

Independent Auditor's Report

To the Members of Biocon Pharma limited

Report on the Audit of the Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 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 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 financial statements.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors Responsibilities for the 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 financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance

of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the

financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(B)f below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 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.
 - f. 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.
 - 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 does not have any pending litigations which would impact its financial position.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 39 to

the 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 has represented that, to the best of its knowledge and belief, as disclosed in the Note 39 to the 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, the Company has used an accounting software for maintaining its books of account which has a feature of audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that the audit trail was not enabled (i) at the database level to log any direct data changes; (ii) at the application level for certain fields / tables relating to all the significant processes and (iii) for certain changes at the application level which were performed by users having privileged access rights. Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of audit trail feature being tampered with

- 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 Company has not paid any remuneration to its directors during the year. 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:24063980BKFGHL8140

Place: Bangalore
Date: 16 May 2024

Annexure A to the Independent Auditors' Report

on the Financial Statements of Biocon Pharma 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 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies/discrepancy were/was noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (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 not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made investment in, provided

any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to firms, limited liability partnership or any other parties during the year. The Company has not provided any guarantee or security or granted advance in nature of loans secured or unsecured to companies. The Company has made investments in and granted loan to company, in respect of which the requisite information is as below.

- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has made investment in and provided loans to a company as below:

Particulars	Investment	Loans
Aggregate amount during the year	616 millions	
Subsidiaries*	234 millions	623 millions
Other parties		
Balance outstanding as at balance sheet date	616 millions	208 million
Subsidiaries*		

*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, in our opinion, investment made and the terms and conditions of the grant of loans to the company are, prima facie, not prejudicial to the interest of the Company. The Company has not provided any guarantees, security or advance in the nature of loans during the year
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion principal and interest is repayable on demand. As informed to us, the company has not demanded repayment of loan and interest during the year. Thus there has been no default on the part of the party to whom the money has been lent. Further, the Company has not given any advance in the nature of loan to any party during the year
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

Particulars	Investment	Loans	Loans
Aggregate of loans/ advances in nature of loan - Repayable on demand	623 millions	Nil	623 millions
Percentage of loans/ advances in nature of loan to the total loans	100%	NA	100%

- (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 not provided guarantee or security during the year. In respect of investment made and loan given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods (and/or services provided by it) and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into 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, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities. The company did not have any dues under Employees State Insurance.

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, 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, there are no 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 with the appropriate authorities on account of any dispute.
- (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) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has not taken any fund on short-term basis during the year.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (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) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (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 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.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Chartered Accountants

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

Sanjay Sharma

Partner

Membership No.: 063980

ICAI UDIN:24063980BKFGHL8140

Place: Bangalore

Date: 16 May 2024

Annexure B to the Independent Auditors' Report

on the financial statements of Biocon Pharma limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid 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)

We have audited the internal financial controls with reference to financial statements of Biocon Pharma limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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 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.

Opinion

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 internal control stated in the Guidance Note.

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

Chartered Accountants

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

Sanjay Sharma

Partner

Membership No.: 063980

ICAI UDIN:24063980BKFGHL8140

Place: Bangalore

Date: 16 May 2024

Balance Sheet

as at March 31, 2024

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

Particulars	Note	March 31, 2024	March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	3,062	3,095
Capital work-in-progress	3	60	261
Right-of-use assets	4(a)	7	15
Other Intangible assets	4(b)	54	90
Intangible assets under development	4(b)	285	283
Financial assets			
(i) Investments	5(a)	2,069	2,206
Deferred tax Asset (net)	26(d)	299	247
Income tax asset (net)		78	42
Other non-current assets	7(a)	-	16
Total non-current assets		5,915	6,255
Current assets			
Inventories	8	1,256	831
Financial assets			
(i) Investments	5(b)	489	13,456
(ii) Loans	6	208	-
(iii) Trade receivables	9	4,999	2,609
(iv) Cash and cash equivalents	10	750	855
(v) Bank balances other than (iii) above	10	373	678
(vi) Other financial assets	6(a)	133	42
Other current assets	7(b)	562	409
Total current assets		8,770	18,880
TOTAL		14,685	25,135
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11(a)	141	141
Other equity	11(b)	(155)	(533)
Total equity		(14)	(392)
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	30	6	9
Current tax liabilities (net)		96	72
Other non current liabilities	16(a)	290	187
Provisions	13(a)	27	22
Total non-current liabilities		418	290
Current liabilities			
Financial liabilities			
(i) Borrowing	12(b)	8,862	21,262
(ii) Lease liabilities	30	4	11
(iii) Trade payables	14		
(a) Total outstanding dues of micro enterprises and small enterprises ; and		31	17
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		5,144	3,629
(iv) Other financial liabilities	15(a)	119	211
Other current liabilities	16(b)	81	73
Provisions	13(b)	39	32
Total current liabilities		14,281	25,236
Total		14,685	25,135

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

As per our Report of even date attached

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

For B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W/W-100022

Kiran Mazumdar-Shaw

Director

DIN: 00347229

Siddharth Mittal

Director

DIN: 03230757

Sanjay Sharma

Partner

Membership No.: 063980

Mayank Verma

Company Secretary

Bengaluru

May 16, 2024

Bengaluru

May 16, 2024

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	17	8,629	6,202
Other income	18	187	589
Total income		8,816	6,791
Expenses			
Cost of materials consumed	19	4,146	468
Purchases of stock-in-trade		1,465	2,412
Changes in inventories of Stock-in-trade, finished goods and work-in-progress	20	(164)	(216)
Employee benefits expense	21	726	759
Finance cost	22	2	410
Depreciation and amortisation expense	23	339	340
Other expenses	24	1,920	1,751
Total expenses		8,433	5,924
Profit before tax and exceptional item		383	866
Exceptional items, net		(105)	(68)
Profit before tax		278	798
Tax expense			
Current tax	26	83	296
Deferred tax	26	(70)	-
MAT credit utilised/(entitlement)		(83)	(225)
Other deferred tax (credit)/charge		-	16
Total tax expense		(70)	87
Profit/(Loss) for the year		348	711
Other comprehensive income			
(i) Items that will be not be reclassified subsequently to profit or loss			
Re-measurement on defined benefit plans		(1)	-
Income tax effect		1	1
		-	1
Effective portion of gains/(losses) on hedging instrument in cash flow hedges		48	(70)
Income tax effect		(18)	24
		30	(46)
Other comprehensive income for the year, net of taxes		30	(45)
Total comprehensive income/(loss) for the year, net of taxes		378	666
Earnings / (loss) per equity share			
Basic (in Rs.)	32	24.77	50.64
Diluted (in Rs.)	32	0.39	0.51

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

As per our Report of even date attached

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

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

Chartered Accountants

Firm Registration Number: 101248W/W-100022

Kiran Mazumdar-Shaw

Director

DIN: 00347229

Siddharth Mittal

Director

DIN: 03230757

Sanjay Sharma

Partner

Membership No.: 063980

Mayank Verma

Company Secretary

Bengaluru

May 16, 2024

Bengaluru

May 16, 2024

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)

(A) Equity share capital	March 31, 2024	March 31, 2023
Opening balance	141	141
Issue of equity share capital	-	-
Closing balance	141	141

B. Other equity

Particulars	Items of Other Comprehensive Income			Shares pending for allotment	Total other equity
	Retained earnings	Cash flow hedging reserve	Other items of other comprehensive income		
Balance as at April 01, 2022	(1,235)	28	(1)	-	(1,208)
Changes on account of business combinations [refer note 36]	9			1	10
Profit for the year	711	-	-		711
Other comprehensive income / (loss)	-	(46)	-		(46)
Total comprehensive income / (expense) for the year	720	(46)	-	1	675
Balance as at March 31, 2023	(515)	(18)	(1)	1	(533)
Cashflow hedge reserve reclassification adjustment	12	(12)			-
Profit for the year	348	-	-		348
Other comprehensive income / (loss)	-	30	-		30
Total comprehensive income / (expense) for the year	360	18	-	-	378
Balance as at March 31, 2024	(155)	-	(1)	1	(155)

The accompanying notes are an integral part of the 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

Bengaluru

May 16, 2024

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

Kiran Mazumdar-Shaw

Director

DIN: 00347229

Mayank Verma

Company Secretary

Bengaluru

May 16, 2024

Siddharth Mittal

Director

DIN: 03230757

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

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

	Year ended March 31, 2024	Year ended March 31, 2023
I Cash flows from operating activities		
Profit/(Loss) for the year	348	711
<u>Adjustments to reconcile profit/ loss for the year to net cash flows</u>		
Unrealised foreign exchange gain	-	(46)
Depreciation and amortisation expense	339	339
Net gain on sale of current investment	(26)	(7)
Provision for doubtful debts, (net)	117	4
Interest Income	(115)	(157)
Interest Expense	2	410
Liabilities written off	-	(7)
Net gain on financial assets measured at fair value through profit or loss	(1)	(4)
Tax expense	(70)	70
Gain on sale of discontinued operations	-	(304)
Gain on termination of lease	-	(56)
Impairment losses on financial assets and intangible assets	74	68
Operating profit before changes in operating assets and liabilities	666	1,022
Movements in operating assets and liabilities		
Increase in Inventories	(424)	(607)
Increase in Trade receivables	(2,512)	(353)
Increase in other assets	(222)	(140)
Increase/(decrease) in trade payable, other liabilities and provisions	1,363	(129)
Cash used in operations	(1,129)	(205)
Direct taxes paid (net of refunds)	13	(144)
Net cash used in operating activities	(1,116)	(349)
II Cash flows from investing activities		
Purchase of Property, plant and equipment	(90)	(254)
Purchase of intangible assets (including under development)	(5)	(7)
Investment in subsidiaries	(616)	(12,185)
Loan given to Subsidiary	(623)	-
Recovery of loans from subsidiaries	416	-
Purchase of investments	(2,846)	(2,898)
Proceeds from Sale of investments	3,728	1,949
Investment in bank deposits and inter corporate deposits	(485)	(1,432)
Redemption/maturity of bank deposits and inter corporate deposits	1,482	3,078
Interest received	59	156
Net cash flow from /(used in) investing activities	1,021	(11,592)
III Cash flows from financing activities		
Repayment of long term borrowings	-	91
Repayment of loan from holding company	-	(223)
Repayment of Short term borrowings	-	(180)
Proceeds from Short term borrowings	-	12,693
Proceeds from disposal of discontinued operation	-	192
Repayment of Lease liabilities, net	(12)	(45)
Interest paid	-	(385)
Net cash flow generated (used in)/from financing activities	(12)	12,143
IV Net (decrease)/increase in cash and cash equivalents (I + II + III)	(107)	202
V Effect of exchange differences on cash and cash equivalents held in foreign currency	2	20

	Year ended March 31, 2024	Year ended March 31, 2023
VI Cash and cash equivalents at the beginning of the year	855	634
VII Cash and cash equivalents at the end of the year (IV + V + VI)	750	855
Reconciliation of cash and cash equivalents as per statement of cash flow		
Cash and cash equivalents (Note 11)		
Balances with banks - on current accounts	501	855
Deposits with original maturity of less than 3 months	249	-
	750	855
Balance as per statement of cash flows	750	855

#The Company can utilize these balances only towards settlement of the respective unpaid dividend liabilities.

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities as at March 31, 2024

	Opening balance April 1, 2023	Cash flows	Non-cash movement	Closing balance March 31, 2024
Borrowings (including current maturities)	21,262	-	(12,400)	8,862
Interest accrued but not due	-	-	-	-
Lease liabilities (including current)	20	(12)	2	10
	21,282	(12)	(12,398)	8,872

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities as at March 31, 2023

	Opening balance April 1, 2022	Cash flows	Non-cash movement	Closing balance March 31, 2023
Borrowings (including current maturities)	8,862	(119,565)	131,965	21,262
Interest accrued but not due	-	(12,832)	12,832	-
Lease liabilities (including current)	33	(45)	33	20
	8,895	(132,442)	144,830	21,282

(a) Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

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

As per our Report of even date attached

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

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

Chartered Accountants

Firm Registration Number: 101248W/W-100022

Kiran Mazumdar-Shaw

Director

DIN: 00347229

Siddharth Mittal

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Sanjay Sharma

Partner

Membership No.: 063980

Mayank Verma

Company Secretary

Bengaluru

May 16, 2024

Bengaluru

May 16, 2024

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

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

1. Company Overview

1.1 Reporting entity

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

1.2 Basis of preparation of financial statements

a) *Statement of compliance*

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

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

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

b) *Functional and presentation currency*

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

c) *Basis of measurement*

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

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

d) *Use of estimates and judgements*

The preparation of the financial statements in conformity with

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

Judgements

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

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

1.3 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment for the year ended March 31, 2024 is included in the following notes:

- Note 2(f)(ii) – impairment test of non-financial assets; key assumptions underlying recoverable amounts;
- Note 26 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 27 – measurement of defined benefit obligation; key actuarial assumptions.
- Note 13(a), 13(b) and 31 – recognition and measurement of provisions, contingencies and commitments: key assumptions about the likelihood and magnitude of an outflow of resources;

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

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

1.4 Measurement of fair values

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

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

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

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

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

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

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

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

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

2. Material accounting policies

a. Financial instruments

i. Recognition and initial measurement

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

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

ii. Classification and subsequent measurement

Financial assets

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

- Amortised cost;
- Fair value through other comprehensive income (FVOCI) – equity investment; or
- Fair value through profit or loss (FVTPL)

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

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

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

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

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

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

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

Equity investments

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

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

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

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

Investments in subsidiaries

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

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

iii. Derecognition

Financial assets

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

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

Financial liabilities

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

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

iv. Offsetting

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

v. Convertible Preference shares

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

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

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

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

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

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

vi. **Derivative financial instruments and hedge accounting**

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

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

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

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

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

Cash flow hedges

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

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

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

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

vii. **Cash and cash equivalents**

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

b. **Property, plant and equipment**

i. **Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of property, plant and equipment including self-constructed items, comprises its purchase price including import duty and non refundable taxes or levies, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

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

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

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

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

ii. **Depreciation**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

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

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

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

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

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

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

c. Intangible assets

Others

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

i. Subsequent expenditure

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

ii. Amortisation

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

- Computer software 5 years
- Marketing and Manufacturing rights 5 years

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

d. Inventories

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

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

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

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

e. Foreign currency Transactions and translations:

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

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

f. Impairment

i. Impairment of financial assets

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

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

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

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

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

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

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

ii. **Impairment of non-financial assets**

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

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

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

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

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

g. **Employee benefits**

i. **Short-term employee benefits:**

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

ii. **Post-employment benefits:**

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

Gratuity

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

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

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

Provident Fund:

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

iii. **Compensated absences**

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent

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

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

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 absence occurs.

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

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

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

iv. **Share-based compensation**

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

such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

h. **Provisions (other than for employee benefits)**

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

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

Onerous contracts

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

i. **Revenue from contracts with customers**

i. **Sale of goods**

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

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

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

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

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

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

ii. **Royalty income and profit share**

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

iii. **Sales Return Allowances**

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

iv. **Interest income and expense**

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

j. **Government grants**

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

k. **Income taxes**

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

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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

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

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

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

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

l. **Borrowing cost**

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

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

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

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

m. Earnings per share

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

n. Business Combinations

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

o. Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

p. Exceptional items

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

q. Recent pronouncements

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

3. Property, plant and equipment and capital work-in-progress

	Buildings	Plant and equipment [Refer note (a)]	Furniture and fixtures	Total	Capital work-in-progress
Gross carrying amount					
At April 01, 2022	840	2,922	8	3,770	141
Acquisition through business combination (refer note 36)	-	-	-	-	502
Additions	-	187	3	190	310
Transferred through slum sale (refer note 37)	-	-	-	-	(502)
Disposals/transfers	(22)	(32)	-	(54)	(190)
At March 31, 2023	818	3,077	11	3,906	261
Additions	36	231	3	270	70
Disposals/other adjustments	-	-	-	-	(270)
At March 31, 2024	854	3,308	14	4,176	60
Accumulated depreciation					
At April 01, 2022	57	473	2	532	-
Depreciation for the year	27	250	2	279	-
At March 31, 2023	84	723	4	811	-
Depreciation for the year	29	273	1	303	-
At March 31, 2024	113	996	5	1,114	-
Net carrying amount					
At March 31, 2023	734	2,354	7	3,095	261
At March 31, 2024	741	2,312	9	3,062	60

(a) Plant and equipment include computers and office equipment.

Notes to the financial statements 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.)

3 (a) Capital work in progress ageing schedule

As at March 31, 2024

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	57	4	-	-	60
Projects temporarily suspended	-	-	-	-	-
Total	57	4	-	-	60

As at March 31, 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	257	4	-	-	261
Projects temporarily suspended	-	-	-	-	-
Total	257	4	-	-	261

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

4 (a). Right-of-use assets

Particulars	Land	Buildings	Total
Gross carrying amount			
At April 01, 2022	18	41	59
Additions	-	-	-
Acquisition through business combination (refer note 36)	-	(661)	(661)
Transferred through slum sale (refer note 37)	-	661	661
Deletions	-	-	-
At March 31, 2023	18	41	59
Additions	-	-	-
Deletions	-	-	-
At March 31, 2024	18	41	59
Accumulated Depreciation			
At April 01, 2022	6	79	85
Depreciation for the year	2	32	34
Disposals	-	(75)	(75)
At March 31, 2023	8	36	44
Depreciation for the year	2	6	8
At March 31, 2024	11	41	52
Net carrying amount			
At March 31, 2023	10	5	15
At March 31, 2024	7	-	7

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

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

4 (b). Other Intangible assets and Intangible assets under development

Particulars	Computer software	Marketing and manufacturing rights	Total	Intangible assets under development
Gross carrying amount				
At April 01, 2022	15	141	156	353
Additions	7	-	7	-
Deletions	-	-	-	(71)
At March 31, 2023	22	141	163	282
Additions	4	-	4	2
Deletions	-	(21)	(21)	-
At March 31, 2024	26	120	146	285
Accumulated amortisation				
At April 01, 2022	5	42	47	-
Amortisation for the year	4	22	26	-
At March 31, 2023	9	64	73	-
Disposals	-	(9)	-	-
Amortisation for the year	5	23	28	-
At March 31, 2024	14	78	92	-
Net carrying amount				
At March 31, 2023	13	77	90	283
At March 31, 2024	12	42	54	285

4 (c). Intangible Asset under Development ageing Schedule

As at March 31, 2024

	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2	-	-	283	285
Projects temporarily suspended	-	-	-	-	-
Total	2	-	-	283	285

As at March 31, 2023

	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	283	283
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	283	283

(i) There are no intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2024 and March 31, 2023.

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

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

5 (a). Non-current investments

	March 31, 2024	March 31, 2023
I. Unquoted equity instrument		
In subsidiary company at cost:		
140,000 (March 31, 2023 - 140,000) Equity shares of USD 10 each in Biocon Pharma Inc.	94	94
7,500 (March 31, 2023 - Nil) Equity shares of USD 1000 each in Biocon Generics Inc	616	-
350,000 (March 31, 2023 - 350,000) Equity shares of GBP 1 each in Biocon Pharma UK Limited	31	31
775,001 (March 31, 2023 - 775,001) Equity shares of EUR 1 each in Biocon Pharma Ireland Limited	68	68
Less: Provision for decline, other than temporary, in the value of non current investments	(63)	-
1,200 (March 31, 2023 - 1,200) Equity shares of EUR 1 each in Biocon Pharma Malta Limited	_*	_*
	746	193
II. Unquoted preference instrument		
In subsidiary company at cost :		
1,690,000 (March 31, 2023 - 1,690,000) Preference shares of USD 10 each in Biocon Pharma Inc.	1,173	1,173
1,527,000 (March 31, 2023 - 1,327,000) Preference shares of GBP 1 each in Biocon Pharma UK	150	150
III. Intercorporate deposit with financial institutions carried at amortised cost	-	-
Bajaj Finance - interest rate 5.25% p.a maturing on 24 July, 22	-	690
Total non-current investments	2,069	2,206
Aggregate value of unquoted investments	2,069	2,206

*Amounts are not presented since the amounts are rounded off to Rupees million

5 (b). Current investments

	March 31, 2024	March 31, 2023
I. Unquoted equity instrument		
In fellow subsidiary company at cost:		
4,33,34,580 (March 31, 2023 - 4,33,34,580) Equity shares of INR 280.74 each in Biocon Biologics Limited (refer note 12(b)(i))	-	12,166
II. Unquoted - In others - at amortised cost:		
Inter corporate deposits with financial institutions	379	324
Total inter corporate deposits with financial institutions	379	324
Quoted -Investment in mutual funds at fair value through profit or Loss		
Investment in mutual funds	110	966
Total quoted -investment in mutual funds	110	966
Total current investments	489	13,456
Aggregate book and market value of quoted investments	110	966
Aggregate value of unquoted investments	379	324

6. Loans

	March 31, 2024	March 31, 2023
(Unsecured considered good)		
Current		
Loans to related parties	208	-
	208	-

The company has given loan to the following parties

Entity	As on April 1, 2023	Loan given during the year	Loan repaid during the year	As on March 31, 2024	Purpose of the loan
Biocon Generics Inc	-	623	415	208	Working capital purposes

Notes to the financial statements 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. Other financial assets

	March 31, 2024	March 31, 2023
(a) Current		
Derivative assets	-	9
Interest accrued but not due	23	24
Others	110	9
	133	42

7. Other assets

	March 31, 2024	March 31, 2023
(a) Non-current		
Capital advances	-	16
	-	16
(b) Current		
Advance to suppliers	75	69
Balances with statutory / government authorities	335	73
Prepayments	142	261
Other receivables	11	6
	562	409

8. Inventories

	March 31, 2024	March 31, 2023
Raw materials	724	468
Packing materials	38	34
Work-in-progress	189	87
Finished goods and stock-in-trade	304	242
	1,256	831

* includes goods in-transit Rs.191 (March 31, 2023 - Rs. 23)

9. Trade receivables

	March 31, 2024	March 31, 2023
Trade receivables	1,266	1,811
Receivables from other related parties (Note 25)	3,733	798
Trade receivables - credit impaired - Unsecured	119	2
Total Trade Receivable	5,118	2,611
Break-up for security details:		
(a) Trade Receivables considered good - Unsecured	4,999	2,609
(b) Trade Receivables - credit impaired	119	2
	5,118	2,611
Allowance for credit loss	119	2
	4,999	2,609

(i) The Company's exposure to credit and currency risk, and loss allowances are disclosed in Note 28

(ii) Includes receivables from related parties [refer note 25]

a) Trade receivables ageing schedule

As at March 31, 2024	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	266	951	3,449	252	79	2	-	4,999
Undisputed Trade receivable - credit impaired	-	75	42	-*	-*	2	-	119
Total	266	1,026	3,491	252	79	4	-	5,118
Undisputed Trade Receivables – considered good	196	824	1,538	50	3	-	-	2,611
Undisputed Trade receivable – credit impaired	-	-	-	-*	2	-	-	2
Total	196	824	1,538	50	5	-	-	2,613

*Amounts are not presented since the amounts are rounded off to Rupees million.

Notes to the financial statements 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. Cash and bank balances

	March 31, 2024	March 31, 2023
Cash and cash equivalents		
Balances with banks:		
On current accounts	501	855
Deposits with original maturity of less than 3 months	249	-
Total cash and cash equivalents	750	855

Bank balance other than cash and cash equivalents

	March 31, 2024	March 31, 2023
Deposits with original maturity of more than 3 months but less than 12 months	373	678
Total other bank balances	373	678
Total cash and bank balances	1,123	1,533

11(a). Share capital

	March 31, 2024	March 31, 2023
Authorised		
20,150,000 (March 31, 2023 - 20,150,000) equity shares of Rs 10 each (March 31, 2023 - Rs. 10 each)	202	202
1,020,000,000 (March 31, 2023- 1,020,000,000) preference shares of Rs 10 each (March 31, 2023 - Rs. 10 each)	10,200	10,200
Issued, subscribed and fully paid-up		
14,050,000 (March 31, 2023 - 14,050,000) equity shares of Rs 10 each (March 31, 2023 - Rs. 10 each)	141	141
886,200,000 (March 31, 2023 - 886,200,000) Optionally convertible redeemable non cumulative preference shares ("OCRPS")	8,730	8,730
	8,871	8,871
Less: Preference share capital classified as financial liability [refer note 12]	(8,730)	(8,730)
	141	141

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

(a) Equity shares	March 31, 2024		March 31, 2023	
	No.s	Rs. Million	No.	Rs. Million
At the beginning of the year	14,050,000	141	14,050,000	141
Issued during the year	-	-	-	-
Outstanding at the end of the year	14,050,000	141	14,050,000	141
(b) Optionally convertible redeemable non cumulative preference shares	March 31, 2024		March 31, 2023	
	No.s	Rs. Million	No.	Rs. Million
At the beginning of the year	873,000,000	8,730	873,000,000	8,730
Issued during the year	-	-	-	-
Outstanding at the end of the year	873,000,000	8,730	873,000,000	8,730

(ii) Terms/ rights attached

(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. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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) Optionally Convertible redeemable non cumulative preference shares (OCRPS)

The terms and conditions of "OCRPS" are as below :

- (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.

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

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

- (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.

The aforesaid preference shares are convertible (variable number of equity shares) 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 12.

(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)	14,050,000	100%	14,050,000	100%
OCRPS of Rs 10 each fully paid				
Biocon Limited, the Holding Company	873,000,000	100%	873,000,000	100%

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

The Company is a wholly owned subsidiary of Biocon limited, hence disclosure for shareholding of promoters has not been disclosed separately.

- (iv) During the five years ended 31 March 2024, the Company has not allotted any bonus shares or issued shares for consideration other than cash. No shares have been bought back by the Company.

11(b). Other equity

	March 31, 2024	March 31, 2023
Retained earnings	(155)	(515)
Cash flow hedging reserve	-	(18)
Other items of other comprehensive income	(1)	(1)
Shares pending for allotment	1	1
	(155)	(533)

Retained earnings

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

Cash flow hedging reserve

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

Equity component of compound financial instrument

The compound financial instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Financial liabilities are recognised initially at fair value net of directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

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.

12. Borrowings

	March 31, 2024	March 31, 2023
a) Non Current Borrowings		
Other loans and advances (Unsecured)		
Optionally convertible redeemable non cumulative preference shares [refer note 11 (a)(ii)(b)]	8,862	8,862
	8,862	8,862
Less: Amount disclosed under the head "Current borrowings" [refer note 12(b)]	(8,862)	(8,862)
	-	-
The above amount includes		
Unsecured borrowings	8,862	8,862
Amount disclosed under the head "current borrowings" [refer note 12(b)]	(8,862)	(8,862)
Net amount	-	-

- (a) The Company's exposure to liquidity, interest rate and currency risks are disclosed in note 20.

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

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

12.(b) Current borrowings

	March 31, 2024	March 31, 2023
Inter-corporate loan [refer note 12(b)(i)]	-	12,400
Current maturities of long-term borrowings	8,862	8,862
	8,862	21,262

(i) During the previous financial year, the Company has borrowed an unsecured loan of Rs 12,400 Mn (Rupees Twelve Hundred and Forty Crores only) from Serum Institute Life Sciences Pvt Ltd carrying interest rate of 8% for a period of 6 six months. The same has been squared off during the year by transfer of shares of Biocon Biologics Limited held by Biocon Pharma Limited.

13. Provisions

	March 31, 2024	March 31, 2023
(a) Non-current		
Provision for employee benefits		
Gratuity [Refer Note 27]	27	22
	27	22
(b) Current		
Provision for employee benefits		
Gratuity [Refer Note 27]	3	3
Compensated absences	36	29
	39	32

(i) Movement in provisions

	Gratuity	Compensated absences
Balance as at April 01, 2023	25	29
Provision recognised during the year (net)	5	7
Balance as at Mar 31, 2024	30	36
Balance as at April 01, 2022	21	22
Provision recognised during the year (net)	4	7
Balance as at March 31, 2023	25	29

14. Trade payables

	March 31, 2024	March 31, 2023
Trade payables [Refer Note 25]		
Total outstanding dues of micro enterprises and small enterprises	31	17
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,144	3,629
	5,175	3,646

(a) Trade payables Ageing Schedule

As at 31 March 2024

	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	27	4	*	*	*	31
Total outstanding dues of creditors other than micro enterprises and small enterprises	236	901	2,661	1,303	43	*	5,144
	236	928	2,665	1,303	43	-	5,175

As at 31 March 2023

	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	11	6	*	*	*	17
Total outstanding dues of creditors other than micro enterprises and small enterprises	975	853	1,737	61	2	2	3,629
	975	864	1,743	61	2	2	3,646

Notes to the financial statements 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) Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development Act, 2006

(i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal amount due to micro and small enterprises. Interest due on the above	31	17
(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	34	9
(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	_*	_*
(iv)	Interest due and payable for the period of delay in making payment during the year	-	-
(v)	The amount of interest accrued and remaining un-paid at the end of each accounting year	-	-
(vi)	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"	3	2

(a) The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/ suppliers.

(c) All Trade Payables are 'current'. The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 28.

*Amounts are not presented since the amounts are rounded off to Rupees million.

15. Other financial liabilities

	March 31, 2024	March 31, 2023
(a) Current		
Employee benefits payable [refer note (a) below]	40	39
Payables for capital goods	79	116
Derivative liabilities	-	56
	119	211

(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.

16. Other liabilities

	March 31, 2024	March 31, 2023
(a) Non-current		
Deferred revenues	290	187
(b) Current		
Advances from customer	37	23
Statutory taxes and dues payable	28	50
Deferred revenues	17	-
	81	73

Notes to the financial statements 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. Revenue from operations	Year ended March 31, 2024	Year ended March 31, 2023
Sale of products		
Finished goods	1,813	1,087
Traded goods	6,504	4,746
Sale of services	-	186
Other operating revenue		
Incentive from Government [refer note a]	63	183
Others	250	-
	8,629	6,202

(a) Amount for the year ended March 31, 2023 includes Production linked Incentive

17.1 Reconciliation of revenue recognised with contract price

Reconciliation of revenue recognised with contract price	8,322	5,833
Revenue as per contract price		
Adjustments for : trade discount and prompt pay	(6)	-
Total revenue from contract with customers	8,316	5,833

17.2 Disaggregation of revenue from contract with customers

Products and services transferred at a point in time	8,566	6,019
Products and services transferred over time	-	-
Total revenue from contract with customers	8,566	6,019

17.3 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Revenues By Geography		
United States of America	7,629	5,762
Mexico	282	118
UK	29	77
Rest of the world	347	61
India	29	1
	8,316	6,019
Revenue from other sources	313	183
Other operating revenue	313	183
Total revenue from operations	8,629	6,202

Geographical revenue is allocated based on the location of the customers.

17.4 Changes in contract liabilities:

Balance at the beginning of the year	211	21
Add:- Increase due to invoicing during the year	133	190
Less:- Amount recognised as revenue/other adjustments during the year	-	-
Balance at the end of the year	344	211
Expected revenue recognition from remaining performance obligations:		
- within one year	54	24
- More than one year	290	187
	344	211

17.5 Contract balances

Trade receivables (including unbilled revenue)	4,999	2,610
Contract liabilities	344	211

Trade receivables are non-interest bearing.

Contract liabilities include deferred revenue and advance from customers.

17.6 Performance obligation

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

Notes to the financial statements 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 income

	Year ended March 31, 2024	Year ended March 31, 2023
Interest Income		
Deposits with banks and financial institutions	115	157
Others	28	-
Foreign exchange gain (net)	5	47
Gain on slump sale (refer note 35)	-	304
Gain on termination of lease (refer note 30)	-	56
Net gain on sale of current investments	26	7
Net gain on financial assets measured at fair value through profit or loss	1	4
Liabilities written back	-	7
Other non-operating Income	11	7
	187	589

19. Cost of materials consumed

	Year ended March 31, 2024	Year ended March 31, 2023
Inventory at the beginning of the year	502	111
Add: Purchases	4,406	859
Less: Inventory at the end of the year	(762)	(502)
Cost of materials consumed	4,146	468

20. Changes in inventories of stock-in-trade, finished goods and work-in-progress

	Year ended March 31, 2024	Year ended March 31, 2023
Inventory at the beginning of the year		
Finished goods and Stock- in- trade	242	111
Work-in-progress	87	2
	329	113
Inventory at the end of the year		
Finished goods and Stock- in- trade	304	242
Work-in-progress	189	87
	494	329
	(164)	(216)

21. Employee benefits expenses

	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	659	684
Contribution to provident and other funds	27	28
Gratuity [Refer Note 27]	7	7
Employee stock compensation expense [Refer Note 33]	12	17
Staff welfare expenses	21	23
	726	759

22. Finance costs

	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense on financial liability measured at amortised cost	-	391
Interest on lease liabilities [Refer Note 30]	2	19
	2	410

23. Depreciation and amortisation expense

	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation of Property, plant and equipment [Refer Note 3]	303	279
Amortisation of intangible assets [Refer Note 4 (b)]	28	27
Depreciation of right-of-use-assets [Refer Note 4 (a)]	8	34
	339	340

Notes to the financial statements 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. Other expenses

	Year ended March 31, 2024	Year ended March 31, 2023
Communication expenses	1	1
Travelling and conveyance	22	12
Professional charges [Refer note (a) below]	255	163
Power and fuel	102	136
Insurance	11	10
Rates, taxes and fees	81	72
Repairs and maintenance		
Plant and machinery	47	43
Buildings	17	13
Others	11	13
Selling expenses		
Freight outwards and clearing charges	22	16
Sales promotion expense	-	1
Profit Share Expense	16	19
Provision/(reversal) for doubtful debts and Advances	117	4
Lab consumables	239	487
Research and development expenses	967	756
CSR expenditure [refer note 40]	5	-
Printing and stationery	3	2
Miscellaneous expenses	4	3
	1,920	1,751

(a) Payments to auditors:

As auditor:		
Statutory audit fee	1	1
Tax Audit fee	_*	_*
In other capacity:		
Other services (certification fees)	_*	_*
Reimbursement of out-of-pocket expenses	_*	_*
	1	1

*Amounts are not presented since the amounts are rounded off to Rupees million.

(b) Research and development expenses

Research and development expenses	967	756
Other Research and development expenses included in other heads of account:		
Salaries, wages and bonus	656	323
Contribution to provident and other funds	27	14
Employee stock compensation expense	5	10
Staff welfare expenses	21	3
Lab consumables	239	458
	1,915	1,564

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

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

25. 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	For the year ended March 31, 2024 Expenses / (Income) / Other Transaction	March 31, 2024 Payables/ (Receivables)	For the year ended March 31, 2023 Expenses / (Income) / Other Transaction	March 31, 2023 Payables/ (Receivables)
1	Biocon Limited	Holding Company	Cross charges towards other expenses	157	-	143	-
			Trade and other payables	-	2,834	-	1,923
			Trade receivable	-	(294)	-	(209)
			Power and facility charges recovered	119	-	162	-
			Purchase of goods	3,885	-	2,786	-
			Payment for leases	16	-	15	-
			Share based payments	12	-	16	-
2	Biocon Pharma Ireland	Subsidiary	Trade and other payables	-	(3)	-	(3)
			Reimbursement of expenses	-	-	-	-
3	Biocon Pharma UK	Subsidiary	Reimbursement of expenses	75	-	64	-
			Trade receivable	-	(49)	-	-
			Trade and other payables	-	69	-	48
			Sale of Goods	(29)	-	(20)	-
			Investment in Preference shares	-	-	-	-
4	Biocon Pharma Inc.	Subsidiary	Sale of goods	(4,248)	-	(2,041)	-
			Trade receivables	-	(3,285)	-	(1,543)
			Trade and other payables	-	691	-	614
			Cross charges towards other expenses	13	-	58	-
5	Biocon Pharma Malta Limited	Subsidiary	Trade and other payables	-	-	-	(1)
			Reimbursement of expenses	1	-	3	-
6	Biocon Pharma Malta Limited	Subsidiary	Trade and other payables	-	46	-	62
			Trade receivable	-	(103)	-	(54)
			Sale of goods	(95)	-	(48)	-
			Reimbursement of expenses	66	-	82	-
7	Biocon Generics Inc	Subsidiary	Investment in Equity Shares	-	(616)	-	-
			Loans	-	(208)	-	-
			Interst on others	(23)	-	-	-
			Reimbursement of expenses	(8)	-	-	-
			Trade receivable	-	(20)	-	-
8	Biocon FZ LLC	Fellow subsidiary	Sale of goods	(3)	-	-	-
			Trade receivable	-	-	-	-
			Trade and other payables	-	2	-	-
9	Syngene International Limited	Fellow subsidiary	Cross charges towards other expenses	18	-	73	-
			Trade receivable	-	-	-	-
			Trade and other payables	-	13	-	34
10	Biocon Biologics Limited	Fellow subsidiary	Cross charges towards other expenses	18	-	22	-
			Purchase of goods	-	-	179	-
			Trade receivable	-	(18)	-	(11)
			Trade and other payables	-	149	-	134

Notes to the financial statements 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 Company has entered into service agreement with Biocon SEZ Developer and Biocon SEZ operating units of Biocon Limited for availing Land on lease and certain other facilities and services.
- (b) Fellow subsidiaries/subsidiaries companies with whom the Company did not have any transactions:
- (i) Biocon Academy, a subsidiary of Biocon Limited
 - (ii) Biocon SA, a subsidiary of Biocon Limited
 - (iii) Biocon FZ LLC, a subsidiary of Biocon Limited
 - (iv) Biocon Biosphere Limited, a subsidiary of Biocon Limited
 - (v) Biocon Biologics UK Limited, a step down subsidiary of Biocon Limited
 - (vi) Biocon SDN BHD, a step down subsidiary of Biocon Limited
 - (vii) Biocon Biologics Healthcare Sdn Bhd, a step down subsidiary of Biocon Limited
 - (viii) Syngene USA Inc., a step down subsidiary of Biocon Limited
 - (ix) Biocon Biologics Inc, a step down subsidiary of Biocon Limited
 - (x) Biocon Biologics Do Brasil Ltda, a step down subsidiary of Biocon Limited
 - (xi) Biocon Biologics FZ LLC, a step down subsidiary of Biocon Limited
- (c) All transactions with these related parties are priced on an arm's length basis and none of the balances are secured.
- (d) The above disclosures include related parties as per Ind AS 24 on "Related Party Disclosures".
- (e) The loans from holding company is presented net of repayments due to multiple transactions. Loans taken includes loan subsequently converted into preference shares. The loan taken from holding company are for Business purposes and interest rates are at arm's length. The Loans are payables on demand.

* Amounts are not presented since the amounts are rounded off to Rupees million.

26. Tax expense

	Year ended March 31, 2024	Year ended March 31, 2023
(a) Amount recognised in Statement of profit and loss		
Current tax	83	296
Deferred tax expense / (income) related to:		
Origination and reversal of temporary differences	(70)	-
MAT credit entitlement	(83)	(225)
Tax expense for the year	(70)	71
(b) Reconciliation of effective tax rate		
Profit/(loss) before tax	383	866
Tax at statutory income tax rate 34.99% (March 31, 2023- 34.99%)	134	303
<i>Tax effects of amounts which are not deductible / (taxable) in calculating taxable income</i>		
Tax effect on interest of convertible preference shares	-	-
Tax effect on losses available for offsetting against future taxable differences	(134)	(303)
Income tax expense	-	-
(c) Tax losses		
Unused tax losses for which no deferred income tax has been recognised	-	1,290
Potential tax impact	-	451
Expiry date (financial year)	-	2023-24 to 2028-29

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

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

26. (d) Recognized 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	Recognised in profit or loss	Recognised in OCI	Closing balance
Deferred tax liability				
Convertible preference shares [refer note (a) below]	-	-	-	-
Property, plant and equipment and intangible assets	200	(7)	-	193
Reversal of OCI	-	-	-	-
Derivative assets	7	-	(7)	-
Other adjustment		(8)		(8)
Gross deferred tax liability	207	(15)	(7)	185
Deferred tax assets				
Defined Benefit Obligation	3	10	(1)	11
Losses available for offsetting against future taxable differences	200	(36)	-	164
MAT credit entitlement	225	(8)	-	217
Derivative liability	24	-	(24)	0
Other disallowable expenses	2	-	-	2
Other assets	-	90	-	90
Gross deferred tax assets	454	55	(25)	484
Net deferred tax (liability)/ asset	247	70	(18)	299
For the year ended March 31, 2023	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Deferred tax liability				
Property, plant and equipment and intangible assets	207	(7)	-	200
Derivative assets	7	-	-	7
Gross deferred tax liability	214	(7)	-	207
Deferred tax assets				
Defined Benefit Obligation	4	(2)	1	3
Lease of Building	12	(12)	-	
Losses available for offsetting against future taxable differences	207	(7)	-	200
MAT credit entitlement	-	225	-	225
Derivative liability	-	-	24	24
Other disallowable expenses	4	(2)	-	2
Gross deferred tax assets	227	202	25	454
Net deferred tax (liability)/ asset	14	209	25	247

* Amounts are not presented since the amounts are rounded off to Rupees million.

(a) Deferred tax on convertible preference shares adjusted with equity component of OCRPS and accordingly deferred tax on carry forwarded losses reversed.

27. Employee benefit plans

- (i) The Company has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972. Under the act, employees who has completed five years of service is entitled to specific benefit. The level of benefit provided depends on the employee's length of service and salary at retirement/termination age. The gratuity plan is unfunded.

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. Actuarial valuations involve making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to these complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

Notes to the financial statements 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 table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability
Balance as on April 01, 2023	25	-	25
Current service cost	6	-	6
Interest expense / (income)	2	-	2
Amount recognised in Statement of profit and loss	8	-	8
Liability Transferred In/ Acquisitions (Liability Transferred Out/ Divestments)	-	-	-
<i>Remeasurements:</i>			
Actuarial (gain) / loss arising from:			
Demographic assumptions	_*	-	-
Financial assumptions	(2)	-	(2)
Experience adjustment	3	-	3
Amount recognised in other comprehensive income	1	-	1
Employers contribution	-	-	-
Benefits paid	(3)	-	(3)
Balance as at March 31, 2024	30	-	30

Particulars	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability
Balance as on April 01, 2022	21	-	21
Current service cost	5	-	5
Interest expense / (income)	1	-	1
Amount recognised in Statement of profit and loss	6	-	6
Liability Transferred In/ Acquisitions (Liability Transferred Out/ Divestments)	9	-	9
-	-	-	-
<i>Remeasurements:</i>			
Actuarial (gain) / loss arising from:			
Demographic assumptions	_*	-	-
Financial assumptions	(2)	-	(2)
Experience adjustment	2	-	2
Amount recognised in other comprehensive income	-	-	-
Employers contribution	-	-	-
Benefits paid	(3)	-	(3)
(Liability transferred out)	(8)	-	(8)
Balance as at March 31, 2023	25	-	25

Particulars	March 31, 2024	March 31, 2023
Non-current	27	22
Current	3	3
	30	25

The Company pursuant to Karnataka Compulsory Gratuity Rules, 2024 (Gratuity Rules) has amended its Gratuity trust for compliance with Gratuity Rules, Income Tax Act, 1961 and other laws, as applicable. The amended Gratuity trust in compliance with the above rules is approved by Board of Directors of the Company in its meeting dated April 24, 2024 and under process of filing with the Commissioner of Income tax for approval. Accordingly, the Company expects to contribute its obligation under the Gratuity scheme pursuant to receipt of this approval.

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

Interest rate	7.2%	7.3%
Discount rate	7.2%	7.3%
Expected return on plan assets	7.3%	7.3%
Salary increase	9.0%	9.0%
Attrition rate	14% - 30%	14% - 30%
Retirement age - Years	58	58

Assumptions regarding future mortality experience are set in accordance with published statistics and mortality tables as per IALM (2012-14).

The weighted average duration of the defined benefit obligation was 31 March 2024 - 7 years (March 31, 2023 - 8 years).

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

Notes to the financial statements 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) Sensitivity analysis

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis does not recognise the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any. The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are as below:

Particulars	March 31, 2024		March 31, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1)	1	(1)	1
Salary increase (1% movement)	1	(1)	1	(1)
Attrition rate (1% movement)	-*	-*	-*	-*

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	3	3
2nd Following year	3	3
3rd Following year	3	3
4th Following year	3	3
5th Following year	3	3
Years 6 to 10	11	11
Years 11 and above	16	16

(iv) Risk exposure

These defined benefit plans typically expose the Company to actuarial risks as under:

- Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
- Interest rate risk: A decrease in bond interest rate will increase the plan liability.
- Longevity risk: The present value of the defined plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy will increase the plan's liability.
- Salary risk: Higher than expected increase in salary will increase the defined benefit obligation.

(v) Other Long term benefits

Present value of other long term benefits (i.e compensated absences) obligations at the end of the year :

Particulars	March 31, 2024	March 31, 2023
Compensated absences	36	29

* Amounts are not presented since the amounts are rounded off to Rupees million.

Notes to the financial statements 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. 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								
Non-current investments	-	-	2,069*	2,069	-	-	-	-
Current investment	110	-	379	489	110	-	-	110
Loan	-	-	208	208	-	-	-	-
Trade Receivables	-	-	4,999	4,999	-	-	-	-
Cash and cash equivalents and Other bank balances	-	-	1,123	1,123	-	-	-	-
Other financial assets	-	-	133	133	-	-	-	-
	110	-	8,910	9,021	110	-	-	110
Financial liabilities								
Borrowings	8,862	-	-	8,862	-	-	8,862#	8,862
Trade payables	-	-	5,175	5,175	-	-	-	-
Lease liabilities	-	-	10	10	-	-	-	-
Other financial liabilities	-	-	119	119	-	-	-	-
	8,862	-	5,305	14,166	-	-	8,862	8,862
March 31, 2023								
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current investments	-	-	2,206*	2,206	-	-	-	-
Current investment	966	-	12,490	13,456	966	-	-	966
Trade Receivables	-	-	2,610	2,610	-	-	-	-
Cash and cash equivalents and Other bank balances	-	-	1,533	1,533	-	-	-	-
Other financial assets	-	9	33	42	-	9	-	9
	966	9	18,872	19,847	966	9	-	974
Financial liabilities								
Borrowings	8,862	-	12,400	21,262	-	-	8,862#	8,862
Trade payables	-	-	3,646	3,646	-	-	-	-
Lease liabilities	-	-	20	20	-	-	-	-
Other financial liabilities	-	56	116	172	-	56	-	56
	8,862	56	16,182	25,100	-	56	8,862	8,918

- (a) The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short – term nature
- (b) There have been no transfers between level 1, 2 and 3 needs to be made.
- (c) The Company enters into derivative financial instruments with various counterparties. Derivatives are valued using valuation techniques in consultation with market expert. The most frequently applied valuation technique include forward pricing, swap models and Black Scholes Merton Model (for options valuation), using present value calculations. The models incorporate various inputs including foreign exchange forward rates, interest rate curve and forward rates curve.

* Investment in equity shares and preference shares in subsidiaries has been accounted at cost as per Ind AS 27 "Separate Financial Statements".

These preference shares are convertible (variable number of equity shares), any time during the tenure of the instrument at the option of the holder. Owing to this feature, the instrument has been disclosed at its fair value which is equivalent to the face value.

B. Measurement of fair values

Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

Sensitivity analysis

For the fair values of forward contracts of foreign currencies, reasonably possible changes at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effects in other comprehensive income (OCI)

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

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

Significant observable inputs	March 31, 2024		March 31, 2023	
	Increase	Decrease	Increase	Decrease
Spot rate of the foreign currency (1% movement)	-	-	(87)	(10)
Interest rates (100 bps movement)	-	-	-	-

Derivative financial instruments

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

(in Million)

Particulars	March 31, 2024	March 31, 2023
Foreign exchange forward contracts to Sell	-	USD 48

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(i) Risk management framework

The Company's risk management is carried out by the treasury department under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investment of excess liquidity.

(ii) Credit risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities and its financing activities, including deposits with banks and financial institutions and other financial instruments.

Customer credit risk is managed by each business unit subject to Company's established policy, procedures and control relating to customer credit risk management. The Audit and Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, where available, and other publicly available financial information. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to Rs. 4,999 (March 31, 2023: Rs. 2,612).

Allowance for impairment	March 31, 2024	March 31, 2023
Opening balance	2	6
Impairment loss recognised	117	4
Impairment loss reversed/transferred	-	-
Closing balance	119	2

Refer note 9 for ageing of trade receivables.

Receivables from two customers of the Company's trade receivables is Rs. 3,917 (March 31, 2023 Rs 1,958) which is more than 10 percent of the Company's total trade receivables.

Credit risk on cash and cash equivalent and derivatives is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies which are rated A1+ or AAA. Investments primarily include investment in liquid mutual fund units.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The following are the contractual maturities of financial liabilities and excluding interest payments. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay:

Notes to the financial statements 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

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Borrowings	8,862	-	-	-	8,862
Trade payables	3,829	1,303	43	-	5,175
Lease Liabilities	4	4	4	-	12
Other current financial liabilities	119	-	-	-	119
Total	12,814	1,307	47	-	14,168

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2023:

March 31, 2023

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Borrowings	8,862	-	-	-	8,862
Trade payables	3,646	-	-	-	3,646
Lease Liabilities	12	8	4	-	24
Other current financial liabilities	174	-	-	-	174
Total	12,694	8	4	-	12,706

(iv) Market risk

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

Foreign currency risk

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently, the Company is exposed to foreign exchange risk through operating and borrowing activities in foreign currency. The Company holds derivative instruments such as foreign exchange forward, interest rate swaps 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 as below:

March 31, 2024	USD	EUR	Others	Total
Financial assets				
Trade receivables	4,811	92	29	4,932
Cash and cash equivalents	386	-	-	386
Financial liabilities				
Trade payables	(376)	(28)	(66)	(470)
Net assets / (liabilities)	4,821	64	(37)	4,848

March 31, 2023	USD	EUR	Others	Total
Financial assets				
Trade receivables	2,327	156	-	2,483
Cash and cash equivalents	777	-	-	777
Other current financial assets	6	-	-	6
Financial liabilities				
Trade payables	(787)	(60)	(67)	(914)
Other current financial liabilities	(65)	(3)	(4)	(72)
Net assets / (liabilities)	2,258	93	(71)	2,280

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.

Notes to the financial statements 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	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%	48	24	48	(63)
INR/USD - Decrease by 1%	(48)	(24)	(48)	(34)
EUR Sensitivity				
INR/EUR - Increase by 1%	1	1	1	1
INR/EUR - Decrease by 1%	(1)	(1)	(1)	(1)
Others				
INR/EUR - Increase by 1%	_*	_*	_*	_*
INR/EUR - Decrease by 1%	_*	_*	_*	_*

*Amounts are not presented since the amounts are rounded off to Rupees million.

Derivative financial instruments

The Company uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The Company's Treasury team manages its foreign currency risk by hedging forecasted transactions like sales, purchases and capital expenditures. When a derivative is entered for hedging, the Company matches the terms of those derivatives to the underlying exposure. All identified exposures are managed as per the policy duly approved by the Board of Directors.

29. Capital management

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business. The Company focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute annual dividends in future periods.

The amount of future dividends of equity shares will be balanced with efforts to continue to maintain an adequate liquidity status.

The capital structure as of March 31, 2024 and March 31, 2023 was as follows:

Particulars	March 31, 2024	March 31, 2023
Equity attributable to the equity shareholders of the Company	(14)	(661)
Equity and reserves	(14)	(661)
As a percentage of total capital	-0.2%	-3.2%
Borrowings	-	12,400
Liability Component of OCRPS	8,862	8,862
Total borrowings	8,862	21,262
Debt Equity Ratio	1.00	1.03
Total capital (Equity and Borrowings)	8,848	20,601

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

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

30. Lease

The Company has entered into lease agreements for use of land and buildings which expires over a period ranging upto the year of 2027. Gross payments for the year aggregate to Rs. 16. (March 31, 2023: Rs. 45)

Pursuant to business transfer, as more fully described in note 37, Biofusion Therapeutics Ltd. terminated the said lease effective August 1, 2023. Gain on termination of the lease amounting to Rs. 56 was recorded as other income in the financial statements for the year ended March 31, 2023.

The followings is the movement in the lease liability :

Particulars	Land	Buildings	Total
Balance at the April 1, 2023	13	7	20
Finance cost accrued during the year	1	1	2
Payment of lease liabilities	(4)	(8)	(12)
Balance at the March 31, 2024	10	-	10

Particulars	Land	Buildings	Total
Balance at the April 1, 2022	15	17	32
Acquisition through business combination (refer note 36)	-	656	656
Finance cost accrued during the year	1	18	19
Payment of lease liabilities	(3)	(42)	(45)
Termination of lease	-	(642)	(642)
Balance at the March 31, 2023	13	7	20

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

	March 31, 2024	March 31, 2023
Current lease liability	4	11
Non current lease liability	6	9
	10	20

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

	March 31, 2024	March 31, 2023
Less than one year	4	12
One to Five years	8	12
More than Five years	-	-
Total	12	24

The following are the amounts recognised in the statement of Profit or Loss for the year ended:

	March 31, 2024	March 31, 2023
Amortisation expenses on right of use-assets	8	11
Interest expenses on lease liabilities	2	3
Total	10	14

31. 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			
Construction/acquisition of any asset*	5	-	5
On purposes other than (i) above	-	-	-
	5	-	5
March 31, 2023			
Construction/acquisition of any asset*	-	-	-
On purposes other than (i) above	-	-	-
	-	-	-

* Not owned by the Company.

Notes to the financial statements 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
Amount required to be spent by the Company during the year:	5	-
Amount of expenditure incurred	5	-
Excess spent at the end of the year *	-	-
Total of previous years shortfall	-	-

* Excess spent will be carried forwarded and set-off in the subsequent financial year

Nature of CSR activities conducted by the company during year ended March 31, 2024 and March 31, 2023 are as follows:

1. Promoting Education
2. Mass Transit System
3. Lake Rejuvenation

Refer Note 25 for details of related party transactions

32. Contingent liabilities and commitments

(i) Capital Commitments:

The estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2024, net of advances, is Rs. 29 (March 31, 2023:- Rs.21).

(ii) Contingent Liabilities:

The company has no contingent liability as at March 31, 2024 and March 31, 2023.

33. Reconciliation of basic and diluted shares used in computing Earnings per share

Particulars	March 31, 2024	March 31, 2023
<i>Earnings</i>		
Profit/(Loss) for the year	348	711
<i>Shares</i>		
Basic outstanding shares	14,050,000	14,050,000
Add : Weighted average shares issued during the year	-	-
Weighted average shares used for computing basic and diluted EPS	14,050,000	14,050,000
Add: Effect of dilutive options granted but not yet exercised/not yet eligible for exercise- OCRPS	873,000,000	873,000,000
Weighted average shares used for computing diluted EPS	887,050,000	887,050,000
Earnings / (loss) per equity share		
Basic (in Rs)	24.77	50.64
Diluted (in Rs)	0.39	0.80

34. Employee stock compensation

The employees of the Company 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 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	132,750	236,250
RSU Plan 2015	-	9,866
RSU Plan 2019 ^	104,800	125,253
RSU Plan 2020	50,422	65,125

^ adjusted for the impact of bonus issue

The Company has recorded an amount of Rs. 12 (March 31, 2023: Rs. 16) as cost of the above stock option plans . The Company reimburses the cost to Biocon Limited.

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

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

35. Ratio Analysis and its elements

Ratio	Numerator	Denominator	March 31,2024	March 31,2023	%change	Reason for variance
Current ratio	Current Assets	Current Liabilities	0.61	0.75	-17.92%	Decrease is due to increase in Borrowing during the current year.
Debt- Equity Ratio	Total Debt	Shareholder's Equity	(632.99)	(54.29)	1065.97%	Repayment of short term borrowing
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses+ Interest	Debt service = Interest & Lease Payments + Principal Repayments	53.34	2.34	2180.67%	Decrease in interest on loan during the year
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	-171.63%	-88.94%	92.97%	Decrease in profit during the year
Inventory Turnover ratio	Cost of goods sold	Average Inventory	5.22	5.05	3.34%	
Trade Receivable Turnover Ratio	Net credit sales = Revenue from operations	Average Trade Receivable	2.27	2.78	-18.39%	
Trade Payable Turnover Ratio	Net credit purchases = Purchases of traded goods + Purchases of raw materials and packing materials + other expenses	Average Trade Payables	1.77	1.34	32.20%	Increase in trade payables
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Average Working capital = Current assets – Current liabilities	(1.45)	(0.90)	61.29%	Decrease due to sale of investments
Net Profit ratio	Net Profit after tax	Net sales = Total sales - sales return	4.03%	11.47%	-64.85%	Decrease in profit during the year
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth (Total equity - Intangibles assets) + Total Borrowings - Deferred Tax Asset	4.68%	6.30%	-25.73%	Decrease in short term borrowing
Return on Investment	Interest income on deposits + Net gain on mutual funds	Average Investment in deposits and mutual funds	6.75%	5.80%	16.35%	

36. Business combinations under common control

On January 6, 2023, the Board of Directors of the Company approved a Scheme of arrangement for merger of Biofusion Therapeutics Ltd. ("BTL") with the Company under Companies Act, 2013. The National Company Law Tribunal vide its order dated April 24, 2024 approved the Scheme with appointed date of April 1, 2022.

"BTL is a wholly owned subsidiary of Biocon Limited which was incorporated with the objective of undertaking Research and Development (R&D) in the field of pharmaceuticals. Presently, undertaking R&D activities for Generic Formulation products.

The Company proposes to organize all its Generic Formulation business and Research and Developments business and thereby carrying on Generic Formulation business in streamlined manner."

Since the scheme of amalgamation is between entities within the same group, the company has accounted for the merger in accordance with the "Pooling of Interest Method" as laid down in Appendix C of Ind AS-103 (Business Combinations of entities under common control) notified under Section 133 of Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

The consideration for acquisition of BTL was 1 (One) fully paid-up equity shares of face value of consideration Rs.10/- each of the Biocon Pharma Limited shall be issued and allotted for every 1 (One) fully paid-up equity shares of Rs. 10 each held in the Biofusion Therapeutics Ltd.

Summary of consideration and the value of net identifiable assets acquired

Particulars	Amount
Net asset acquired	10
Consideration	1
Gain on business combinations	9

Notes to the financial statements 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 table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

Balance Sheet	March 31, 2022
Non-current assets	1,129
Current assets	465
Other equity	9
Non-current liabilities	917
Current liabilities	668
Total net assets acquired	10

37. Effective August 1, 2022 ("Closing date"), Biofusion Therapeutics Ltd. transferred its entire business to one of its fellow subsidiaries, Syngene International Limited ("SIL") on slump sale basis at a consideration of Rs. 192. Below are the details of assets and liabilities transferred with their respective carrying values as of the Closing date of Business Transfer Agreement ("BTA")

Particulars	August 1, 2022
Capital work-in-progress	518
Other current assets	3
Total assets transferred	520
Borrowings	492
Long term & short term provisions	10
Trade payables	118
Other financial liabilities	9
Other current liabilities	3
Total liabilities transferred	632
Net assets/ (liabilities) transferred	(112)

Pursuant to above, Biofusion Therapeutics Ltd. has recorded gain from slump sale of Rs.304 as other income in the financial statements for the year ended March 31, 2023.

38. Other Statutory Information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988).
 - (ii) The Company does not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.
 - (iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
 - (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
 - (v) The Company is not declared as wilful defaulter by any bank or financial institution or government or any government authority.
39. 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 Group (Ultimate Beneficiaries).

Further, The Company 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 and on behalf of the Board of Directors of Biocon Pharma Limited

For **BSR & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W/W-100022

Kiran Mazumdar-Shaw

Director

DIN: 00347229

Siddharth Mittal

Director

DIN: 03230757

Sanjay Sharma

Partner

Membership No.: 063980

Mayank Verma

Company Secretary

Bengaluru
May 16, 2024

Bengaluru
May 16, 2024