IPO date and 25% after the expiry of 2 years from the IPO date. The options are exercisable only on the event of an IPO and exercise period shall be one year from the date of last vesting. These options are exercisable at Rs. 10 per RSU.

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

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

Particulars	March 31, 2024		March 31, 2023	
	No of Options	Weighted Average Exercise Price	No of Options	Weighted Average Exercise Price
RSU Plan 2022				
Outstanding at the beginning of the year	5,637,231	10	5,142,857	10
Granted during the year	1,873,818	10	1,315,802	10
Lapses/forfeited during the year	660,462	10	805,518	10
Exercised during the year*	33,590	10	15,911	10
Expired during the year	-	-	-	-
Outstanding at the end of the year	6,816,997	10	5,637,231	10
Exercisable at the end of the year	2,954,271	10	1,272,862	10
Weighted average remaining contractual life (in years)	3.6		4.3	-
Weighted average fair value of options granted	240.4		214.3	-
RSU Plan 2023				
Outstanding at the beginning of the year	2,039,997	10	-	-
Granted during the year	9,550	10	2,039,997	10
Lapses/forfeited during the year	466,927	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	1,582,620	10	2,039,997	10
Exercisable at the end of the year	393,268	10	-	-
Weighted average remaining contractual life (in years)	3.9		5	-
Weighted average fair value of options granted	241.4		229.3	-

* For the year ended March 31, 2024 pending allotment.

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

Particulars	March 31, 2024		March 31, 2023	
	RSU Plan 2022	RSU Plan 2023	RSU Plan 2022	RSU Plan 2023
Weighted Average Exercise Price	10	10	10	10
Expected volatility *	31.3% - 32.2%	39.5% - 44.7%	39.9% - 43.5%	39.5% - 44.7%
Life of the options granted (vesting and exercise period) in years	4	5	5	5
Average risk-free interest rate	7.0% - 7.2%	7.1% - 7.4%	6.4% - 6.7%	7.1% - 7.4%
Expected dividend rate	0%	0%	0%	0%

*The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

The Company has recorded an amount of Rs 730 (March 31, 2023: 447) as cost of the above RSU Plan in the statement of profit and loss.

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

Total number of options outstanding	March 31, 2024	March 31, 2023
ESOP Plan 2000	801,430	2,095,004
RSU Plan 2019 #	3,257,615	3,814,976

adjusted for the impact of bonus issue

The Company has recorded an amount of Rs 78 (March 31, 2023: Rs 232) as cost of the above stock option plans based on amounts cross charged by its Holding company.

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

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

37. (a) Acquisitions

On February 27, 2022, the Company entered into a definitive agreement with its collaboration partner Viatri's Inc. to acquire Viatri's biosimilars business to create a fully integrated global biosimilars enterprise, at a total consideration of Rs. 247,255, including cash of Rs. 156,645 and Compulsorily Convertible Preference Shares ('CCPS') in BBL of Rs. 82,181. The said transaction obtained necessary regulatory and other approvals and the closing conditions were satisfied on November 29, 2022 pursuant to which, the Company acquired control over the Viatri's biosimilar business through subsidiaries Biosimilars Newco Limited and Biosimilar Collaborations Ireland Limited. The Company has accounted for the transaction under Ind AS 103, "Business Combinations". The acquired business have been consolidated through its step down subsidiaries effective November 29, 2022, the consummation date in the consolidated financial statements of the Company.

38. Exceptional item

- a) The Department of Pharmaceuticals ('DOP'), via Corrigendum dated October 20, 2023, has modified the PLI guidelines to limit the annual incentive allocation to each applicant for the first 4 years of the scheme. Pursuant to such guidelines, during the year ended March 31, 2024, the Company has reversed Rs. 82 of excess PLI accrual made in the books for the year. The reversal has been recognized as an exceptional item for the financials year ended March 31, 2024. Consequential tax impact of Rs. 11 million is included in tax expense for the period.
- b) Pursuant to the acquisition mentioned in note 37(a), the Company reassessed the inventory value of certain molecules and wrote-off inventory amounting to Rs 38. The write-off has been recognized as an exceptional item for the financials year ended March 31, 2023. Consequential tax impact of Rs. 6 is included within tax expense for the period.

39. Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

Particulars	In cash	Yet to be paid in cash	Total
March 31, 2024			
i) Construction/acquisition of any asset *	56	-	56
ii) On purposes other than (i) above	64	-	64
Total	120	-	120
March 31, 2023			
i) Construction/acquisition of any asset *	40	-	40
ii) On purposes other than (i) above	10	-	10
Total	50	-	50

* not owned by the Company

Particulars	March 31, 2024	March 31, 2023
Amount required to be spent by the company during the year	-	44
Amount of expenditure incurred	120	50
Excess amount spent during the year	120	6
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-

Nature of CSR activities conducted by company during the year ending March 31, 2024 are as follows:

- Promoting healthcare
- Environmental sustainability
- Mass transit system
- Promoting education

Refer note 28 for details of related party transactions

40. Events after the reporting date

- a) In March 2024, the Company has entered into a long-term commercial collaboration agreement with Eris Lifesciences, subject to closure of customary closing conditions, for the sale of its business in relation to Metabolics, Oncology, and Critical Care products in India for a consideration of Rs. 12,420. As a part of deal the Company has signed a 10-year supply agreement with Eris. The transaction has come into effect on April 1, 2024.

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

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

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. Financial ratios:

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% Variance
a. Current ratio	Current assets	Current liabilities	1.12	1.17	-5%
b. Debt-Equity ratio	Total borrowings * excluding NCRPS	Total equity including NCRPS	0.27	0.23	19%
c. Debt service coverage ratio ¹	Earnings for debt service = Net profit before tax + Depreciation and amortisation + Finance costs + Non cash exceptional items	Debt service = Current lease liabilities + Current borrowings	0.42	-0.14	-407%
d. Return on equity ratio ¹	Profit for the year	Average total equity including NCRPS	2.14%	-4.41%	-149%
e. Inventory turnover ratio	Cost of goods sold = Cost of raw materials and packing materials consumed + Purchases of traded goods + Changes in inventories	Average inventory	0.71	0.62	15%
f. Trade receivables turnover ratio	Net credit sales = Revenue from operations	Average Trade Receivable	2.79	2.93	-5%
g. Trade payables turnover ratio	Net credit purchases = Purchases of traded goods + Purchases of raw materials and packing materials + other expenses	Average trade payables	2.82	3.35	-16%
h. Net capital turnover ratio ²	Revenue from operations	Average Working capital (Working capital = Current assets - Current liabilities excluding NCRPS)	8.38	3.19	163%
i. Net profit ratio ¹	Profit for the year	Revenue from operations	11.93%	-21.28%	-156%
j. Return on capital employed ¹	Earnings before interest and taxes = Profit before tax + Finance costs	Capital Employed = Tangible Net Worth (Total equity - Intangibles assets) + Total Borrowings	3.10%	-1.94%	-259%
k. Return on investment ³	Realised and Unrealised gain	Average investment during the year	212.96%	5.99%	3455%

* includes OCD amounting to Rs. 14,930 (March 31, 2023 : 14,030) [refer note 13]

¹ Debt service coverage ratio, Return on equity, Net profit ratio and Return on capital employed has increased due to Profit earned during the year primarily on of increase in the total revenue during the year.

² Net capital turnover ratio has increased due to increase in the Total revenue during the year and improved working capital.

³ Return on investments has increased due to increased investment during the year and Nil balance as at end of the year.

43. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries except as disclosed in note 13(i).

44. On January 03, 2022, the Board of Directors of the Company had approved the scheme of Merger by Absorption ('the Scheme') of Covidshield Technologies Private Limited ("CTPL" or the Transferor company), a wholly owned subsidiary of Serum Institute Life Sciences Private Limited ("SILS"), with and into the Company (the Transferee company) with an appointed date of October 01, 2022. The Scheme was subject to the requisite statutory approvals including approval of National Company Law Tribunal ("NCLT").

During the year ended March 31, 2024, the Company and SILS mutually determined to re-evaluate the merger and accordingly have agreed to withdraw from the said merger proposal.

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

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

45. Other statutory information

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988).
- (ii) The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (iv) The Company is not declared as wilful defaulter by any bank or financial institution or government or any government authority.
- (v) The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W/W-100022

Sanjay Sharma

Partner

Membership No.: 063980

Place : Bengaluru

Date: May 15, 2024

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

Kiran Mazumdar-Shaw

Executive Chairperson

DIN: 00347229

Kedar Upadhye

Chief Financial Officer

Place : Bengaluru

Date: May 14, 2024

Shreehas P Tambe

Managing Director

DIN: 09796480

Deepika Srivastava

Company Secretary

Consolidated Financial Statements

Independent Auditor's Report

To the Members of Biocon Biologics Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Biocon Biologics Limited (hereinafter referred to as the "Holding Company"), its employee welfare trust and its subsidiaries (Holding Company, its employee welfare trust and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2024, 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 material 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 the other auditors on separate financial statements/financial information of such subsidiaries 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 as at 31 March 2024, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in paragraph (a) of the "Other Matter" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of

the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other 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.

Other Matter

- a. We did not audit the financial statements of one subsidiary, whose financial statements reflects total assets (before consolidation adjustments) of Rs. 37,776 million as at 31 March 2024, total revenues (before consolidation adjustments) of Rs. 14,555 million and net cash inflows (before consolidation adjustments) amounting to Rs. 88 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the of the reports of the other auditor.
- b. We did not audit certain financial information of two subsidiaries, which reflect assets (before consolidation adjustments) of Rs. 4,107 million as at 31 March 2024, revenues (before consolidation adjustments) of Rs. 35,461 million and expenses (before consolidation adjustments) of Rs. 29,196 million for the year ended on that date, as considered in the consolidated financial statements. These elements

of financial information have been audited by other auditors whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the of the reports of the other auditors.

- c. These subsidiaries 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 subsidiaries 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 subsidiaries 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 - 2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditor on separate financial statements/financial information of such subsidiaries, 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 except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - 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 1 April 2024 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company, is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(f) above on reporting under Section 143(3)(b) and paragraph [2B(f)] below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements/financial information of the subsidiaries, as noted in the "Other Matters" paragraph
- a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group. Refer Note 36 (i) to the consolidated financial statements.
- b. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 31 to the consolidated financial statements in respect of such items as it relates to the Group.
- c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2024.
- d. (i) The management of the Holding Company represented to us that, to the best of its knowledge and belief, other than as disclosed in the Note 13 and Note 44 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 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 directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management of the Holding Company represented to us that, to the best of its knowledge and belief, other than as disclosed in the Note 13 and Note 44 to the consolidated financial statements, no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.
- f. Based on our examination which included test checks, except for the instances mentioned below, the Holding Company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software:
- a. For data changes performed by users having privileged access (debug)
- b. At the application level for certain fields / tables relating to all the significant financial processes
- c. At the database level to log any direct data changes
- Further, where audit trail (edit log) facility was enabled, we did not come across any instance of audit trail feature being tampered with
- C. In our opinion and according to the information and explanations given to us the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company 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 No.:101248W/W-100022

Sanjay Sharma
Partner
Membership No.: 063980
ICAI UDIN:24063980BKFGHK4361

Place: Bengaluru
Date: 15 May 2024

Annexure A to the Independent Auditors' Report

on the Consolidated Financial Statements of Biocon Biologics Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the consolidated financial statements, has unfavourable remarks, qualification or adverse remarks given by its auditor in his report 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 Biologics Limited	U24119KA2016FLC093936	Holding Company	Clause 3(ix)(d)
2	Biocon Biologics Limited	U24119KA2016FLC093936	Holding Company	Clause 3 (xvii)

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Sanjay Sharma
Partner
Membership No.: 063980
ICAI UDIN:24063980BKFGHK4361

Place: Bengaluru
Date: 15 May 2024

Annexure B to the Independent Auditors' Report

on the consolidated financial statements of Biocon Biologics Limited for the year ended 31 March 2024

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 Act

(Referred to in paragraph 2(A)(i) 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 Biocon Biologics Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company, a company incorporated in India under the Companies Act, 2013, as of that date.

In our opinion, the Holding Company, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Holding 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 financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to 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 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 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 financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to 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 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 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 Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Sanjay Sharma

Partner

Membership No.: 063980

ICAI UDIN:24063980BKFGHK4361

Place: Bengaluru

Date: 15 May 2024

Consolidated Balance Sheet

for the year March 31, 2024

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

	Note	March 31, 2024	March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	36,885	36,748
Capital work-in-progress	3(a)	18,891	14,952
Right-of-use assets	3(b)	1,646	1,450
Goodwill	3(c)	163,460	161,098
Other Intangible assets	4	62,142	57,495
Intangible assets under development	4	39,341	46,463
Financial assets			
(i) Derivative assets		269	63
(ii) Other financial assets	5(a)	864	9,144
Income tax assets (net)		574	818
Deferred tax assets (net)	6	2,568	1,807
Other non-current assets	7(a)	3,529	2,351
Total non-current assets		330,169	332,389
Current assets			
Inventories	8	37,092	31,607
Financial assets			
(i) Current investments	9	109	492
(ii) Trade receivables	10	49,505	23,443
(iii) Cash and cash equivalents	11	8,534	8,877
(iv) Bank balance other than (iii) above	11	553	527
(v) Derivative assets		686	148
(vi) Other financial assets	5(b)	605	487
Other current assets	7(b)	3,839	3,678
Total current assets		100,923	69,259
TOTAL		431,092	401,648
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12(a)	13,217	13,217
Other equity	12(b)	170,192	162,859
Total equity		183,409	176,076
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13	112,172	132,626
(ii) Lease liabilities	27	1,402	1,316
(iii) Derivative liabilities		1,163	21
(iv) Other financial liabilities	18(a)	7,426	32,156
Provisions	14(a)	1,672	1,571
Deferred tax liabilities (net)	6	3,950	3,713
Other non-current liabilities	15(a)	343	582
Total non-current liabilities		128,128	171,985
Current liabilities			
Financial liabilities			
(i) Borrowings	16	26,748	12,197
(ii) Lease liabilities	27	605	477
(iii) Trade payables	17		
- Total outstanding dues of micro and small enterprises		297	1,013
- Total outstanding dues of creditors other than micro and small enterprises		56,509	30,293
(iv) Derivative liabilities		2	131
(v) Other financial liabilities	18(b)	32,491	4,474
Provisions	14(b)	678	626
Other current liabilities	15(b)	1,239	3,523
Current tax liabilities (net)		986	853
Total current liabilities		119,555	53,587
TOTAL		431,092	401,648

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

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W/W-100022

Sanjay Sharma

Partner

Membership No.: 063980

Bengaluru

Date: May 15, 2024

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

Kiran Mazumdar-Shaw

Executive Chairperson

DIN: 00347229

Kedar Upadhye

Chief Financial Officer

Bengaluru

Date: May 14, 2024

Shreehas P Tambe

Managing Director

DIN: 09796480

Deepika Srivastava

Company Secretary

Consolidated Statement of Profit & Loss

for the year ended March 31, 2024

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

	Note	Year ended March 31, 2024	Year ended March 31, 2023
INCOME			
Revenue from operations	19		
Sale of products		81,987	52,718
Sale of services		2,290	2,100
Other operating revenue		3,965	1,020
Other income	20	1,764	120
Total income		90,006	55,958
EXPENSES			
Cost of raw materials and packing materials consumed	21	18,208	11,098
Purchases of traded goods		16,101	6,240
Changes in inventories of finished goods, traded goods and work-in-progress	22	(6,988)	(1,310)
Employee benefits expense	23	12,702	8,488
Finance costs	24	8,637	2,969
Depreciation and amortisation expense	25	10,302	6,382
Other expenses	26	28,824	21,956
		87,786	55,823
Less: Recovery of cost from co-development partners (net)		(737)	(3,895)
Total expenses		87,049	51,928
Profit before tax and exceptional items		2,957	4,030
Exceptional items	40	166	(2,844)
Profit before tax		3,123	1,186
Tax expenses/(credit)	29		
Current tax		1,733	832
Deferred tax (credit) / charge			
MAT credit entitlement		(750)	32
Other deferred tax		(42)	(1,013)
Total tax expenses/(credit)		941	(149)
Profit for the year		2,182	1,335
Other comprehensive (expense)/income (OCI)			
(i) Items that will not be reclassified subsequently to profit or loss			
Re-measurement losses on defined benefit plans		(35)	(33)
Income tax effect		12	12
		(23)	(21)
(ii) Items that may be reclassified subsequently to profit or loss			
Effective portion of gains/(losses) on hedging instrument in cash flow hedges		896	45
Exchange difference on translation of foreign operations		1,959	1,529
Income tax effect		(222)	(16)
		2,633	1,558
Other comprehensive income/(expense) for the year, net of tax		2,610	1,537
Total comprehensive income for the year		4,792	2,872
Earnings per equity share	37		
Basic (in Rs)		1.40	1.07
Diluted (in Rs)		1.39	0.43

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

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W/W-100022

Sanjay Sharma

Partner

Membership No.: 063980

Bengaluru

Date: May 15, 2024

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

Kiran Mazumdar-Shaw

Executive Chairperson

DIN: 00347229

Kedar Upadhye

Chief Financial Officer

Bengaluru

Date: May 14, 2024

Shreehas P Tambe

Managing Director

DIN: 09796480

Deepika Srivastava

Company Secretary

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

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

	March 31, 2024	March 31, 2023
(A) Equity share capital		
Opening balance	10,588	10,588
Shares issued during the year	2,629	2,629
Closing balance	13,217	13,217

B. Other equity

	Equity portion of preference shares (refer note 13 (g))	Compulsorily Convertible Preference Shares classified as a Equity instrument	Equity portion of Compulsorily Convertible Debentures	Securities Premium	Retained earnings	Amalgamation adjustment reserve	Reserves and surplus			Other comprehensive income			Total other equity	
							Debt redemption reserve	Capital redemption reserve	Treasury Shares	Fair value Compound Financial Instrument	Employee stock option outstanding reserve	Cash flow hedging reserves		Foreign currency translation reserve
Balance at April 1, 2022	100	-	-	7,378	1,158	(1,348)	1,292	-	-	412	(58)	1,273	(50)	11,520
Profit for the year	-	-	-	-	1,335	-	-	-	-	-	-	-	-	1,335
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	-	29	1,579	(21)	1,537
Total comprehensive income for the year	-	-	-	-	1,335	-	-	-	-	-	29	1,529	(21)	2,872
Transactions recorded directly in equity during the year	-	-	-	63,022	-	-	-	-	-	-	-	-	-	63,022
Securities premium received on issue of equity shares during the year	-	-	-	-	79,869	-	-	-	-	-	-	-	-	79,869
Compulsorily Convertible Preference Shares issued during the year (refer note 12(a)(i)(d))	-	2,312	-	-	-	-	-	-	-	-	-	-	-	2,312
Contingent consideration embedded in Convertible Preference Shares at inception (refer note 35)	-	-	-	(7,366)	-	-	-	-	-	-	-	-	-	(7,366)
Conversion of Optionally convertible redeemable preference shares (OCRPS) to equity shares (refer note 12(a)(ii)(c))	-	-	-	10,424	-	-	-	-	-	-	-	-	-	10,424
Dividend paid	-	-	-	-	(228)	-	-	-	-	-	-	-	-	(228)
Treasury shares with Biocon Biologics Employee Welfare Trust	-	-	-	-	-	-	-	-	(13)	-	-	-	-	(13)
Employee stock compensation expense (refer note 39)	-	-	-	-	-	-	-	-	-	447	-	-	-	447
Balance at March 31, 2023	100	2,312	-	153,327	2,265	(1,348)	1,292	-	(13)	859	(29)	2,802	(71)	162,859
Profit for the year	-	-	-	-	2,182	-	-	-	-	-	-	-	-	2,182
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	-	674	1,959	(23)	2,610
Total comprehensive income for the year	-	-	-	-	2,182	-	-	-	-	-	674	1,959	(23)	4,792
Transactions recorded directly in equity during the year	-	-	-	7,715	-	-	-	-	-	-	-	-	-	7,715
Securities premium received on issue of securities issued during the year (refer note 13 (i) and (j))	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Compulsorily convertible debentures classified as Equity (refer note 13 (i))	-	-	2,850	(2,893)	-	-	-	-	-	-	-	-	-	(43)
Compulsorily convertible debentures classified as Compound Financial Instrument (refer note 13 (i) and 31)	-	-	-	-	-	-	-	-	-	-	-	-	(1,039)	(1,039)
Optionally convertible debentures classified as Liability (refer note 13 (i))	-	-	-	(4,822)	-	-	-	-	-	-	-	-	-	(4,822)
Employee stock compensation expense (refer note 39)	-	-	-	-	-	-	-	-	-	730	-	-	-	730
Balance at March 31, 2024	100	2,312	2,850	153,327	4,447	(1,348)	1,292	-	(13)	1,589	645	4,761	(94)	170,192

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

As per our report of even date attached

for BSR & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W/W-100022

Sanjay Sharma

Partner

Membership No.: 063980

Bengaluru

Date: May 15, 2024

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

Kiran Mazumdar-Shaw

Executive Chairperson

DIN: 00347229

Kedar Upadhye

Chief Financial Officer

Bengaluru

Date: May 14, 2024

Shreehas P Tambe

Managing Director

DIN: 09796480

Deepika Srivastava

Company Secretary

Statement of Consolidated Cash Flows

for the year ended March 31, 2024

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

	Year ended March 31, 2024	Year ended March 31, 2023
I Cash flows from operating activities		
Profit for the year	2,182	1,335
<u>Adjustments to reconcile profit for the year to net cash flows</u>		
Depreciation and amortisation expense	10,302	6,382
Tax expense	941	(149)
Finance costs	8,637	2,969
Employee stock compensation expense	730	447
Net gain on sale of current investments	(495)	(67)
Net loss on financial assets/liabilities designated at fair value through profit or loss	(1,020)	619
Unrealised foreign exchange (gain) / loss	(602)	666
Interest income	(141)	(31)
Exceptional expenses (non-cash) (refer note 40)	6,220	470
Operating profit before working capital changes	26,754	12,641
Movements in working capital *		
Decrease / (Increase) in inventories	(7,563)	10,606
Decrease / (Increase) in trade receivables	(25,227)	16,978
(Decrease) / Increase in trade payables, other financial & non financial liabilities and provisions	30,041	(41,062)
Decrease / (Increase) in other assets	(775)	9,723
Cash generated from operations	23,230	8,886
Income taxes paid (net of refunds)	(1,363)	(344)
Net cash flow generated from operating activities	21,867	8,542
II Cash flows from investing activities		
Purchase of property, plant and equipment, ROU including Capital work-in-progress	(6,465)	(5,833)
Purchase of other intangible assets and intangible assets under development	(1,972)	(972)
Proceeds from sale of property, plant and equipment	-	4
Payment for acquisition of Biosimilar Business from Viatriis (refer note 35)	-	(156,645)
Purchase of investments	(30,842)	(70,168)
Proceeds from sale of investments	31,799	69,877
Redemption of fixed deposit with original maturity more than 3 months	1	542
Interest received	141	72
Net cash flow (used in) investing activities	(7,338)	(163,123)
III Cash flows from financing activities		
Proceeds from issuance of equity shares (net of expenses)	-	65,265
Proceeds from issuance of debentures [refer note 13 (i) and (j)]	8,000	-
Dividend paid	-	(228)
Proceeds from non-current borrowings	-	95,906
Repayment of non-current borrowings	(23,774)	(101)
Proceeds from current borrowings (net)	6,700	4,930
Repayment of lease liabilities	(629)	(544)
Interest paid	(8,015)	(3,601)
Net cash flow (used in) / generated from financing activities	(17,718)	161,627
IV Net (decrease) / Increase in cash and cash equivalents (I + II + III)	(3,189)	7,047

Statement of Consolidated Cash Flows

for the year ended March 31, 2024

	Year ended March 31, 2024	Year ended March 31, 2023
V Effect of exchange differences on cash and cash equivalents held in foreign currency	(8)	100
VI Cash and cash equivalents at the beginning of the year	8,590	1,444
VII Cash and cash equivalents at the end of the year (IV + V + VI)	5,393	8,590
Reconciliation of cash and cash equivalents as per statement of cash flow		
Cash and cash equivalents (Note 11)		
Balances with banks - on current accounts	8,534	8,877
	8,534	8,877
Cash credits (note 16)	(3,141)	(287)
Balance as per statement of cash flows	5,393	8,590

* Refer note 35 for working capital acquired through business acquisition during the year

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities

	Opening balance April 1, 2023	Cash flows	Non -cash movement	Closing balance March 31, 2024
Non-current borrowings (including current maturities)	133,694	(15,774)	315	118,235
Current borrowings	10,842	6,700	2	17,544
Interest accrued but not due	192	(47)	-	145
Total liabilities from financing activities	144,728	(9,121)	317	135,924

	Opening balance April 1, 2022	Cash flows	Non -cash movement	Closing Balance March 31, 2023
Non-current borrowings (including current maturities)	44,623	95,805	(6,734)	133,694
Current borrowings	5,907	4,930	5	10,842
Interest accrued but not due	135	57	-	192
Total liabilities from financing activities	50,665	100,792	(6,729)	144,728

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

As per our report of even date attached

for **BSR & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W/W-100022

Sanjay Sharma

Partner

Membership No.: 063980

Bengaluru

Date: May 15, 2024

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

Kiran Mazumdar-Shaw

Executive Chairperson

DIN: 00347229

Kedar Upadhye

Chief Financial Officer

Bengaluru

Date: May 14, 2024

Shreehas P Tambe

Managing Director

DIN: 09796480

Deepika Srivastava

Company Secretary

Notes to the consolidated financial statement

for the year ended March 31, 2024

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

1. Company Overview

1.1 Reporting entity

Biocon Biologics Limited ("BBL" or the "parent company" or "the Company"), a subsidiary of Biocon Limited, together with its subsidiaries and trust (collectively, the "Group"), is engaged in manufacture and development of pharmaceutical formulations. The Company is a public limited company incorporated and domiciled in India and has its registered office at Biocon House, Semicon Park Electronics City, Phase – II, Hosur Road, Bengaluru – 560 100.

1.2 Basis of preparation of financial statements

a) Statement of compliance

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

The Group has performed an assessment of its financial position as at March 31, 2024 and the forecasts of the Group for a period of fifteen months from the date of these financial statements. As part of this assessment, following factors are considered by the management.

- In the previous year, the Group acquired the biosimilar business from Viartis using long-term funding arrangements amounting to Rs. 98,616 (outstanding balance as on March 31, 2024 Rs. 79,173, refer note 13). The Group also has obligation to pay deferred consideration to Viartis (refer note 18). During the year funding arrangement was amended, whereby the lenders have relied upon the Equity Support Agreement ('ESA') given by Biocon Limited and has resulted in relief for purpose of covenant compliance. ESA was approved by the shareholders of Biocon Limited ("the Holding Company") on 22 April 2024.
- The Group's ability to utilize the sanctioned working capital facilities and re-finance its borrowings for operations when these fall due. The Group is having discussions with the banks and has received indicative term sheets for such arrangements.
- Projected performance of the Group specifically considering net cash inflows duly simulated for alternate scenarios with sensitivities for the key assumptions.
- In April 2024, the Holding Company of the Group has received approval from its board of directors to infuse funds amounting to Rs. 6,250 to provide liquidity to the Group.

Based on the evaluation described above, management believes that the Group has sufficient financial resources available to it as on the date of approval of these financial statement and that it will be able to continue as a going concern in the foreseeable future. Accordingly, these consolidated financial statements have been prepared for the Group as a going concern basis on the basis of relevant Ind AS that are effective at the Company's

annual reporting date, March 31, 2024.

These consolidated financial statements are approved for issuance by the Company's Board of Directors on May 14, 2024.

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

b) Functional and presentation currency

These consolidated financial statements are presented in Indian rupees (INR), which is also the functional currency of the parent Company. All amounts have been rounded-off to the nearest million, unless otherwise indicated. In respect of subsidiaries whose operations are self-contained and integrated, the functional currency has been determined to be the currency of the primary economic environment in which the entity operates.

c) Basis of measurement

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

- Derivative Financial instruments at fair value
- Certain financial assets and liabilities are measured at fair value;
- Net defined benefit assets/(liability) are measured at fair value of plan assets, less present value of defined benefit obligations;
- Employee stock compensation at grant date fair value.
- Contingent consideration receivable or payable in a business combination at fair value
- Non derivative financial instruments at Fair Value Through Profit and Loss (FVTPL)

d) Use of estimates and judgements

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

Judgements

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

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

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

- Note 1.2(b) — Assessment of functional currency;
- Note 2(c) and 31 — Financial instruments;
- Note 2(d), 2(e) and 3 — Useful lives of property, plant and equipment and other intangible assets;
- Note 2(j) and 30 — measurement of defined benefit obligation; key actuarial assumptions;
- Note 2(n), 6 and 29 — Provision for income taxes and related tax contingencies and evaluation of recoverability of deferred tax assets.
- Note 2(l) and 19 — Revenue Recognition: whether revenue from sale of product and licensing income is recognised over time or at a point in time;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

1.3 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes:

- Note 2(i)(ii) – impairment test of non-financial assets; key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets;
- Note 6 and 29 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 2(l) and 19 - Revenue Recognition; estimate of expected returns, chargebacks, rebates and other allowances;
- Note 30 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 31 – impairment of financial assets; and
- Note 14 and 36 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Note 39 – Employee stock compensation
- Note 2(i) and 3(c) - impairment test of goodwill: key assumptions underlying recoverable amounts, including the recoverability of development costs;
- Note 35 - acquisition of business: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis.

1.4 Measurement of fair values

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

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

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

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

- Note 31 – financial instruments
- Note 39 – Employee stock compensation
- Note 35 – Business Combination

1.5 Operating Cycle

The Group classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when –

- it expects to settle the liability or consume it, in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group's normal operating cycle is twelve months.

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

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

2 Material accounting policies

a. Basis of consolidation

i. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The financial statements of the Group are consolidated on line-by-line basis. Intra-group transactions, balances and any unrealised gains arising from intra-group transactions, are eliminated. Unrealised losses are eliminated, but only to the extent that there is no evidence of impairment. All temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions are recognised as per Ind AS 12, Income Taxes.

For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

ii. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in statement of profit or loss.

iii. Associates and joint arrangements (equity accounted investees)

The Group's interests in equity accounted investees comprise interests in associates and a joint venture.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income (OCI) of equity-accounted investees until the date on which significant influence or joint control ceases.

iv. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

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.

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

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

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

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

- amortised cost;
- Fair value through other comprehensive income (FVOCI) – debt investment;
- FVOCI – equity investment; or
- FVTPL

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

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss. However, see Note 31 for derivatives designated as hedging instruments.
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Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit and loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

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

Financial liabilities

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

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

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

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

iv. Offsetting

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

v. Derivative financial instruments and hedge accounting

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

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

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

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

Cash flow hedges

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

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's

cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

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

vi. Net investment hedges

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of changes in the fair value of a derivative or foreign exchange gains and losses for a non-derivative is recognised in OCI and presented in other equity within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognized immediately in profit or loss. The amount recognised in OCI is fully or partially reclassified to profit or loss as a reclassification adjustment on disposal or partial disposal of the foreign operation, respectively.

vii. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the 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 the cost of materials and direct labor, any other costs including import duty, and other non-refundable taxes or levies that are directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

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

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

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

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

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

ii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

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

Asset	Management estimate of useful life	Useful life as per Schedule II
Building	25-30 years	30 years
Roads	5-12 years	5 years
Plant and equipment (including Electrical installation and Lab equipment)	9-15 years	8-20 years
Computers and servers	3 years	3-6 years
Office equipment	3-5 years	5 years
Research and development equipment	9-10 years	5-10 years
Furniture and fixtures	6 years	10 years
Vehicles	6 years	6-10 years
Leasehold improvements	5 years or lease period whichever is lower	

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

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

iii. Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

e. Intangible assets

Internally generated: Research and development

Expenditure on research activities is recognised in statement of profit and loss as incurred.

Development expenditure is capitalised as part of the cost of

the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in statement of profit and loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Others

Other intangible assets are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

i. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in statement of profit and loss as incurred and cost can be measured reliably.

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	8-15 years
— Developed technology rights	8-15 years
— Brands	8-15 years

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

f. Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Any gain or loss on disposal of an investment property is recognised in statement of profit and loss.

g. Business combination

The Group accounts for Business Combination using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at minimum, an input and substantive process and whether the acquired set has the ability to produce out

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

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

The consideration transferred in the acquisition is generally measured at fair value as at the date the control is acquired (acquisition date), as are the identifiable net assets acquired. Any gain on a bargain purchase is recognised in the OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, then gain on a bargain purchase is recognised directly in equity as capital reserve.

Transaction costs/ acquisition related costs are expensed as incurred and services are received, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in the statement of profit and loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration (or right to receive excess contingent consideration transferred) that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group reports in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the Group retrospectively adjusts the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date.

During the measurement period, the Group also recognises additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date.

The measurement period ends as soon as the Group receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable but does not exceed one year from the acquisition date.

Business combinations – common control transaction

Business combination involving entities that are controlled by the group is accounted for at carrying value. No adjustments are made to reflect the fair values, or recognise any new assets or liabilities except to harmonise accounting policies. The financial information in the consolidated financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the consolidated financial statements, irrespective of the actual date of combination. The identity of the reserves are preserved and the reserves of transferor becomes the reserves of the transferee. The difference, if any between the amounts recorded

as share capital issued plus any additional consideration in the form of cash and the amounts of share capital of the transferor is transferred to amalgamation adjustment reserves and is presented separately from other capital reserves.

h. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

i. Impairment

i. Impairment of financial assets

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

- financial assets measured at amortised cost; and
- financial assets measured at FVOCI- debt investments.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets.

ii. Impairment of non-financial assets

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

Goodwill is tested annually for impairment. For the purpose of impairment testing, goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is higher of its value in use and its fair value less costs to sell. Value

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

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

in use is based on the estimated future cash flow, discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to CGU (or the asset).

The Group's non-financial assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or groups of CGUs) on a pro rata basis.

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

iii. Compensated absences

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

iv. Employee stock compensation

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

The grant date fair value of options granted (net of estimated forfeiture) to employees of the Company is recognised as an employee expense.

The Company has adopted the policy to account for Biocon Biologics Employees Welfare Trust as a legal entity separate from the Company, but as a subsidiary of the Company. Any loan from the Company to the trust is accounted for as a loan in accordance with its term.

The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under "Employee stock options outstanding reserve". The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

k. Provisions (other than for employee benefits)

A disclosure for a contingent liability is made when there is

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

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

a 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.

i. Revenue from contracts with customers

i. Sale of goods

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

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.

Provision for chargeback, rebates and discounts

Revenues are recorded net of provisions for variable consideration, including discounts, rebates, governmental rebate programs, price adjustments, returns, chargebacks, promotional programs and other sales allowances. Accruals for these provisions are presented in the consolidated financial statements as reductions in determining net sales and as a contra asset in accounts receivable, net (if settled via credit) and trade payables (if paid in cash).

Provisions for chargeback, rebates, discounts and Medicaid payments are estimated and provided for in the year of sales and recorded as reduction of revenue. A chargeback claim is a claim made by the wholesalers for the difference between the price at which the product is initially invoiced to the wholesaler and the net price at which it is agreed to be procured from the Company. Provisions for such chargebacks are accrued and estimated based on historical average chargeback rate actually claimed over a period of time, current contract prices with wholesalers/other customers and estimated inventory holding by the wholesalers/other customers.

Amounts recorded for revenue deductions can result from a complex series of judgements about future events and uncertainties and can rely heavily on estimates and assumptions.

ii. Milestone payments and out licensing arrangements

The Group enters into certain dossier sales, licensing and supply arrangements that, in certain instances, include certain performance obligations. Based on an evaluation of whether or not these obligations are inconsequential or perfunctory, the Group recognise or defer the upfront payments received under these arrangements.

Income from out-licensing agreements typically arises from the receipt of upfront, milestone and other similar payments from third parties for granting a license to product- or technology-related intellectual property (IP). These agreements may be entered into with no further obligation or may include commitments to regulatory approval, co-marketing or manufacturing. These may be settled by a combination of upfront payments, milestone payments and other fees. These arrangements typically also consist of subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement. Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, if the milestones are considered substantive, or over the period we have continuing performance obligations, if the milestones are not considered substantive. Whether to consider these commitments as a single performance obligation or separate ones, or even being in scope of Ind-AS 115 Revenues from Contracts with Customers, is not straightforward and requires some judgement. Depending on the conclusion, this may result in all revenue being calculated at inception and either being recognised at point in time or spread over the term of a longer performance obligation. Where performance obligations may not be distinct, this will be bundled with the subsequent product supply obligations. The new standard provides an exemption for sales-based royalties for licenses of

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

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

intellectual property which will continue to be recognised as revenue as underlying sales are incurred.

The Group recognises a deferred income (contract liability) if consideration has been received (or has become receivable) before the Group transfers the promised goods or services to the customer. Deferred income mainly relates to remaining performance obligations in (partially) unsatisfied long-term contracts or are related to amounts the Group expects to receive for goods and services that have not yet been transferred to customers under existing, non-cancellable or otherwise enforceable contracts.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

iii. **Research services**

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

iv. **Royalty income and profit share**

The Royalty income and profit share earned through a License or collaboration partners is recognised as the underlying sales are recorded by the Licensee or collaboration partners.

v. **Sales Return Allowances**

The Group accounts for sales return by recording an allowance for sales return concurrent with the recognition of revenue at the time of a product sale. The allowance is based on Group's estimate of expected sales returns. The estimate of sales return is determined primarily by the Group's historical experience in the markets in which the Group operates.

vi. **Dividends**

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

vii. **Contribution received from customers/co-development partners towards plant and equipment**

Contributions received from customers/co-development partners towards items of property, plant and equipment which require an obligation to supply goods to the customer in the future, are recognised as a credit to deferred revenue. The contribution received is recognised as revenue from operations over the useful life of the assets. The Group capitalises the gross cost of these assets as the Group controls these assets.

viii. **Interest income and expense**

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

m. **Government grants**

The Group recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government

grants received in relation to assets are recognised as deferred income and amortised over the useful life of such asset. Government grants, which are revenue in nature are either recognised as income or deducted in reporting the related expense based on the terms of the grant, as applicable.

n. **Income taxes**

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

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis.

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

- taxable temporary differences arising on the initial recognition of goodwill;
- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or substantive enactment date. A deferred income tax assets is recognised to the extent it is probable that future taxable income will be available against which the deductible temporary timing differences and tax losses can be utilised. The Group offsets income-tax assets and liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

o. **Borrowing cost**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing

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

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

costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

p. Leases

(i) *The Company 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 assess whether a contract conveys the right to control use of an identified asset, the Group assesses whether:

- The contract involves use of an identified asset;
- The Group has substantially all the economic benefits from the use of the asset through the period of lease; and
- The Group has the right to direct the use of an asset.

At the date of commencement of lease, the Group recognises a Right-of-use asset ("ROU") and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with the term of twelve months or less (short term leases) and low value leases. For short term and low value leases, the Group recognises the lease payment as an operating expense on straight line basis over the term of lease.

Certain lease agreements include an option to extend or terminate the lease before the end of lease term. ROU assets and the lease liabilities includes these options when it is reasonably certain that they will be exercised.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are

evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., higher of fair value less cost to sell and the value-in-use) is determined on individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate explicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use assets if the Group changes its assessment if whether it will exercise an extension or a termination of option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and the lease payments have been classified as financing cash flows.

q. Earnings per equity share

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

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

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

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

	Land	Buildings	Leasehold improvements	Plant and equipment [Refer note (a)]	Research and development equipment	Furniture and fixtures	Vehicles	Total	Capital work-in-progress [Refer note (b)]
Gross carrying amount									
At April 01, 2022	1,368	6,919	116	26,829	2,132	359	42	37,765	23,922
Additions	-	13	2,402	11,564	251	224	21	14,475	5,295
Disposals/transfers	-	-	-	(31)	-	-	(8)	(39)	(14,475)
Other adjustments									
- Foreign currency translation adjustment	113	571	-	1,271	-	6	1	1,962	210
At March 31, 2023	1,481	7,503	2,518	39,633	2,383	589	56	54,163	14,952
Additions	-	877	168	2,134	382	79	20	3,660	7,534
Disposals/transfers	-	-	-	(33)	(39)	-	-	(72)	(3,660)
Other adjustments									
- Foreign currency translation adjustment	21	112	-	254	-	1	-	388	65
At March 31, 2024	1,502	8,492	2,686	41,988	2,726	669	76	58,139	18,891
Accumulated Depreciation/ Amortisation									
At April 01, 2022	-	1,374	31	10,842	1,138	192	16	13,593	-
Charge for the year	-	285	68	2,678	168	68	7	3,274	-
Disposals during the year	-	-	-	(24)	-	-	(5)	(29)	-
Other adjustments									
- Foreign currency translation adjustment	-	117	-	456	-	4	-	577	-
At March 31, 2023	-	1,776	99	13,952	1,306	264	18	17,415	-
Charge for the year	-	338	132	3,014	201	83	10	3,778	-
Disposals during the year	-	-	-	(36)	(39)	-	-	(75)	-
Other adjustments									
- Foreign currency translation adjustment	-	27	-	108	-	1	-	136	-
At March 31, 2024	-	2,141	231	17,038	1,468	348	28	21,254	-
Net carrying amount									
At March 31, 2023	1,481	5,727	2,419	25,681	1,077	325	38	36,748	14,952
At March 31, 2024	1,502	6,351	2,455	24,950	1,258	321	48	36,885	18,891

(a) Plant and equipment includes computer and office equipment.

(b) Capital work-in-progress primarily comprises of the Biologics manufacturing unit being set up in India.

(c) For details on security on certain property, plant and equipment, refer note 13.

(d) Borrowing cost capitalised during the year amounted to Rs 1,891 (March 31, 2023: Rs 1,698).

(e) Refer note 36(ii) for contractual commitments for purchase of property, plant and equipment.

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

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

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

CWIP ageing schedule:

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	6,886	3,870	2,890	5,245	18,891
As at March 31, 2024	6,886	3,870	2,890	5,245	18,891
Projects in progress	5,253	3,092	5,245	1,362	14,952
As at March 31, 2023	5,253	3,092	5,245	1,362	14,952

Capital work-in-progress ('CWIP') completion schedule (CWIP whose completion is overdue or has exceeded its cost compared to its original plan)

	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Project 1	2,750	-	-	-	2,750
Project 2	6,563	-	-	-	6,563
Project 3#	-	-	-	-	-
Project 4	2,892	-	-	-	2,892
As at March 31, 2024	12,205	-	-	-	12,205
Projects in progress					
Project 1	1,962	-	-	-	1,962
Project 2	-	6,269	-	-	6,269
Project 3	367	-	-	-	367
Project 4	1,275	-	-	-	1,275
As at March 31, 2023	3,604	6,269	-	-	9,873

Project 3 was capitalised during the year ended March 31, 2024.

3 (b). Right-of-use assets

	Land	Buildings	Plant and equipment	Car	Total
Gross carrying amount					
At April 01, 2022	53	1,712	1,064	-	2,829
Additions	-	71	-	-	71
Disposals	-	(173)	-	-	(173)
At March 31, 2023	53	1,610	1,064	-	2,727
Additions	-	396	-	243	639
Foreign currency translation adjustment	-	2	-	1	3
At March 31, 2024	53	2,008	1,064	244	3,369
Accumulated depreciation					
At April 01, 2022	15	535	510	-	1,060
Depreciation for the year*	5	210	175	-	390
Disposals	-	(173)	-	-	(173)
At March 31, 2023	20	572	685	-	1,277
Depreciation for the year*	5	231	175	34	445
Foreign currency translation adjustment	-	1	-	-	1
At March 31, 2024	25	804	860	34	1,723
Net carrying amount					
At March 31, 2023	33	1,038	379	-	1,450
At March 31, 2024	28	1,205	204	210	1,646

*includes Nil capitalised during the year (March 31, 2023 : Rs. 2).

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

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

3 (c). Goodwill

Goodwill arising upon business combination is not amortized, but tested for impairment annually or more frequently if there is any indication that the cash generating unit to which goodwill is allocated is impaired

	March 31, 2024	March 31, 2023
Opening Balance	161,098	-
Goodwill arising on business combination (refer note 35)	-	159,831
Adjustment during the year	69	-
Other adjustments		
- Foreign Currency translation adjustment, net	2,293	1,267
Closing Balance	163,460	161,098

For the purposes of impairment assessment, the Group is considered as single Cash generating unit. The recoverable amount of the above cash generating unit has been assessed using a value-in-use model. Value-in-use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit. Initially, a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows. Key assumptions upon which the group has based its determinations of value-in-use include:

- Estimated cash flows for ten years, based on management's projections.
- A terminal value arrived at by extrapolating the last forecasted year cash flows to perpetuity, using growth rate ranging from 1% to 3%. This long-term growth rate takes into consideration external macroeconomic sources of data. Such long-term growth rate considered does not exceed that of the relevant business and industry sector.
- The post tax discount rate used is 13.74% based on the Company's weighted average cost of capital.

The Group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

4. Other Intangible assets

	Other Intangible assets		Total	Intangible assets under development
	Computer software	Product related intangibles (including Licences, Brands and Patents)		
Gross carrying amount				
At April 01, 2022	462	7,691	8,153	6,166
Additions	70	-	70	1,678
Assets acquired through Business Combination (refer note 35)	-	54,226	54,226	38,388
Impairment during the year [refer note 40 (a)]	-	-	-	(415)
Other adjustments				
- Foreign currency translation adjustment	2	1,075	1,077	646
At March 31, 2023	534	62,992	63,526	46,463
Additions	1,160	8,603	9,763	3,414
Impairment during the year [refer note 40(d)]	-	-	-	(3,854)
Disposal/transfer	-	(9)	(9)	(7,208)
Other adjustments				
- Foreign currency translation adjustment	1	1,098	1,099	526
At March 31, 2024	1,695	72,684	74,379	39,341
Accumulated amortisation				
At April 01, 2022	176	2,473	2,649	-
Amortisation for the year	166	2,554	2,720	-
impairment during the year [refer note 40 (a)]	-	323	323	-
Other adjustments				
- Foreign currency translation adjustment	1	339	340	-
At March 31, 2023	343	5,689	6,032	-
Amortisation for the year	191	5,887	6,078	-
Disposal	(9)	-	(9)	-
Other adjustments				
- Foreign currency translation adjustment	1	135	136	-
At March 31, 2024	526	11,711	12,237	-
Net carrying amount				
At March 31, 2023	191	57,304	57,495	46,463
At March 31, 2024	1,169	60,973	62,142	39,341

(a) Borrowing cost capitalised during the year amounted to Rs 2,136 (March 31, 2023: Rs 697).

(b) Refer note 36 (ii) for contractual commitments for purchase of intangible assets.

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

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

Intangible assets under development ageing schedule:

	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 - 2 years	2-3 years	More than 3 years	
Projects in progress	6,703	32,509	115	14	39,341
As at March 31, 2024	6,703	32,509	115	14	39,341
Projects in progress	40,096	1,623	1,264	3,480	46,463
As at March 31, 2023	40,096	1,623	1,264	3,480	46,463

Intangible assets under development completion schedule (projects whose completion is overdue or has exceeded its cost compared to its original plan)

As at 31 March 2023	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1 - 2 years	2-3 years	More than 3 years	
Projects in progress					
Project 1	-	6,835	-	-	6,835
Project 2	-	5,195	-	-	5,195
As at March 31, 2024	-	12,030	-	-	12,030
Projects in progress					
Project 1	2,749	-	-	-	2,749
As at March 31, 2023	2,749	-	-	-	2,749

5. Investments

	March 31, 2024	March 31, 2023
(a) Non-current		
Unsecured, considered good		
Deposits	114	151
Contingent consideration receivable [refer note 40(b)]	750	8,993
	864	9,144
(b) Current		
Interest accrued on bank deposits	-	26
Other receivables (considered good - Unsecured) from:		
Others	605	461
	605	487

The Group's exposure of credit and currency risks, and loss allowances are disclosed in note 31.

[Also refer note 28 for details on related party transactions]

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

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

6. Deferred tax (liabilities) / assets (net)

	March 31, 2024	March 31, 2023
Deferred tax liabilities (net)	(3,950)	(3,713)
Deferred tax assets (net)	2,568	1,807
Total	(1,382)	(1,906)
Deferred tax liabilities		
Property, plant and equipments	(1,302)	(1,406)
Other intangible assets	(4,234)	(3,546)
Goodwill	(2,630)	(654)
Deferred consideration	(215)	(385)
Derivative assets	(270)	(94)
Gross deferred tax liabilities	(8,651)	(6,085)
Deferred tax assets		
MAT credit entitlement	1,631	881
Provision for employee benefit	294	182
Allowance for doubtful debts	9	9
Carry-forward losses	3,201	2,403
Derivative liabilities	1	51
Deferred revenue	63	76
Lease liabilities	90	103
Provision for Inventory	636	-
Expenses allowed on payment basis	84	107
Others	1,260	367
Gross deferred tax assets	7,269	4,179
Deferred tax (liabilities) / assets (net)	(1,382)	(1,906)

7. Other assets

	March 31, 2024	March 31, 2023
Unsecured considered good, unless otherwise stated		
(a) Non-current		
Capital advances	1,618	945
Duty drawback receivable	16	24
Balances with statutory / government authorities	1,263	706
Prepayments	632	676
	3,529	2,351
(b) Current		
Balances with statutory / government authorities	2,543	2,206
Export incentive receivable	10	8
Advance to suppliers	429	963
Prepayments	857	501
	3,839	3,678

[Also refer note 28 for details on related party transactions]

8. Inventories

	March 31, 2024	March 31, 2023
Raw materials, including goods-in-bond (refer note (a) below)	3,717	4,240
Packing materials	2,738	3,718
Finished goods	7,458	9,424
Work-in-progress	9,067	2,254
Traded goods	14,112	11,971
	37,092	31,607

(a) Inventories includes goods in-transit Rs 3,985 (March 31, 2023: Rs 85)

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

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

- (b) Write-down of inventories to net realisable value and provision for stock obsolescence amounted to gain of Rs 196 (March 31, 2023: expense of Rs 522). These were recognised as an expense/gain during the year and included in 'changes in inventories of traded goods, finished goods and work-in-progress' in statement of profit and loss.

9. Current investments

	March 31, 2024	March 31, 2023
Quoted - Investments at fair value through profit or loss:		
Investment in mutual funds	-	463
Investment in Invivyd Inc (formerly, 'Adagio Therapeutics Inc') - 294,000 (March 31, 2023 - 294,000) Common Stock, par value USD 0.0001 each	109	29
	109	492
Aggregate market value of quoted investments	109	492
Aggregate carrying value of quoted investments	109	492

The Group's exposure of credit and currency risks, and loss allowances are disclosed in note 31.

10. Trade receivables

	March 31, 2024	March 31, 2023
Current		
(a) Trade receivables considered good - Unsecured	49,505	23,443
(b) Trade receivables - credit impaired	297	27
	49,802	23,470
Allowance for expected credit loss	(297)	(27)
Net trade receivables	49,505	23,443

[Also refer note 28 for details on related party transactions]

The Group's exposure of credit and currency risks, and loss allowances are disclosed in note 31.

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	115	17,083	39,119	7,875	590	2	-	64,784
Undisputed Trade receivables - credit impaired	-	-	-	-	275	2	20	297
As at March 31, 2024	115	17,083	39,119	7,875	865	4	20	65,081
Less: Provision for chargebacks / discounts / rebates / incentives settled through issuance of credit note to its customers								(15,279)
Allowance for expected credit loss								(297)
Net trade receivables								49,505
Undisputed Trade receivables - considered good	1,482	30,485	1,976	576	346	-	-	34,865
Undisputed Trade receivables - credit impaired	-	-	-	5	2	9	11	27
As at March 31, 2023	1,482	30,485	1,976	581	348	9	11	34,892
Less: Provision for chargebacks / discounts / rebates / incentives settled through issuance of credit note to its customers								(11,422)
Allowance for expected credit loss								(27)
Net trade receivables								23,443

Notes to the consolidated financial statement

for the year ended March 31, 2024

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

11. Cash and bank balances

	March 31, 2024	March 31, 2023
Cash and cash equivalents		
Balances with banks:		
On current accounts	8,534	8,877
	8,534	8,877
Other bank balances:		
Deposits with remaining maturity of less than 12 months	531	501
Margin money deposits	22	26
	553	527
Total cash and bank balances	9,087	9,404

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

12(a). Share capital

	March 31, 2023	March 31, 2022
Authorised		
2,500,000,000 (March 31, 2023: 2,500,000,000) equity shares of Rs 10 each (March 31, 2023: Rs 10 each)	25,000	25,000
1,000,000,000 (March 31, 2023: 1,000,000,000) preference shares of Rs 10 each (March 31, 2023: Rs 10 each)	10,000	10,000
Issued, subscribed and fully paid-up		
1,321,724,958 (March 31, 2023: 1,321,724,958) equity shares of Rs 10 each	13,217	13,217
205,420,000 (March 31, 2023: 205,420,000) Non Convertible Redeemable Preference Shares ("NCRPS") of Rs 10 each	2,054	2,054
231,163,944 (March 31, 2023: 231,163,944) Compulsorily Convertible Preference Shares ("CCPS") of Rs 10 each	2,312	2,312
	17,583	17,583
Less : Preference share capital classified as a financial liability [refer note 13]	(2,054)	(2,054)
Less : Preference share capital classified as a equity instrument	(2,312)	(2,312)
Equity share capital	13,217	13,217

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

(a) Equity shares	March 31, 2024		March 31, 2023	
	No.	₹ Million	No.	₹ Million
At the beginning of the year	1,321,724,958	13,217	1,058,849,676	10,588
Issued during the year	-	-	262,875,282	2,629
Outstanding at the end of the year	1,321,724,958	13,217	1,321,724,958	13,217
(b) Non convertible redeemable preference shares	March 31, 2024		March 31, 2023	
	No.	₹ Million	No.	₹ Million
At the beginning of the year	205,420,000	2,054	205,420,000	2,054
Outstanding at the end of the year	205,420,000	2,054	205,420,000	2,054
(c) Optionally convertible redeemable preference shares	March 31, 2024		March 31, 2023	
	No.	₹ Million	No.	₹ Million
At the beginning of the year	-	-	1,081,000,000	10,810
Conversion of OCRPS shares to equity shares	-	-	(1,081,000,000)	(10,810)
Outstanding at the end of the year	-	-	-	-
(d) Compulsorily convertible preference shares	March 31, 2024		March 31, 2023	
	No.	₹ Million	No.	₹ Million
At the beginning of the year	231,163,944	2,312	-	-
Issued during the year	-	-	231,163,944	2,312
Outstanding at the end of the year	231,163,944	2,312	231,163,944	2,312

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

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

(ii) Terms/ rights attached to

(a) Equity shares

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

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

(b) Non convertible redeemable preference shares

- (i) The tenure of the NCRPS shall be 10 years.
- (ii) The Company or NCRPS holder shall have the option to redeem the NCRPS at any time during the tenure of the NCRPS. If the Company or holder of NCRPS exercises such option of early redemption, the NCRPS shall be redeemable at its face value.
- (iii) The holder of the NCRPS shall be entitled to preferential dividend of 8.3% per annum on the face value of the NCRPS as may be mutually decided between the Company and the NCRPS holder. The dividends are non-cumulative and will be payable subject to availability of profits in the respective financial year and subject to declaration by the Board of Directors of the Company.
- (iv) Until redemption of the NCRPS, the NCRPS holder shall have priority of payment of dividend over the equity shareholders.
- (v) The NCRPS are redeemable, at its face value, any time during the tenure of the instrument at the option of the holder. Owing to this feature, the instrument has been classified as financial liability and disclosed at its fair value which is equivalent to the face value. Also refer note 13.

(c) Optionally convertible redeemable preference shares

- (i) The tenure of the OCRPS shall be 10 years.
- (ii) The Company shall have the option to redeem the OCRPS at any time during the tenure of the OCRPS at its face value. The OCRPS shall become redeemable at its face value at the end of the tenure.
- (iii) The OCRPS holder shall have the option to convert the OCRPS into equity shares of the Company at any time during the tenure of the OCRPS at a ratio based on fair value or face value of the equity shares as on the date of exercise of the option whichever is higher.
- (iv) The holder of the OCRPS shall be entitled to preferential dividend of 3% per annum on the face value of the OCRPS as may be mutually decided between the Company and the OCRPS holder. The dividends are non-cumulative and will be payable subject to availability of profits in the respective financial year and subject to declaration by the Board of Directors of the Company.
- (v) Until redemption of the OCRPS, the OCRPS holder shall have priority of payment of dividend over the equity shareholders.
- (vi) During the year ended March 31, 2023, OCRPS holder exercised their option to convert to equity shares. Accordingly 38,505,379 equity shares were issued upon conversion at a issue price of Rs. 280.74 per share.

(d) Compulsorily convertible preference shares

- (i) The tenure of the CCPS shall be 10 years.
- (ii) Each CCPS shall be convertible into equity shares at any time at the option of the holder at a conversion rate of 1:1. The Company has an obligation to issue further equity shares to Mylan Inc, subject to maximum of 61,562,420 equity shares, such that the fair value of the equity holding by Mylan Inc post conversion is atleast USD 1,000 Mn [refer note 35(a)].
- (iii) The holder of CCPS shall be entitled to preferential dividend of 0.001% per annum of the face value per CCPS.
- (iv) Until redemption of the CCPS, the CCPS holder shall have priority of payment of dividend over the equity shareholders.
- (v) The CCPS holder shall be entitled to vote in all general meetings of Shareholders as if such CCPS holder held the number of Shares into which its CCPS can be converted (on a fully diluted basis).

- (e) The aforesaid NCRPS are convertible (variable number of equity shares) / redeemable, at its face value, any time during the tenure of the instrument at the option of the holder. Owing to this feature, the instrument has been classified as financial liability and disclosed at its fair value which is equivalent to the face value. Also refer note 13.

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

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

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

	March 31, 2024		March 31, 2023	
	No.	% holding	No.	% holding
Equity shares of Rs 10 each fully paid				
Biocon Limited, the Holding Company (including shares held through nominees)	1,172,399,798	88.70%	1,216,568,780	92.04%
NCRPS of Rs 10 each fully paid				
Biocon Limited, the Holding Company	205,420,000	100.00%	205,420,000	100.00%
OCRPS of Rs 10 each fully paid				
Biocon Limited, the Holding Company	-	-	-	-
CCPS of Rs 10 each fully paid				
Mylan Inc	231,163,944	100.00%	231,163,944	100.00%

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

- (iv) Pursuant to the Scheme of amalgamation between the Company and Biocon Research Limited, the Board of Directors on March 27, 2020 allotted 155,300,000 equity shares of Rs 10 each to the shareholders of Biocon Research Limited. These shares were issued for consideration other than cash.
- (v) Pursuant to approval of the shareholders, the Company on September 3, 2020 issued 824,175,932 bonus shares to equity share holders at a ratio of 4:1 by utilising retained earnings and securities premium balances.
- (vi) Pursuant to the Transaction Agreement (TA) between the Company and Viatrix Inc, the Board of Directors on November 29, 2022 allotted 1 equity shares of Rs 10 each for Rs 280.74 per share and 231,163,944 CCPS of Rs 10 each for Rs 355.51 per share to Mylan Inc as consideration for acquisition of equity interest in Biosimilars NewCo Limited. These shares were issued for consideration other than cash.
- (vii) For details of any securities convertible into equity shares, please refer notes 12(a)(ii)(d) and note 13(h).
- (viii) For details of shares reserved for issue under Employee stock compensation plans, please refer note 39.

(ix) Shareholding of Promoters

	March 31, 2024		March 31, 2023		March 31, 2022		% Change during the year ending	
	No. of shares	% of total shares	No. of shares	% of total shares	No. of shares	% of total shares	March 31, 2024	March 31, 2023
Biocon Limited								
(a) Equity shares	1,172,399,798	88.70%	1,216,568,780	92.04%	989,717,600	93.47%	-3.34%	-1.43%
(b) NCRPS	205,420,000	100.00%	205,420,000	100.00%	205,420,000	100.00%	-	0.00%
(c) OCRPS	-	-	-	0.00%	1,081,000,000	100.00%	0.00%	-100.00%

(x) Equity shares allotted during the year

During the year ended March 31, 2023, the Company has issued 224,369,903 equity shares on private placement and rights issue basis. Further, OCRPS are converted to equity shares during the year [refer note 12(a)(ii)(c)(iv)]

(xi) Dividends

The amount of per share dividend recognized as distributions to equity shareholders for the year ended March 31, 2024 was Nil per equity share (March 31, 2023 : Rs 0.2155). The Board of Directors had recommended a final dividend of Rs 0.2155 per equity share for the financial year ended March 31, 2022 through a resolution by circulation on July 18, 2022. This was approved by the shareholders at the Annual General Meeting held on July 26, 2022. The aforesaid dividend was paid during the year ended 31 March 2023 resulting in a cash outflow of Rs 228.

12(b). Other equity

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Retained earnings

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the standalone financial statements of the Company and also considering the requirements of the Act. Thus the amounts reported are not distributable in entirety.

SEZ re-investment reserve

The SEZ re-investment reserve has been created out of profit of eligible SEZ units in terms of the provisions of section 10AA(1)(ii) of the Income-tax Act, 1961.

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

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

The reserve has been utilised for acquiring new plant and machinery for the purpose of its business in terms of section 10AA(2) of the Income-tax Act, 1961.

Amalgamation adjustment reserve

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

Debenture redemption reserve

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

Capital redemption reserve

The Group had redeemed Non Convertible Redeemable Preference Shares in prior years 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.

Treasury shares

Own equity instruments held by Biocon Biologics Employees Welfare Trust that are reacquired are recognised at cost and disclosed as deducted from equity.

Fair value reserve for Compound Financial Instrument

The Company has issued Compulsory Convertible Debentures during the year. Fair value of derivative embedded in CCD at inception amounts to Rs. 1,039. Refer note 13(j) and 31 for further details.

Employee stock option outstanding reserve

The Group has established equity settled share based payment plans for certain categories of employees of the Group. Refer note 39 for further details on these plans.

Cash flow hedging reserves

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

Foreign currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's reporting currency (i.e. Indian Rupees) are accumulated in the foreign currency translation reserve. This also includes effective portion of Group's net investment in foreign operations.

Other items of other comprehensive income

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

13. Non-current borrowings

	March 31, 2024	March 31, 2023
Loans from banks (secured)		
Term loan [refer note (a) (b) (c) and (d) below]	92,888	112,946
Redeemable Non-Convertible Debentures ("NCD") [refer note (e) below]	-	2,000
Loans from banks (unsecured)		
Term loan [refer note (f) (k) and (l) below]	1,708	1,952
Other loans from related parties (unsecured)		
Non-Convertible Redeemable Preference Shares ("NCRPS") [refer note 12(a)(ii)(b)]	2,054	2,054
Optionally Convertible Redeemable Preference Shares ("OCRPS") [refer note 12(a)(ii)(c)]	-	-
Optionally Convertible Debentures ("BL OCD") [refer note (i) below]	5,701	-
Non-Cumulative Redeemable Convertible Preference Shares [refer note (g) below]	795	712
Other loans (unsecured)		
Redeemable Optionally Convertible Debentures ("OCD") [refer note (h) below]	14,939	14,030
Compulsorily Convertible Debentures ("CCD") [refer note (j) below]	150	-
	118,235	133,694
Less: Current maturity disclosed under the head "Current borrowings" [refer note 16]	(6,063)	(1,068)
	112,172	132,626
The above amount includes		
Secured borrowings	92,888	114,946
Unsecured borrowings	25,347	18,748
Amount disclosed under the head "Current borrowings" [refer note 16]	(6,063)	(1,068)
Net amount	112,172	132,626

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

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

- (a) During the year ended March 31, 2019, the Company had obtained an external commercial borrowing facility of USD 75 million from MUFG Bank Limited. This loan is repayable in 3 annual instalments commencing from April 2024 and carries an interest rate of SOFR + 1.26% p.a. The term loan facility is secured by first priority pari-passu charge on the plant and machinery of the facility for the manufacturing of pharmaceuticals. Carrying value of the loan as at March 31, 2024 amounts to Rs 6,251 (March 31, 2023: 6,164).
- (b) During the year ended March 31, 2021, the Company had obtained a Term loan facility from The Hongkong and Shanghai Banking Corporation Limited amounting to Rs 3,500 repayable in 2 equal annual instalments commencing from April 2024. Term loan carries an interest rate of 3 Months T Bill + 2.3% p.a. and are secured by first pari-passu charge on the present and future movable Property plant & equipment of the Company. Carrying value of the loan as at March 31, 2024 amounts to Rs 3,500 (March 31, 2023: 3,500).
- (c) During the year ended March 31, 2023, the Biosimilars Newco Limited (subsidiary of the Company) had entered into a USD 1.2 Billion long-term syndicated loan facility agreement with consortium of lenders for a tenure of 5 years. The term loan is repayable in quarterly instalments starting after 30 months of the execution of the agreement and carries an interest rate of SOFR + margin of 1.95% p.a to 1.35% p.a. The loan is secured by first pari-passu charge movable Property plant & equipment of the Company, Biocon Sdn. Bhd., Malaysia. ("Biocon Malaysia"), Biocon Biologics UK Ltd ("Biocon UK"), Biosimilars Newco Limited and Biosimilars collaboration Ireland Limited. Further the loan is also secured by corporate guarantee by the Company, Biocon Malaysia, Biocon UK and Biosimilars Collaboration Ireland Limited. The Group has pre-paid USD 250 million during the year. The carrying value of the loan as at March 31, 2024 amounts to Rs 77,699 (March 31, 2023: 97,118), net-off unamortised debt issuance cost of Rs. 1,474 (March 31, 2023: 1,498). During the year, the facility agreement was amended, whereby the lenders have relied upon the Equity Support Agreement ('ESA') given by Biocon Limited and has resulted in relief for purpose of covenant compliance. ESA was approved by the shareholders of Biocon Limited ("the Holding Company") on 22 April 2024.
- (d) During the year ended March 31, 2022, Biocon UK had 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 over the period of 4 years and carries an interest rate of 1 month SOFR + 1.11% 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, 2024 is Rs. 5,438 (March 31, 2023: 6,164).
- (e) During the year ended March 31, 2021, the Company had issued NCD of face value Rs 1,000,000 each to HDFC Bank Limited amounting to Rs. 2,000 for a tenure of 43 months. The debentures are repayable at the end of the term in April 2024. The NCD carries call/put option on or after September 21, 2023. The debentures carries fixed coupon rate of 6.8949% p.a. and are secured by first pari-passu charge on the movable fixed assets of the Company. Carrying value of the loan as at March 31, 2024 amounts to Rs Nil (March 31, 2023: 2,000). During the year ended March 31, 2024, the Company has pre-paid the NCD along with interest.
- (f) During the year ended March 31, 2022, Biocon UK had obtained a term loan facility of USD 25 million from The HDFC Bank Limited for a tenure of 5 years. The term loan is repayable in 5 annual instalments starting from the end of year 1 and carries an interest rate of 3 months SOFR + 1.26% p.a. Carrying value of the term loan as at March 31, 2024 is Rs. 1,708 (March 31, 2023: 1,952).
- (g) As at March 31, 2023, Biocon Malaysia has outstanding 3,067,506 (March 31, 2023: 3,067,506) non-cumulative redeemable convertible preference shares ("NCRCPs") which were issued at issue price and par value of RM 10 each. These NCRCPs are issued to Biocon SA, a fellow subsidiary. The NCRCPs rank pari passu with one another without any preference or priority among themselves. Each NCRCPs shall confer to the holder thereof a right to receive a non-cumulative coupon of 2.5% per annum, subject to the availability of the post taxation profits for distribution. The NCRCPs shall be redeemable at par value, in full or in part, and in any number of tranches at the option of the NCRCPs shareholder at any time after ten years from the date of issue of the NCRCPs. The NCRCPs shall be convertible at par value to ordinary shares of Biocon Malaysia of RM 10 each at any time at the option of the NCRCPs holder.

NCRCPs been accounted as a compound financial instrument in line with Ind AS, given that it has both financial liability and equity feature. Accordingly, it has been bifurcated into financial liability and equity."

The NCRCPs shall have no voting right or right to move or second any resolutions at any general meetings of the Biocon Malaysia, except:

- (a) upon any resolution which varies or is deemed to vary the right and privileges attached to the NCRPS; and
- (b) upon any resolution for the winding up of the Biocon Malaysia.
- (h) During the year ended March 31, 2021, the Company had entered into an agreement with Goldman Sachs India AIF Scheme-1 ('Investor') whereby the Investor had infused Rs. 11,250 against issuance of OCD. The debentures are issued for a tenor of 61 months, are unsecured, redeemable at par and carry a conversion option at any time during the tenor at the option of the investor. OCD bears a coupon rate of 5% per annum payable on compounded and cumulative basis only on redemption.

The debentures have been accounted as a compound financial instrument in line with Ind AS, given that it has both financial liability and equity feature. Accordingly, the consideration received was bifurcated into financial liability and equity. The financial liability is subsequently recorded at amortised cost.

During the year ended March 31, 2022, the Company had entered into amendment to the terms of OCD agreement which provides for redemption amount INR equivalent of USD 153.23 million with reference to rate published by RBI for conversion of USD to INR one day prior to redemption. This resulted in the modification of the compound financial instrument and OCD is classified as financial liability from the modification date.

- (i) During the year, the Group has entered into debenture subscription agreement with Biocon Limited for issuance of 17,810,073 Optionally Convertible Debentures ("BL OCD") private placement basis at an issue price of 280.74 amounts to Rs. 5,000. The BL OCD are issued for a tenor of 47 months, are

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

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

unsecured, redeemable at par and carry a conversion option at any time during the tenor at the option of the investor. BL OCD bears a coupon rate of 12% per annum plus agreed variable coupon payable on compounded and cumulative basis only on redemption. The variable coupon is linked to the equity share price of the Company. The BL OCD are convertible upon occurrence of conversion event. The debentures was accounted as a debt financial instrument in line with Ind AS, given that it has financial liability feature. Accordingly, the consideration received was recorded as financial liability. As at March 31, 2024, the interest accrued amounts to Rs. 701 and has been recorded under "Finance cost".

- (j) During the year, the Group has issued 10,686,044 compulsory convertible debentures ("CCD") to ESOF III Investment Fund and Edelweiss Alternative Asset Advisors Limited, on private placement basis at an issue price of 280.74 amounts to Rs. 3,000. The CCD's are issued for a tenor of 36 months, are unsecured, redeemable at par and carry a conversion option at any time during the tenor at the option of the investor. CCD bears a coupon rate of 12% per annum plus agreed variable coupon payable on compounded and cumulative basis only on redemption. The variable coupon is linked to the equity share price of the Group. The CCD's are convertible upon occurrence of conversion event at 1:1 ratio. The debentures was accounted as a compound financial instrument in line with Ind AS, given that it has financial liability and equity feature.
- (k) Term loans from the Bank provides for certain financial covenants at the Group level. As at the date of adoption of these financial statements, the Group complies with the financial covenants.
- (l) The Group's exposure to liquidity, interest rate and currency risks are disclosed in note 31.
- (m) With respect to funds raised in points (i) and (j) above, the Group has advanced these funds to one of its subsidiaries, which in turn has been further advanced to its step down subsidiary for the purpose of repaying the step-down subsidiary's loan.

14. Provisions

	March 31, 2024	March 31, 2023
(a) Non-current		
Provision for employee benefits		
Gratuity [refer note 30(i)]	385	340
Provision for sales return	1,287	1,231
	1,672	1,571
(b) Current		
Provision for employee benefits		
Gratuity [refer note 30(i)]	69	59
Compensated absences [refer note 30(ii)]	473	284
Provision for sales return	136	283
	678	626

(i) Movement in provisions

	For the year ended March 31, 2024		
	Gratuity	Compensated absences	Sales return
Opening balance	399	284	1,514
Provision recognised/ (reversal) during the year	55	189	(91)
Closing balance	454	473	1,423

	For the year ended March 31, 2023		
	Gratuity	Compensated absences	Sales return
Opening balance	349	239	136
Acquired through business combination (refer note 35)	-	-	1,307
Provision recognised during the year	50	45	71
Closing balance	399	284	1,514

15. Other liabilities

	March 31, 2024	March 31, 2023
(a) Non-current		
Deferred revenues [refer note 19]	343	582
	343	582
(b) Current		
Deferred revenues [refer note 19]	490	377
Advances from customers [refer note 19]	79	29
Statutory taxes and dues payable	670	3,117
	1,239	3,523

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

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

16. Current borrowings

	March 31, 2024	March 31, 2023
From banks/ financial institutions		
Packing credit foreign currency loan (unsecured) [refer note (a) below]	4,884	1,972
Packing credit rupee export loan (unsecured) [refer note (b) below]	7,660	8,870
Cash credit (secured) [refer note (c) below]	3,141	287
Term Loan [refer note (d) below]	5,000	-
Current maturities of non-current borrowings [refer note 13]	6,063	1,068
	26,748	12,197

The above amount includes

Secured borrowings	3,141	287
Unsecured borrowings	12,544	10,842

(a) The Company has obtained foreign currency short term unsecured pre-shipment credit loans from various banks that carries fixed interest rate ranging from 5.75% p.a. to 6.45% p.a. (March 31, 2023: 5.62% p.a. to 6.23% p.a.) Packing credit foreign currency loan tenure is upto 180 days from the date of draw down.

(b) The Company has obtained rupee denominated short term unsecured pre-shipment credit loans from various banks that carries interest rate ranging from 7.24% p.a. to 8.20% p.a. (March 31, 2023: 6.96% p.a. to 8.20% p.a.) Packing credit rupee loan tenure is upto 180 days from the date of draw down.

(c) Biocon Malaysia had availed working capital facilities, carrying an interest rate of Bank Lending Rate + 0.5% p.a. Further the loan is secured by corporate guarantee by the Company upto USD 10 million.

(d) The Group has obtained short term unsecured loan from various banks that carries interest rate ranging from 7.9% p.a. to 8.2% p.a. The tenure of the loan is 365 days from the date of draw down.

17. Trade payables

	March 31, 2024	March 31, 2023
Trade and other payables		
- Total outstanding dues of micro and small enterprises ('MSME')	297	1,013
- Total outstanding dues of creditors other than micro and small enterprises *	56,509	30,293
	56,806	31,306

* includes Other payables comprising of allowances for Rebates / Incentives expected to be settled in cash

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

[Also refer note 28 for details on related party transactions]

Trade payables ageing schedule:

	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Micro and small enterprises	-	208	80	4	3	2	297
(ii) Others	41,190	4,931	3,575	6,813	-	-	56,509
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
As at March 31, 2024	41,190	5,139	3,655	6,817	3	2	56,806
(i) Micro and small enterprises	-	222	786	4	1	1	1,013
(ii) Others	18,126	2,913	9,171	33	29	21	30,293
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-
As at March 31, 2023	18,126	3,135	9,956	37	30	21	31,306

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

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

18. Other financial liabilities

	March 31, 2024	March 31, 2023
(a) Non-current		
Deferred consideration payable (refer note 35)	-	25,573
Contingent consideration payable [refer note 31(D) and 35]	7,426	6,583
	7,426	32,156
(b) Current		
Interest accrued but not due	145	192
Employee benefit payable (refer note a below)	1,856	1,075
Derivative premium payable	-	10
Deferred consideration payable (refer note 35)	27,423	2,014
Payables for capital goods	3,067	1,183
	32,491	4,474

[Also refer note 28 for details on related party transactions]

(a) Employee benefit payable was disclosed under trade payable in the previous year. In the current year, the employee payable has been disclosed under other financial liabilities including comparable period.

19. Revenue from operations

	Year ended March 31, 2024	Year ended March 31, 2023
Sale of products		
Finished goods [Refer note (a) below]	58,293	43,068
Traded goods	23,694	9,650
Sale of services		
Licensing and development fees	1,928	2,058
Research fees	362	42
Other operating revenue		
Sale of process waste	34	26
Performance linked incentive	275	503
Sale of Brands [Refer note (b) below]	3,500	-
Others	156	491
Revenue from operations	88,242	55,838

(a) includes profit share

(b) Biocon Biologics Limited ("BBL") has entered into an agreement with Eris Lifesciences for sale of its business of commercialization of (i) Branded generic immunotherapy and nephrology small molecules formulations being manufactured by third parties under manufacturing agreements and (ii) the in-licensed products in India for consideration of Rs. 3,660. The Group has recorded gain of Rs. 3,500 net of costs of the related underlying assets.

19.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Revenues by geography

Revenues from operations

European union (including Ireland)	26,365	15,201
USA	33,197	9,816
India	9,089	6,727
Rest of the world	19,591	24,094
Total revenue from operations	88,242	55,838

Geographical revenue is identified based on the location of the customers.

19.2 Changes in contract liabilities: deferred revenue and advance from customers

Balance at the beginning of the year	988	10,191
Add:- Increase due to invoicing during the year	251	1,755
Less:- Contract liabilities derecognised as pre-existing relationship pursuant to business combination (refer note 35)	-	(9,260)
Less:- Amounts recognised as revenue during the year	(457)	(2,408)
Add:- Foreign currency translation	130	710
Balance at the end of the year	912	988

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

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

	Year ended March 31, 2024	Year ended March 31, 2023
Expected revenue recognition from remaining performance obligations:		
- Within one year	569	406
- More than one year	343	582
	912	988

19.3 Contract balances

Trade receivables	49,505	23,443
Unbilled revenue	-	-
Contract liabilities	912	988

Trade receivables are non-interest bearing. Contract liabilities include deferred revenues and advance from customers.

19.4 Performance obligation:

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

19.5 Significant customer

Two customer group individually accounted for Rs 21,204 which is more than 10% of the total revenue of the Company for the year ended March 31, 2024 (March 31, 2023: Rs 18,861).

19.6 Reconciliation of revenue from contracts with customers

	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from contracts with customers as per contract price	217,972	107,666
Adjustments made to contract price on account of :-		
a) Chargebacks / Discounts / Rebates / Incentives	(131,962)	(51,823)
b) Sales returns/ reversals	(1,733)	(1,025)
Revenue from Contracts with customers as per consolidated statement of profit and loss	84,277	54,818

20. Other income

	Year ended March 31, 2024	Year ended March 31, 2023
Interest income under the effective interest method on financial asset carried at at amortised cost:		
Deposits with banks and financial institutions	133	29
Others	9	2
Net gain on sale of current investments	495	67
Net gain on financial assets measured at fair value through profit or loss	1,017	1
Other non-operating income	110	21
	1,764	120

21. Cost of raw materials and packing materials consumed

Inventory at the beginning of the year	7,958	5,508
Add: Purchases	16,705	13,548
Less: Inventory at the end of the year	(6,455)	(7,958)
	18,208	11,098

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

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

22. Changes in inventories of finished goods, traded goods and work-in-progress

	Year ended March 31, 2024	Year ended March 31, 2023
Inventory at the beginning of the year		
Traded goods	11,971	213
Finished goods	9,424	6,619
Work-in-progress	2,254	1,765
	23,649	8,597
Inventory acquired through business combination (refer note 35)	-	13,742
Inventory at the end of the year		
Traded goods	14,112	11,971
Finished goods	7,458	9,424
Work-in-progress	9,067	2,254
	30,637	23,649
	(6,988)	(1,310)

23. Employee benefits expense

Salaries, wages and bonus *	10,859	6,942
Contribution to provident and other funds	475	402
Gratuity [refer note 30(i)]	79	68
Employee stock compensation expense [refer note 39]	817	706
Staff welfare expenses	472	370
	12,702	8,488

*includes expense towards compensated absence [refer note 30 (ii)]

24. Finance cost

Interest expenses on financial liabilities [refer note (a) below]	8,435	2,770
Interest expenses on lease liabilities [refer note 27]	202	199
	8,637	2,969

(a) Interest expense on financial liabilities is net of borrowing cost capitalisation amounting to Rs. 4,027 (March 31, 2023 - Rs. 2,395).

25. Depreciation and amortisation expense

Depreciation of property, plant and equipment [refer note 3(a)]	3,778	3,274
Depreciation of right-of-use assets [refer note 3(b)]	446	388
Amortisation of other intangible assets [refer note 4]	6,078	2,720
	10,302	6,382

26. Other expenses

Royalty and technical fees	31	22
Rent [refer note 27]	122	36
Communication expenses	61	26
Travelling and conveyance	708	371
Professional charges	3,948	1,185
Transition Support Agreement ('TSA') expense [refer note 35(j)]	8,804	4,063
Directors' fees including commission	91	63
Power and fuel	2,727	2,343
Insurance	225	187
Rates, taxes and fees, net of refunds of taxes	193	132
Lab consumables	1,451	2,050
Foreign exchange loss, net	20	1,338
Repairs and maintenance		
Plant and machinery	2,295	1,734
Buildings	233	169
Others	856	661
Selling expenses		
Freight outwards, distribution and clearing charges	779	185
Sales promotion expenses	1,072	1,199
Commission and brokerage (other than sole selling agents)	139	123
Net loss on financial assets/liabilities designated at fair value through profit or loss	-	619

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

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

Printing and stationery	69	56
Research and development expenses	4,801	5,948
Corporate social responsibility (CSR) expenses	-	44
Miscellaneous expenses	273	161
	28,898	22,715
Less: Expenses capitalized to intangible assets	(74)	(759)
	28,824	21,956

[Also refer note 28 for details on related party transactions]

(a) Payment to auditors:

As auditor:

Statutory audit fee	53	12
Tax audit fee	1	1

In other capacity:

Other services (certification fees)	1	1
Reimbursement of out-of-pocket expenses	3	1
	58	15

(b) Details of research and development expenditure incurred (charged to statement of profit and loss)

Research and development expenses	4,801	5,948
Lab consumables	1,451	2,050
Employee benefits expense	1,439	1,190
Other research and development expenses included in other heads	2,230	2,223
	9,921	11,411

Less: Recovery of product development costs from co-development partners (net)

(737) (1,762)

Less: Expenses capitalized to intangible assets

(74) (759)

9,110 **8,890**

27. Leases

The Group has entered into lease agreements for use of land, buildings and plant & machinery which expires over a period ranging up to the financial year 2032-33. Gross payment for the year aggregate to Rs. 627 (March 31, 2023: Rs. 544).

The followings is the movement in the lease liability:

Particulars	Total
Balance as at April 1, 2022	2,067
Additions during the year	69
Finance cost accrued during the year*	201
Payment of lease liabilities	(544)
Balance as at March 31, 2023	1,793
Additions during the year	639
Finance cost accrued during the year*	202
Payment of lease liabilities	(627)
Balance as at March 31, 2024	2,007

*includes Nil (March 31, 2023 - Rs 2) capitalised during the year

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

Particulars	March 31, 2024	March 31, 2023
Current lease liabilities	605	477
Non-current lease liabilities	1,402	1,316
	2,007	1,793

The table below provides details regarding the contractual maturities of lease liabilities, on an undiscounted basis:

Less than one year	678	525
One to five years	1,736	1,424
More than five years	115	421
Total	2,529	2,370

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

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

The following are the amounts recognised in Statement of profit or loss for the year:

	March 31, 2024	March 31, 2023
Depreciation expense of right of use-assets	446	388
Interest expenses on lease liabilities	202	199
Payment for leases for short term and low value asset [refer note (i) below]	122	36
Total	770	623

(i) The Group applies the short-term lease recognition exemption to its short-term leases of certain premises taken on lease (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

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Notes to the consolidated financial statement

for the year ended March 31, 2024

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

Notes to the consolidated financial statement

for the year ended March 31, 2024

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

28. Related party disclosures:

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

Sl No	Name of related party	Relationship	Description of transactions	April 1, 2023 to March 31, 2024 (Income)/Expenses/Other transactions	Balance as at March 31, 2024 (Payable)/Receivable	April 1, 2022 to March 31, 2023 (Income)/Expenses/Other transactions	Balance as at March 31, 2023 (Payable)/Receivable
1	Biocon Limited	Holding Company	Expenses incurred by related party on behalf of the Group	49	-	138	-
			Expenses incurred on behalf of the related party	(16)	-	(28)	-
			Professional charges	324	-	383	-
			Research fees	(28)	-	(38)	-
			Gross charges towards facility and other expenses	(54)	-	-	-
			Sale of goods	-	-	(6)	-
			Payment for leases	269	-	246	-
			Power and fuel	1,539	-	1,673	-
			Research and development expense	-	-	12	-
			Staff welfare expenses towards canteen charges	62	-	41	-
			Royalty expense	16	-	13	-
			Share based payments to employees	78	-	257	-
			Purchase of goods	122	-	95	-
			Conversion of preference shares to equity shares	-	-	(10,810)	-
			Issue of equity shares	-	-	(40,710)	-
			Dividend paid	-	-	213	-
			Reimbursement towards Performance Linked Incentive ('PLI')	(168)	-	(495)	-
			Optionally Convertible Debentures	(5,000)	(5,701)	-	-
			Funding towards property plant and equipment/Prepayment	-	-	-	719
			Trade payables	-	(1,304)	-	(687)
			Interest on Optionally Convertible Debentures [refer note 13 (f)]	701	-	-	-
			Sale of car	-	-	(3)	-
2	Syngene International Limited	Fellow subsidiary	Research and development expenses	6	-	76	-
			Expenses incurred by related party on behalf of the Group	8	-	6	-
			Sale of goods [Refer note (g) below]	-	-	-	-
			Expenses incurred on behalf of the related party	(61)	-	(11)	-
			Purchase of goods	-	-	(0)	-
			Power and Utility Charges	90	-	92	-
			Payment for leases	303	-	284	-
			Gross charges towards facility and other expenses	(6)	-	-	-
			Staff welfare expenses towards canteen charges	4	-	-	-
			Trade payables	-	(79)	-	(219)
			Research fees	(7)	-	-	-
			Gross charges towards facility and other expenses	(4)	-	(12)	-
			Trade receivables	-	-	-	24
3	Bicara Therapeutics Inc. (upto December 12, 2023)	Fellow associate	Research fees	(7)	-	-	-
			Gross charges towards facility and other expenses	(4)	-	-	-
			Trade receivables	-	-	-	24

Notes to the consolidated financial statement

for the year ended March 31, 2024

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

Notes to the consolidated financial statement

for the year ended March 31, 2024

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

Sl No	Name of related party	Relationship	Description of transactions	April 1, 2023 to March 31, 2024 (Income)/ Expenses/ Other transactions	Balance as at March 31, 2024 (Payable)/ Receivable	April 1, 2022 to March 31, 2023 (Income)/ Expenses/ Other transactions	Balance as at March 31, 2023 (Payable)/ Receivable
4	Biocon FZ LLC	Fellow subsidiary	Professional charges	-	-	1	-
5	Biocon SA	Fellow subsidiary	Interest on preference shares	-	-	37	-
6	Biocon Pharma UK Limited	Fellow subsidiary	Expenses incurred by related party on behalf of the Group [Refer note (g) below] Trade payables [Refer note (g) below]	-	-	-	(0)
7	Biocon Pharma Limited	Fellow subsidiary	Research Service Cross charges towards facility and other expenses Expenses incurred by related party on behalf of the Company Sale of goods/other product Purchase of goods Issue of equity shares Trade Receivables	(12) (12) (3) (1) - - -	- - - - - - 146	(191) - - (2) 7 (12,166) -	- - - - - - 117
8	Biocon Foundation	Fellow subsidiary	Contribution towards CSR expenses Advance receivables	74 -	- 27	44 -	- 7
9	Biocon Biosphere Limited	Fellow subsidiary	Expenses incurred on behalf of the related party Trade receivables	(1) -	- 1	- -	- -
10	Jeeves	Enterprise in which relative to a director of the Company is proprietor	Miscellaneous expenses Sale of assets Trade receivables	39 - -	- -	39 (1)	- -
11	Narayana Hrudayalaya Limited	Enterprise in which a director of the Company is a member of board of directors	Sale of goods Trade receivables	(44)	-	(53)	-
12	Biofusion Therapeutics Limited	Fellow Subsidiaries	Trade Receivables	-	7	-	16
13	Biocon Academy	Fellow Subsidiaries	Expenses incurred on behalf of the related party Contribution towards CSR expenses Advance to suppliers	(13) 47 -	- - 70	(8) - -	- - 9

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

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

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

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

Sl No	Name of related party	Relationship	Description of transactions	April 1, 2023 to March 31, 2024 (Income)/ Expenses/ Other transactions	Balance as at March 31, 2024 (Payable)/ Receivable	April 1, 2022 to March 31, 2023 (Income)/ Expenses/ Other transactions	Balance as at March 31, 2023 (Payable)/ Receivable
14	"Viatris Group (w.e.f November 29, 2022)"	Enterprise whose director has significant influence in the Group	Expense cross charge in relation to Transition Support Agreement ("TSA") [refer note 35(j)] Deferred consideration payable (refer note 18) Contingent consideration payable (refer note 18) Contingent consideration receivable (refer note 5)	10,924 - - -	- (27,423) (7,426) 750	5,505 - - -	- (27,587) (6,583) 8,993
15	Refer note (d) below	Key management personnel	Salary and perquisites [refer note (c) and (e) below] Sitting fees and remuneration	211 91	54 1	144 63	29 1

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

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

- (a) The related party disclosed above are as per Ind AS 24 on "Related Party Disclosures" and Companies Act, 2013.
- (b) All transactions with these related parties are priced on an arm's length basis and none of the balances are secured.
- (c) Key managerial personnel include:
- | | | |
|--------|-------------------------|---|
| (i) | Kiran Mazumdar Shaw | Executive Chairperson |
| (ii) | Arun Chandavarkar | Managing Director (till December 5, 2022) and Non-Independent Non-Executive Director (w.e.f December 6, 2022) |
| (iii) | Shreehas P Tambe | Managing Director & Chief Executive Officer (w.e.f December 5, 2022) |
| (iv) | M.B. Chinappa | Chief Financial Officer (till October 30, 2023) |
| (v) | Kedar Upadhaye | Chief Financial Officer (w.e.f October 31, 2023) |
| (vi) | Akhilesh Nand | Company Secretary (till February 13, 2023) and General Council and Head of Corporate Governance (w.e.f February 13, 2023) |
| (vii) | Deepika Srivastava | Company Secretary (w.e.f February 13, 2023) |
| (viii) | Peter Piot | Independent director |
| (ix) | Bobby Kanubhai Parikh | Independent director |
| (x) | Nivruti Rai | Independent director |
| (xi) | Russell Walls | Independent director |
| (xii) | Daniel M Bradbury | Independent director |
| (xiii) | Thomas Jason Roberts | Non-Independent Non-Executive Director (w.e.f November 15, 2021) |
| (xiv) | Rajiv Malik | Non-Independent Non-Executive Director and Nominee Director of Viatrix Inc |
| (xv) | Nicholas Robert Haggart | Non-Executive Independent Director (w.e.f February 06, 2024) |
- (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 Group as a whole.
- (e) Share based compensation expense allocable to key management personnel is Rs 179 (March 31, 2023: Rs 114), which is not included in the remuneration disclosed above.
- (f) Fellow subsidiary companies with whom the Group did not have any transactions:

Name	Relation	Name	Relation
(i) Syngene USA Inc	Wholly-owned subsidiary of Syngene International Limited	(vi) Biocon Pharma Ireland Limited	Wholly-owned subsidiary of Biocon Pharma Limited
(ii) Syngene Manufacturing Solutions Limited	Wholly-owned subsidiary of Syngene International Limited	(vii) Biocon Pharma Inc	Wholly-owned subsidiary of Biocon Pharma Limited
(iii) Syngene Scientific Solutions Limited	Wholly-owned subsidiary of Syngene International Limited	(viii) Biocon Pharma Malta I Limited	Wholly-owned subsidiary of Biocon Pharma Limited
(iv) Biocon Pharma Malta Limited	Wholly-owned subsidiary of Biocon Pharma Limited	(ix) Biocon FZ LLC	Wholly-owned subsidiary of Biocon Limited
(v) Biocon Pharma UK Limited,	Wholly-owned subsidiary of Biocon Pharma Limited	(x) Biocon SA	Wholly-owned subsidiary of Biocon Limited
		(xi) Biocon Generics Inc.	Wholly-owned subsidiary of Biocon Limited

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

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

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

29. Tax expense

	March 31, 2024	March 31, 2023
(a) Amount recognised in Statement of profit and loss		
Current tax	1,733	832
Deferred tax (credit) / expense related to:		
MAT credit entitlement	(750)	32
Origination and reversal of temporary differences	(42)	(1,013)
Tax expense for the year	941	(149)
(b) Reconciliation of effective tax rate		
Profit before tax	3,123	1,186
Tax at statutory income tax rate 34.944% (March 31, 2023: 34.944%)	1,091	414
<i>Tax effects of amounts which are not deductible/(taxable) in calculating taxable income:</i>		
Difference in overseas/domestic tax rates	504	(561)
Exempt income and other deductions	(1,156)	(578)
Tax losses for which no deferred tax was recognised	315	561
Non-deductible expense	(261)	(31)
Tax for earlier years	(91)	20
Impact of change in enacted tax rate during the year - deferred tax	510	-
Others	29	26
Income tax (credit) / expense	941	(149)

(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, 2024	Opening balance	Acquired through Business combination (refer note 35)	Recognised in profit or loss	Recognised in OCI	Exchange difference	Closing balance
Deferred tax liabilities						
Property, plant and equipment	1,406	-	(158)	-	54	1,302
Other intangible assets	3,546	-	688	-	-	4,234
Goodwill	654	-	1,969	-	7	2,630
Deferred consideration	385	-	(164)	-	(6)	215
Derivative assets	94	-	-	172	4	270
Gross deferred tax liabilities	6,085	-	2,335	172	59	8,651
Deferred tax assets						
Provision for employee benefits	182	-	100	12	-	294
Allowance for doubtful debts	9	-	-	-	-	9
MAT credit entitlement	881	-	750	-	-	1,631
Carry-forward losses	2,403	-	798	-	-	3,201
Derivative liabilities	51	-	-	(50)	-	1
Deferred revenue	76	-	(13)	-	-	63
Lease liabilities	103	-	(13)	-	-	90
Provision for Inventory	-	-	636	-	-	636
Expenses allowed on payment basis	107	-	(23)	-	-	84
Others	367	-	892	-	1	1,260
Gross deferred tax assets	4,179	-	3,127	(38)	1	7,269
Deferred tax assets / (liabilities) (net)	(1,906)	-	792	(210)	(58)	(1,382)

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

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

For the year ended March 31, 2023	Opening balance	Acquired through Business combination (refer note 35)	Recognised in profit or loss	Recognised in OCI	Exchange difference	Closing balance
Deferred tax liabilities						
Property, plant and equipment	283	-	1,022	-	102	1,406
Other intangible assets	592	2,879	75	-	-	3,546
Goodwill	-	-	654	-	-	654
Deferred consideration	-	478	(95)	-	2	385
Derivative assets	78	-	-	16	-	94
Gross deferred tax liabilities	953	3,357	1,655	16	104	6,085
Deferred tax assets						
Provision for employee benefits	132	-	38	12	-	182
Allowance for doubtful debts	9	-	-	-	-	9
MAT credit entitlement	913	-	(32)	-	-	881
Carry-forward losses	-	-	2,403	-	-	2,403
Derivative liabilities	51	-	-	-	-	51
Deferred revenue	30	-	46	-	-	76
Lease liabilities	90	-	13	-	-	103
Expenses allowed on payment basis	189	-	(82)	-	-	107
Others	111	-	249	-	6	367
Gross deferred tax assets	1,525	-	2,636	12	6	4,179
Deferred tax assets (net)	572	(3,357)	981	(4)	(98)	(1,906)

30. Employee benefit plans

- (i) The Group has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972. Under this legislation, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement/termination age and does not have any maximum monetary limit for payments. The gratuity plan is unfunded.

The following table sets out the status of the gratuity plan and the amounts recognised in the consolidated financial statements as at balance sheet date:

	Net defined benefit obligation	
	March 31, 2024	March 31, 2023
Balance at the beginning of the year	399	349
Current service cost	49	47
Interest expense/(income)	30	21
Amount recognised in Statement of profit and loss	79	68
<i>Remeasurements:</i>		
Actuarial (gain)/loss arising from:		
Financial assumptions	3	(26)
Experience adjustment	32	59
Amount recognised in other comprehensive income	35	33
Liabilities transfer out	(8)	-
Benefits paid	(51)	(51)
Balance at the end of the year	454	399
Non-current	385	340
Current	69	59
	454	399

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

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

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

	March 31, 2024	March 31, 2023
Discount rate	7.2%	7.3%
Expected return on plan assets	NA	NA
Salary increase	9.0%	9.0%
Attrition rate	14% - 30%	14% - 30%
Retirement age - Years	58	58

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

The weighted average duration of the defined benefit obligation was 6 years (March 31, 2023 - 6 years).

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

(b) Sensitivity analysis

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

Particulars	March 31, 2024		March 31, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% change)	(21)	24	(19)	21
Salary increase (1% change)	23	(21)	20	(19)
Attrition rate (1% change)	(4)	4	(3)	3

Sensitivity of significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.

Maturity profile of defined benefit obligation

Particulars	March 31, 2024	March 31, 2023
1st following year	69	59
2nd following year	53	49
3rd following year	62	47
4th following year	45	52
5th following year	48	37
Years 6 to 10	427	383

- (ii) The Group provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service years. During the year ended March 31 2024, the Group has incurred an expense on compensated absences amounting to Rs. 131 (March 31, 2023: Rs. 117). The Group determines the expense for compensated absences basis the actuarial valuation of the present value of the obligation, using the Projected Unit Credit Method.

31. Financial instruments: Fair value and risk managements

A. Accounting classification and fair values

March 31, 2024	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments	109	-	-	109	109	-	-	109
Trade receivables	-	-	49,505	49,505	-	-	-	-
Cash and cash equivalents	-	-	8,534	8,534	-	-	-	-
Other bank balance	-	-	553	553	-	-	-	-
Derivative assets	-	955	-	955	-	955	-	955
Other financial assets	750	-	719	1,469	-	-	750	750
							Refer note(c)	
	859	955	59,311	61,125	109	955	750	1,814
Financial liabilities								
Lease liabilities	-	-	2,007	2,007	-	-	-	-
Derivative liability	1,162	3	-	1,165	-	3	1,162	1,165
							Refer note(b)	
Borrowings	7,755	-	131,165	138,920	-	-	7,755	7,755
							Refer note(a)	
Trade payables	-	-	56,806	56,806	-	-	-	-
Other financial liabilities	7,426	-	32,491	39,917	-	-	7,426	7,426
							Refer note(c)	
	16,343	3	222,469	238,815	-	3	16,343	16,346

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

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

March 31, 2023	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments	492	-	-	492	492	-	-	492
Trade receivables	-	-	23,443	23,443	-	-	-	-
Cash and cash equivalents	-	-	8,877	8,877	-	-	-	-
Other bank balance	-	-	527	527	-	-	-	-
Derivative assets	-	211	-	211	-	211	-	211
Other financial assets	8,993	-	638	9,631	-	-	8,993	8,993
							Refer note(c)	
	9,485	211	33,485	43,181	492	211	8,993	9,696
Financial liabilities								
Lease Liability	-	-	1,793	1,793	-	-	-	-
Derivative liability	-	152	-	152	-	152	-	152
Borrowings	2,054	-	142,769	144,823	-	-	2,054	2,054
							Refer note(a)	
Trade payables	-	-	31,306	31,306	-	-	-	-
Other financial liabilities	6,583	-	30,047	36,630	-	-	6,583	6,583
							Refer note(c)	
	8,637	152	205,915	214,704	-	152	8,637	8,789

(a) Preference shares of Rs. 2,054 are convertible / redeemable, at its face value, any time during the tenure of the instrument at the option of the holder. Owing to this feature, the instrument has been recorded at its fair value which is equivalent to the face value.

BL OCD of Rs. 5,701 are convertible / redeemable. BL OCD's are valued using valuation techniques in consultation with market expert. Refer note 13(i)."

(b) CCD is recorded at fair value [refer note 13(j)]. Fair value of derivative embedded in CCD at inception amounts to Rs. 1,039 [refer note 31 (d)] and was recorded in Other equity. The fair value of derivative liability as at March 31, 2024 amounts to Rs. 1,162. Derivatives are valued using valuation techniques in consultation with market expert.

(c) Refer Business Combination note (note 35) for details.

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short – term nature.

B. Measurement of fair values

Fair value of liquid investments are based on quoted price. Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market price.

Sensitivity analysis

For the fair values of forward contracts and options contracts of foreign currencies and interest rate swaps, reasonably possible changes at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effects.

Significant observable inputs	March 31, 2024 Impact on other components of equity		March 31, 2023 Impact on other components of equity	
	Increase	Decrease	Increase	Decrease
Spot rate of the foreign currency (1% movement)	(4)	(18)	(82)	82
Interest rates (100 bps movement)	743	(743)	139	(139)

C. Significant Unobservable inputs used in Level 3 Fair Values

As at March 31, 2024	Valuation Techniques	Significant unobservable inputs	Sensitivity of input to fair value measurement
a) Contingent consideration receivable (refer note 35)	Binomial Option Pricing Model - using risk free discount rate and growth rate.	a) Discount rate	A 1% increase in discount rate would have led to approximately Rs. 17 gain in Statement of Profit and loss. A 1% decrease would have led to approximately Rs. 17 loss in Statement of Profit and loss.
		b) Volatility rate	A 5% increase in volatility rate would have led to approximately Rs. 46 loss in Statement of Profit and loss. A 5% decrease would have led to approximately Rs. 52 gain in Statement of Profit and loss.

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

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

As at March 31, 2024	Valuation Techniques	Significant unobservable inputs	Sensitivity of input to fair value measurement
b) Contingent consideration payable (refer note 35)	Binomial Option Pricing Model - using risk free discount rate and growth rate. The fair value is equal to the present value of the probability - weighted future payoffs	a) Discount rate b) Volatility rate	A 1% increase in discount rate would have led to approximately Rs. 231 gain in Statement of Profit and loss. A 1% decrease would have led to approximately Rs. 233 loss in Statement of Profit and loss. A 5% increase in volatility rate would have led to approximately Rs. 114 gain in Statement of Profit and loss. A 5% decrease would have led to approximately Rs. 76 loss in Statement of Profit and loss.
c) Non-Convertible Redeemable Preference Shares ("NCRPS") [refer note 12(a)(ii)(b)]	Equivalent to Face value	Not Applicable	Not Applicable
d) Optionally Convertible Debentures ("BL OCD")	Binomial Option Pricing Model - using risk free discount rate and growth rate. The fair value is equal to the present value of the probability - weighted future payoffs	a) Discount rate b) Volatility rate	A 1% increase in discount rate would have led to approximately Rs. 96 gain in Statement of Profit and loss. A 1% decrease would have led to approximately Rs. 98 loss in Statement of Profit and loss. A 5% increase in volatility rate would have led to approximately Nil gain in Statement of Profit and loss. A 5% decrease would have led to approximately Rs. 3 loss in Statement of Profit and loss.
e) Derivative liability towards Compulsary Convertible Debentures ("CCD")	Binomial Option Pricing Model - using risk free discount rate and growth rate. The fair value is equal to the present value of the probability - weighted future payoffs	a) Discount rate b) Volatility rate	A 1% increase in discount rate would have led to approximately Rs. 56 gain in Statement of Profit and loss. A 1% decrease would have led to approximately Rs. 58 loss in Statement of Profit and loss. A 5% increase in volatility rate would have led to approximately Rs. 94 loss in Statement of Profit and loss. A 5% decrease would have led to approximately Rs. 86 gain in Statement of Profit and loss.
As at March 31, 2023	Valuation Techniques	Significant unobservable inputs	Sensitivity of input to fair value measurement
a) Contingent consideration receivable (refer note 35)	Binomial Option Pricing Model - using risk free discount rate and growth rate.	a) Discount rate b) Volatility rate	A 1% increase in discount rate would have led to approximately Rs. 100 gain in Statement of Profit and loss. A 1% decrease would have led to approximately Rs. 107 loss in Statement of Profit and loss. A 5% increase in volatility rate would have led to approximately Rs. 467 loss in Statement of Profit and loss. A 5% decrease would have led to approximately Rs. 530 gain in Statement of Profit and loss.
b) Contingent consideration payable (refer note 35)	Binomial Option Pricing Model - using risk free discount rate and growth rate. The fair value is equal to the present value of the probability - weighted future payoffs	a) Discount rate b) Volatility rate	A 1% increase in discount rate would have led to approximately Rs. 265 gain in Statement of Profit and loss. A 1% decrease would have led to approximately Rs. 268 loss in Statement of Profit and loss. A 5% increase in volatility rate would have led to approximately Rs. 78 gain in Statement of Profit and loss. A 5% decrease would have led to approximately Rs. 365 loss in Statement of Profit and loss.
c) Non-Convertible Redeemable Preference Shares ("NCRPS") [refer note 12(a)(ii)(b)]	Equivalent to Face value	Not Applicable	Not Applicable

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

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

D. Reconciliation of Level 3 fair values

	Contingent consideration receivable	Contingent consideration payable	NCRPS	BL OCD	OCRPS	Derivative Liability on CCD
At April 01, 2022	-	-	2,054	-	10,810	-
Assumed in a business combination (refer note 35)	10,251	7,366	-	-	-	-
- Net change in fair value loss (unrealised)	(1,323)	-	-	-	-	-
- Net change in fair value gain (unrealised)	-	(783)	-	-	-	-
Derecognised on account of conversion to Equity shares (refer note 12)	-	-	-	-	(10,810)	-
Foreign currency translation adjustment	65	-	-	-	-	-
At March 31, 2023	8,993	6,583	2,054	-	-	-
Assumed in a business combination (refer note 35)	-	-	-	-	-	-
- Fair value of derivative embedded in CCD at inception [refer note 13(j)]	-	-	-	-	-	1,039
- Net change in fair value loss (unrealised)	-	843	-	-	-	123
- Net change in fair value gain (unrealised)	1,895	-	-	-	-	-
- Proceeds from issue of BL OCD [refer note 13(i)]	-	-	-	5,000	-	-
- Net change in fair value loss (unrealised) recognised in Finance cost [refer note 13(i)]	-	-	-	701	-	-
Derecognised on account of receipt of Working capital Claw back [refer note 40(b)]	(10,219)	-	-	-	-	-
Foreign currency translation adjustment	81	-	-	-	-	-
At March 31, 2024	750	7,426	2,054	5,701	-	1,162

E. 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 (refer note 13).

(ii) Credit risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

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

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables, unbilled revenue and other receivables. The exposure to credit risk as at reporting date amounts to Rs 297 (March 31, 2023: Rs 27).

Allowance for impairment	March 31, 2024	March 31, 2023
Opening Balance	27	27
Impairment loss recognised*	270	-
Closing Balance	297	27

* included as part of TSA expense under the head other expenses.

Refer to Note 10 for details of ageing of trade receivables and allowance for credit losses. Other than trade receivables the Company has no significant class of financial assets that is past due but not impaired.

Trade receivables including unbilled revenue from one individual customer is Rs. 9,565 (March 31, 2023 - Rs. 6,689) which is individually more than 10 percent of the Group's trade receivables including unbilled revenue.

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

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

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

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation (refer note 13).

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2024:

Particulars	Less than 1 year	1 - 2 years	2-5 years	>5 years	Total
Borrowings	26,748	26,063	85,314	795	138,920
Lease liabilities	678	559	1,177	115	2,529
Trade payables	56,806	-	-	-	56,806
Derivative liabilities	2	1	1,162	-	1,165
Other financial liabilities	32,491	-	7,426	-	39,917
Total	116,725	26,623	95,080	910	239,337

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2023:

Particulars	Less than 1 year	1 - 2 years	2-5 years	>5 years	Total
Borrowings	12,197	8,003	123,911	712	144,823
Lease liabilities	525	519	905	421	2,370
Trade payables	31,306	-	-	-	31,306
Derivative liabilities	131	21	-	-	152
Other financial liabilities	4,474	32,156	-	-	36,630
Total	48,633	40,699	124,816	1,133	215,281

(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 cash flow hedge contracts, 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, 2024 and March 31, 2023 are expressed in Indian Rupees Million as below:

March 31, 2024	USD	EUR	Others
Financial assets			
Investments	109	-	-
Trade receivables	38,328	7,651	2,015
Cash and cash equivalents	6,603	833	492
Other bank balance	21	-	-
Derivative assets	955	-	-
Other financial assets	1,200	-	-
Financial liabilities			
Non-current borrowings	(102,517)	-	-
Current borrowings	(12,338)	-	-
Derivative liabilities	(3)	-	-
Trade payables	(37,388)	(5,668)	(9,189)
Lease liabilities	(249)	-	(77)
Other financial liabilities	(36,364)	(488)	(639)
Net liabilities	(141,643)	2,328	(7,398)

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

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

March 31, 2023	USD	EUR	Others
Financial assets			
Investments	29	-	-
Trade receivables	12,904	5,488	3,052
Cash and cash equivalents	5,585	2,302	302
Other bank balance	26	-	-
Derivative assets	211	-	-
Other financial assets	9,080	157	11
Financial liabilities			
Non-current borrowings	(125,072)	-	-
Current borrowings	(3,041)	-	(287)
Derivative liabilities	(151)	-	-
Trade payables	(15,017)	(7,891)	(3,287)
Lease liabilities	(4)	-	-
Other financial liabilities	(34,791)	(62)	(128)
Net liabilities	(150,241)	(7)	(337)

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, 2024	March 31, 2023	March 31, 2024	March 31, 2023
USD Sensitivity				
INR/USD - Increase by 1%	(1,416)	(238)	(1,421)	(1,584)
INR/USD - Decrease by 1%	1,416	238	1,421	1,584
EUR Sensitivity				
INR/EUR - Increase by 1%	23	(10)	23	(1)
INR/EUR - Decrease by 1%	(23)	10	(23)	1

Derivative financial instruments

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

Particulars	March 31, 2024 (in Million)	March 31, 2023 (in Million)
Foreign exchange forward contracts to buy between 0-2 Years	USD 115	USD 116
Foreign exchange forward contracts to sell between 0-2 Years	USD 74	-
European style option contracts with periodical maturity dates between 0-2 Years	USD 17	USD 25
European style range forward contracts with periodical maturity dates between 0-2 Years	USD 108	USD 108
Interest rate swaps used for hedging LIBOR component in external commercial borrowings and term loan	USD 435	USD 75

Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from non-current borrowings with variable rates, which expose the Group to cash flow interest rate risk. During the year ended March 31, 2024 and March 31, 2023 the Group's borrowings at variable rate were denominated in INR and USD.

(a) Interest rate risk exposure

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

Particulars	March 31, 2024	March 31, 2023
Variable rate borrowings	114,881	115,731
Fixed rate borrowings	24,039	29,092
Total borrowings	138,920	144,823

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

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

(b) Sensitivity

The Group policy is to maintain a optimum balance between fixed and variable rate borrowings using interest rate swaps to achieve this when necessary. The Group is therefore subject to interest rate risk as defined under Ind AS 107.

A reasonably possible change of 100 basis points in interest rates for variable rate borrowings at the reporting date would have increased (decreased) equity and profit or loss by Rs. 1,149 (March 31, 2023 : Rs. 1,157)

Net Investment hedges

A foreign currency exposure arises from the Group's net investment in its UK subsidiary that has a USD functional currency. The risk arises from the fluctuation in spot exchange rates between the USD and the INR, which causes the amount of the net investment to vary.

The hedged risk in the net investment hedge is the risk of a weakening USD against the INR that will result in a reduction in the carrying amount of the Group's net investment in the UK subsidiary.

During the current year, the Group designated a USD denominated loan as a hedging instrument to hedge its net investments in foreign operation of the UK subsidiary, which mitigates the foreign currency risk arising from the subsidiary's net assets.

To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item by comparing changes in the carrying amount of the debt that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate (the offset method). The Group's policy is to hedge the net investment only to the extent of the debt principal.

Particulars	Nominal Amount	Assets	Liabilities	March 31, 2024		
				Balance sheet item where the hedging instrument is included	Change in value of hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss
Hedging Instrument						
Foreign exchange denominated debt (USD)	6,251	-	(6,251)	Borrowings	(87)	-
Hedged item						
USD net investment	6,251	6,251	-	Net investment	87	-

Particulars	Nominal Amount	Assets	Liabilities	March 31, 2023		
				Balance sheet item where the hedging instrument is included	Change in value of hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss
Hedging Instrument						
Foreign exchange denominated debt (USD)	6,164	-	(6,164)	Borrowings	(470)	-
Hedged item						
USD net investment	6,164	6,164	-	Net investment	470	-

32. Capital Management

The key objective of the Group's capital management is to ensure that it maintains a stable capital structure with the focus on total capital to uphold investor, creditor and customer confidence and to ensure future development of its business. The Group focused on keeping strong total capital base to ensure independence, security as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Group (refer note 12 and 13).

To maintain a stable capital structure, in previous year the Group had issued equity shares (refer note 12) for a consideration (net of issue expense) of Rs. 65,265.

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

The Group's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute annual dividends in future period.

The future dividends of equity and preference shares will be balanced with efforts to continue to maintain an adequate liquidity status.

The capital structure as of March 31, 2024 and March 31, 2023 was as follows:

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

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

Particulars	March 31, 2024	March 31, 2023
Total equity	183,409	176,076
Preference share capital (NCRPS)	2,054	2,054
Total capital attributable to the shareholders of the Company (including NCRPS)	185,463	178,130
As a percentage of total capital	58%	56%
Non-current borrowings *	110,118	130,572
Current borrowings	26,748	12,197
Total borrowings	136,866	142,769
As a percentage of total capital	42%	44%
Total capital (Equity capital, preference capital and borrowings)	322,329	320,899

* includes OCD amounting to Rs. 14,939 (March 31, 2023 : Rs. 14,030) [refer note 13(h)]

* includes BL OCD amounting to Rs. 5,701 (March 31, 2023 : Nil) [refer note 13 (i)]

33. Interest in other entities

(a) Subsidiaries

The Group's subsidiaries as at March 31, 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held by the Group, and proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Country of incorporation	Ownership interest held by the Group (%)		Name of entity
		March 31, 2024	March 31, 2023	
Biocon Biologics UK Limited	United Kingdom	100	100	Sale of biopharmaceutical products
Biocon Sdn Bhd	Malaysia	100	100	Manufacturing and sale of biopharmaceutical products
Biocon Biologics Inc.	United States of America	100	100	Sale of biopharmaceutical products
Biocon Biologics Healthcare Malaysia Sdn Bhd	Malaysia	100	100	Sale of biopharmaceutical products
Biocon Biologics Do Brasil LTDA	Brazil	100	100	Sale of biopharmaceutical products
Biocon Biologics FZ LLC	United Arab Emirates	100	100	Sale of biopharmaceutical products
Biosimilars Newco Limited	United Kingdom	100	100	Sale of biopharmaceutical products
Biosimilar Collaborations Ireland Limited	Ireland	100	100	Sale of biopharmaceutical products
Biocon Biologics Germany GmbH	Germany	100	100	Sale of biopharmaceutical products
Biocon Biologics Canada Inc.	Canada	100	100	Sale of biopharmaceutical products
Biocon Biologics France S.A.S	France	100	-	Sale of biopharmaceutical products
Biocon Biologics Switzerland AG	Switzerland	100	-	Sale of biopharmaceutical products
Biocon Biologics Belgium.	Belgium	100	-	Sale of biopharmaceutical products
Biocon Biologics Spain S.L.U	Spain	100	-	Sale of biopharmaceutical products
Biocon Biologics Finland OY	Finland	100	-	Sale of biopharmaceutical products
Biocon Biologics Greece SINGLE MEMBER P.C	Greece	100	-	Sale of biopharmaceutical products
Biocon Biologics (Thailand) Co., Ltd.	Thailand	100	-	Sale of biopharmaceutical products
Biocon Biologics Morocco S.R.L	Morocco	100	-	Sale of biopharmaceutical products
Biocon Biologics South Africa (Pty) Ltd.	South Africa	100	-	Sale of biopharmaceutical products
BIOCON BIOLOGICS PHILIPPINES INC.	Philippines	100	-	Sale of biopharmaceutical products
BIOCON BIOLOGICS ITALY S.R.L.	Italy	100	-	Sale of biopharmaceutical products
Biocon Biologics Croatia LLC	Croatia	100	-	Sale of biopharmaceutical products

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

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

34. Additional information, as required under Schedule III of the Act, of enterprises consolidated as subsidiary

Name of Entity	Net assets as at March 31, 2024		Share in profit or loss for the year ended March 31, 2024		Share in other comprehensive income for the year ended March 31, 2024		Share in total comprehensive income for the year ended March 31, 2024	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
Holding Company								
Biocon Biologics Limited	40%	179,106	333%	3,683	22%	175	201%	3,858
Subsidiaries								
Foreign								
Biocon Sdn Bhd	0%	(1,495)	-161%	(1,786)	0%	-	-93%	(1,785)
Biocon Biologics UK Limited	25%	107,971	433%	4,788	0%	-	250%	4,788
Biocon Biologics Healthcare Malaysia Sdn Bhd	0%	(1)	0%	(0)	0%	-	0%	(0)
Biocon Biologics Inc	0%	681	56%	623	0%	-	32%	623
Biocon Biologics Canada Inc.	0%	29	3%	29	0%	-	1%	29
Biocon Biologics Do Brasil LTDA	0%	85	0%	4	0%	-	0%	4
Biocon Biologics FZ LLC	0%	91	1%	7	0%	-	0%	7
Biosimilars Newco Limited	25%	112,258	-248%	(2,746)	78%	638	-109%	(2,108)
Biosimilar Collaborations Ireland Limited	10%	46,737	-320%	(3,546)	0%	-	-185%	(3,546)
Biocon Biologics France S.A.S	0%	32	3%	31	0%	-	2%	31
Biocon Biologics Germany GMBH	0%	12	1%	9	0%	-	0%	9
Biocon Biologics Switzerland AG	0%	5	0%	1	0%	-	0%	1
Biocon Biologics Belgium.	0%	4	0%	2	0%	-	0%	2
Biocon Biologics Spain S.L.U	0%	3	0%	4	0%	-	0%	4
Biocon Biologics Finland OY	0%	1	0%	1	0%	-	0%	1
Biocon Biologics Greece SINGLE MEMBER P.C	0%	3	0%	3	0%	-	0%	3
Biocon Biologics (Thailand) Co., Ltd.	0%	(1)	0%	(1)	0%	-	0%	(1)
Biocon Biologics Morocco S.R.L	0%	1	0%	1	0%	-	0%	1
Biocon Biologics South Africa (Pty) Ltd.	0%	0	0%	(0)	0%	-	0%	(0)
Biocon Biologics Philippines Inc.	0%	17	0%	0	0%	-	0%	0
Biocon Biologics Italy S.R.L.	0%	1	0%	-	0%	-	0%	-
Biocon Biologics Croatia LLC	0%	0	0%	-	0%	-	0%	-
Gross Total	100%	445,542	100%	1,107	100%	813	100%	1,921
Adjustment arising on consolidation		(262,133)		1,075		1,797		2,871
Total		183,409		2,182		2,610		4,792

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

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

Name of Entity	Net assets as at March 31, 2023		Share in profit or loss for the year ended March 31, 2023		Share in other comprehensive income for the year ended March 31, 2023		Share in total comprehensive income for the year ended March 31, 2023	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
Holding Company								
Biocon Biologics Limited	41%	167,856	1403%	(4,453)	100%	8	1439%	(4,445)
Subsidiaries								
Foreign								
Biocon Sdn Bhd	0%	(624)	-600%	1,905	0%	-	-617%	1,905
Biocon Biologics UK Limited	23%	95,730	-1322%	4,190	0%	-	-1356%	4,190
Biocon Biologics Healthcare Malaysia Sdn Bhd	0%	(1)	0%	-	0%	-	0%	-
Biocon Biologics Inc	0%	57	-4%	14	0%	-	-5%	14
Biocon Biologics Do Brasil LTDA	0%	80	0%	1	0%	-	0%	1
Biocon Biologics FZ LLC	0%	83	-2%	5	0%	-	-2%	5
Biosimilars Newco Limited	24%	96,365	1020%	(3,237)	0%	-	1047%	(3,237)
Biosimilar Collaborations Ireland Limited	12%	49,579	-396%	1,258	0%	-	-407%	1,258
Gross Total	100%	409,126	100%	(317)	100%	8	100%	(309)
Adjustment arising on consolidation		(233,049)		1,652		1,529		3,181
Total		176,076		1,335		1,537		2,872

35 Business combination

On February 27, 2022, the Group entered into a definitive agreement with its collaboration partner Viatri Inc. to acquire Viatri's biosimilars business to create a fully integrated global biosimilars enterprise, at a total consideration of Rs. 247,255, including cash of Rs. 156,645 and Compulsorily Convertible Preference Shares ('CCPS') in BBL of Rs. 82,181. The said transaction obtained necessary regulatory and other approvals and the closing conditions were satisfied on November 29, 2022 pursuant to which, the Group acquired control over the Viatri's biosimilar business through subsidiaries Biosimilars Newco Limited (UK) and Biosimilar Collaborations Ireland Limited. The Company has accounted for the transaction under Ind AS 103, "Business Combinations". The acquired business have been consolidated effective November 29, 2022, the consummation date.

The Group along with Viatri, the seller determined the working capital balances taken over by Biocon Biologics as part of the acquisition. The Group has completed the purchase price allocation between goodwill, intangible assets and other working capital balances taken over.

Below is the details of purchase price allocation:

	Total
Cash	156,645
0.001% Compulsorily Convertible Preference Shares (CCPS)	82,181
Equity shares *	0
Deferred consideration payable	27,940
Contingent consideration receivable	(10,251)
Settlement of pre-existing relationship	(9,260)
Total consideration	247,255
Assets acquired	
Trade receivables	14,790
Inventories	13,742
Other assets	253
Goodwill	159,900
Product related intangibles (refer note (g) below)	
Brands	2,632
License to the patents	29,114
Other product related Intangibles	60,868
Liabilities assumed	
Trade payables	(30,687)
Provision for sales return	-
Deferred tax liability	(3,357)
Total net assets acquired	247,255

*below rounding-off norms

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

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

- (a) CCPS were fair valued using Binomial Option Pricing Model at Rs. 82,181. Each CCPS shall be convertible into equity shares at any time at the option of the holder at a conversion rate of 1:1. The Company has an obligation to issue further equity shares to Mylan Inc, subject to maximum of 61,562,420 equity shares, such that the fair value of the equity holding post conversion is atleast USD 1,000 Mn. The issue of additional shares results in contingent consideration. The CCPS on initial recognition has been bifurcated into equity component of Rs. 74,815 (fixed to fixed conversion) and contingent consideration (derivative liability) of Rs. 7,366. At March 31, 2024, the fair value of contingent consideration is Rs. 7,426 (March 31, 2023: Rs. 6,583).
- (b) The Group has issued one equity share at fair value of Rs. 280.74 per share, based on the valuation report by the independent valuer.
- (c) The Group has agreed for deferred consideration payable after 18-24 months from the acquisition date, fair valued at Rs. 27,940.
- (d) Contingent consideration receivable amount will be due from Viatrix Inc to the Company provided the value of CCPS at the time of conversion is USD 1,000 Mn. If the value of CCPS at the time of conversion is below USD 1,000 Mn, Viatrix Inc will adjust shortfall against Contingent consideration receivable to the maximum cap of USD 250 Mn.

Considering that the amount of Contingent consideration receivable is dependent on the value of the CCPS at the time of conversion event, a Binomial Option Pricing Model has been applied to estimate the future equity value of the Company and Contingent consideration receivable is fair valued at Rs. 10,251. [Refer Note 40(b)]"

- (e) The Group and Viatrix had entered into an arrangement, to collaborate to develop, manufacture and commercialize certain biosimilar products. In line with Ind AS 103, settlement of pre-existing relationship did not result in any gain or loss in statement of profit and loss since the transaction was at arm's length. Liability towards pre-existing relationship amounting to Rs. 9,260 has been de-recognised with a corresponding impact to Goodwill.
- (f) The Goodwill of Rs. 159,831 consists largely of the synergies and economies of scale expected from the acquired business, together with the value of the workforce acquired. The Goodwill generated on acquisition of business amounting to Rs. 126,708 is deductible for tax purposes, while remaining portion is non-deductible for tax purposes.
- (g) The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Intangible assets - Relief from-royalty method and multi-period excess earnings method.

Brands - The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents being owned.

License to the patents and other product related intangibles - The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the Intellectual Property rights, by excluding any cash flows related to contributory assets.

Inventory -

Market comparison technique: The fair value is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories."

- (h) Acquisition related costs amounted to Rs. 2,374 and were excluded from the consideration transferred and were recognised as expense under "Exceptional items" in the Statement of profit and loss for the year ended March 31, 2023 [refer note 40(a)].
- (i) For the period November 29, 2022 till March 31, 2023, acquired business contributed revenue of Rs. 22,074, Profit before tax, interest, depreciation, amortisation and exceptional items of Rs. 4,007 and Profit before tax and exceptional items of Rs. 73 to the Group's results.

For financial year ended March 31, 2023, if the acquisition had occurred on April 1, 2022, management estimates that consolidated revenue would have been Rs. 99,269, consolidated Profit before tax, interest, depreciation, amortisation and exceptional items of Rs. 21,263 and consolidated Profit before tax and exceptional items for the year would have been Rs. 4,173. In determining these estimates, the management has annualised the revenue and profitability of the acquired business for the period November 29, 2022 till March 31, 2023."

- (j) The Group has entered into Transition Support Agreement ('TSA') with Viatrix Inc to provide commercial and other transition services to ensure continuity of customer service and smooth transition to BBL.

36. Contingent liabilities and commitments

(to the extent not provided for)

	March 31, 2024	March 31, 2023
(i) Contingent liabilities		
(a) Claims against the Group not acknowledged as debt	1,170	1,111
The above includes		
(i) Direct taxation	1,045	986
(ii) Indirect taxation (includes matters pertaining to disputes on VAT and CST)	125	125

The Group is involved in taxation matters that arise from time to time in the ordinary course of business. Judgment is required in assessing the range of possible outcomes for some of these tax matters, which could change substantially over time as each of the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents. Based on its internal assessment supported by external legal counsel views, if any, the Group believes that it will be able to sustain its positions if challenged by the authorities and accordingly no additional provision is required for these matters.

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

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

Other than the matter disclosed above, the Group is involved in disputes, lawsuits, proceedings etc. including patent and commercial matters that arise from time to time in the ordinary course of business. Management is of the view that above matters will not have any material adverse effect on the Group's financial position and results of operations.

	March 31, 2024	March 31, 2023
(ii) Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	9,086	7,592

37. Earning per equity share (EPS) :

	Year ended March 31, 2024	Year ended March 31, 2023
Earnings		
For Basic EPS	2,182	1,335
For Dilutive EPS [refer note (c) below]	2,182	552
Weighted average shares		
For computing basic EPS [refer note (a) and (c) below]	1,560,883,944	1,242,977,197
Adjustments for calculation of diluted earnings per share [refer note (b)] :		
- OCRPS (till date of conversion)	-	12,342,820
- Employee stock options	5,894,446	4,178,900
- CCPS	-	20,577,028
For computing diluted EPS	1,566,778,390	1,280,075,946
Earnings per equity share		
Basic (in Rs)	1.40	1.07
Diluted (in Rs)	1.39	0.43

(a) Excludes Treasury shares

(b) Potential ordinary shares are antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

(c) Weighted average shares considered for computing basic EPS includes the effect of mandatory conversion of CCPS for the current period and accordingly the comparative period has been adjusted. CCPS are anti-dilutive as at March 31, 2024. The earnings for dilutive EPS in the comparative period is adjusted with the fair value gain on contingent consideration payable related to CCPS.

38. Segmental reporting

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

Geographical segment

For details of revenue by geography please refer to note 19.1

Non-current assets

Particulars	March 31, 2024	March 31, 2023
India	35,849	33,733
European union (including Ireland)	65,756	65,735
UK	197,201	202,679
Malaysia	27,664	27,547
Rest of the world	288	8
Total	326,758	329,702

Note: Non-current assets excludes derivative assets, income tax and deferred tax assets.

39. Employee stock compensation

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

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

In August 2021, based on the approval of the Board, the Company granted RSUs to its employees under this Plan. For grants made before August 1, 2021, the options 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

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

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

of grant. For grants made in August 2022 and October 2022, the vesting would be 50% and 50% of the total grant at the end of first and second year, respectively from the date of grant. For grants made in July 2023, October 2023 and January 2024 the vesting would be 100% of the total grant at the end of first year. Exercise period is 3 years for each grant. These options are exercisable at Rs. 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.

b) Biocon Biologics Limited Restricted Stock Units Plan 2023

On February 22, 2023, Board of Directors of the Company approved the Biocon Biologics Limited Restricted Stock Units Long Term Incentive Plan FY 2023 ('RSU Plan 2023') for the grant of Restricted stock units to the employees of the Company and its subsidiaries. The Nomination and Remuneration Committee ('Remuneration Committee') administers the plan through a trust established specifically for this purpose, called the Biocon Limited Employees Welfare Trust.

In March 2023, based on the approval of the Board, the Company granted RSUs to its employees under this Plan. The options under this grant would vest to the employees as 25% in first year after the grant date, 25% on the event of IPO, 25% after the expiry of one year from IPO date and 25% after the expiry of 2 years from the IPO date. The options are exercisable only on the event of an IPO and exercise period shall be one year from the date of last vesting. These options are exercisable at Rs. 10 per RSU.

Particulars	March 31, 2024		March 31, 2023	
	No of Options	Weighted Average Exercise Price	No of Options	Weighted Average Exercise Price
RSU Plan 2022				
Outstanding at the beginning of the year	5,637,231	10	5,142,857	10
Granted during the year	1,873,818	10	1,315,802	10
Lapses/forfeited during the year	660,462	10	805,518	10
Exercised during the year*	33,590	10	15,911	10
Expired during the year	-	-	-	-
Outstanding at the end of the year	6,816,996	10	5,637,231	10
Exercisable at the end of the year	2,954,271	10	1,272,862	10
Weighted average remaining contractual life (in years)	3.6		4.3	-
Weighted average fair value of options granted	240.4		214.3	-
RSU Plan 2023				
Outstanding at the beginning of the year	2,039,997	10	-	-
Granted during the year	9,550	10	2,039,997	10
Lapses/forfeited during the year	466,927	10	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	1,582,620	10	2,039,997	10
Exercisable at the end of the year	393,268	10	-	10
Weighted average remaining contractual life (in years)	3.9		5	
Weighted average fair value of options granted	241.4		229.3	

* For the year ended March 31, 2024 pending allotment.

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

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

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	For options granted in			
	March 31, 2024 RSU Plan 2022	March 31, 2024 RSU Plan 2023	March 31, 2023 RSU Plan 2022	March 31, 2023 RSU Plan 2023
Weighted Average Exercise Price	10	10	10	10
Expected volatility*	31.3% - 32.2%	39.5% - 44.7%	39.9% - 43.5%	39.5% - 44.7%
Life of the options granted (vesting and exercise period) in years	4	5	5	5
Average risk-free interest rate	7.0% - 7.2%	7.1% - 7.4%	6.4% - 6.7%	7.1% - 7.4%
Expected dividend rate	0%	0%	0%	0%

* The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

The Company has recorded an amount of Rs 730 (March 31, 2023: 447) as cost of the above RSU Plan in the statement of profit and loss.

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

Total number of options outstanding	March 31, 2024	March 31, 2023
ESOP Plan 2000	886,555	2,364,629
RSU Plan 2019 #	3,598,640	4,237,141

adjusted for the impact of bonus issue

The Group has recorded an amount of Rs 87 (March 31, 2023: Rs. 259) as cost of the above stock option plans based on amounts cross charged by its Holding company.

40. Exceptional item

- a) The Group obtained services of professional experts (like advisory, legal counsel, valuation experts etc.) for the acquisition completed during the year, as mentioned in note 35. The Group has recorded Rs. 1,582 (March 31, 2023: Rs 2,374) as an expense in the consolidated statement of profit and loss. Consequential tax impact of Rs. 80 (March 31, 2023: Rs. 231) is included within tax expense.

Further, pursuant to the said acquisition, the Group also reassessed the value of certain licensed products for development and commercialization and recorded an impairment of certain intangible assets amounting to Rs. 470 in previous year March 31, 2023. The impairment has been recognized during the previous year ended March 31, 2023. Consequential tax impact of Rs. 62 is included within tax expense for the year ended March 31, 2023."

- b) The Group has received Rs. 18,269 (USD 220 million) towards working capital under the terms of the definitive agreement [refer note 35(d)] [out of total contingent consideration receivable of Rs. 20,835 (USD 250 million)]. The Group had recorded these receivables at fair value of Rs. 10,219 at the time of settlement having regard to the timing and probability of recovery. The resulting difference of Rs. 8,050 is recorded as a gain in the consolidated statement of profit and loss. Consequential tax impact of Rs. 407 is included within tax expense for year ended March 31, 2024. The remaining contingent consideration receivable of USD 30 Mn is recorded at fair value at Rs. 750 under "other financial assets" [refer note 5(a)]
- c) The Group has recorded Provision for inventory for a product due to its low demand and consequentially lower probability of liquation amounting Rs. 2,366 in the consolidated statement of profit and loss. Consequential tax impact of Rs. 296 is included within tax expense for year ended March 31, 2024.
- d) The Group on pursuant to the uncertainty of ability to commercialize a product for development and commercialization in certain territories, recorded an impairment of the carrying value of the intangible asset under development amounting Rs. 3,854 that has been disclosed in the consolidated statement of profit and loss for year ended March 31, 2024.
- e) Ministry of Chemicals and fertilizers, Department of Pharmaceuticals issued an Corrigendum on 20 October 2023 vide File No. 31026/99/2020 clarifying the operational guidelines for the Production Linked Incentive (PLI) Scheme with total capping of 33% in any of the four years. Accordingly, the Group during the year ended 31 Mar 2024, has reversed Rs. 82 as exceptional items. Consequential tax impact of Rs. 11 is included within tax expense for the year.

- 41 On January 03, 2022, the Board of Directors of the Company had approved the scheme of Merger by Absorption ('the Scheme') of Covidshield Technologies Private Limited ("CTPL" or the Transferor company), a wholly owned subsidiary of Serum Institute Life Sciences Private Limited ("SILS"), with and into the Company (the Transferee company) with an appointed date of October 01, 2022. The Scheme was subject to the requisite statutory approvals including approval of National Company Law Tribunal ("NCLT").

During the year ended March 31, 2024, the Company and SILS mutually determined to re-evaluate the merger and accordingly have agreed to withdraw from the said merger proposal.

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

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

42. Events after the reporting date

- a) In March 2024, the Company has entered into a long-term commercial collaboration agreement with Eris Lifesciences, subject to closure of customary closing conditions, for the sale of its business in relation to Metabolics, Oncology, and Critical Care products in India for a consideration of Rs. 12,420. As a part of deal the company has signed a 10-year supply agreement with Eris. The transaction has come into effect on April 1, 2024.

43. Other statutory information

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988).
- (ii) The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period..
- (iv) The Group is not declared as wilful defaulter by any bank or financial institution or government or any government authority.
- (v) The Group has not traded or invested in Crypto currency or Virtual currency during the financial year.

44. 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.

As per our Report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W/W-100022

For **and on behalf of the Board of Directors of Biocon Biologics Limited**

Sanjay Sharma

Partner

Membership No.: 063980

Kiran Mazumdar-Shaw

Executive Chairperson

DIN: 00347229

Shreehas P Tambe

Managing Director

DIN: 09796480

Kedar Upadhye

Chief Financial Officer

Bengaluru

Date: May 14, 2024

Deepika Srivastava

Company Secretary

Bengaluru

Date: May 15, 2024