

**Biocon Limited**

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[www.biocon.com](http://www.biocon.com)

BIO/SECL/AJ/2023-24/53

July 20, 2023

To, The Manager <b>BSE Limited</b> Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 <b>Scrip Code – 532523</b>	To, The Manager <b>National Stock Exchange of India Limited</b> Corporate Communication Department Exchange Plaza, Bandra Kurla Complex Mumbai – 400 050 <b>Scrip Symbol – Biocon</b>
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Dear Sir/Madam,

**Subject: Notice of 45<sup>th</sup> Annual General Meeting and the Annual Report for the FY 2022-23.**

This is further to our letter dated May 23, 2023, intimating that the 45<sup>th</sup> Annual General Meeting (AGM) of the Company will be held on Friday, August 11, 2023 at 3:30 P.M. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM) in compliance with applicable Circulars issued by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI).

Pursuant to the provisions of Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), please find enclosed the Notice of 45<sup>th</sup> AGM and Integrated Annual Report (BRSR, GRI and ESG Data Book is a supplement to the Integrated Annual Report) of the Company for the FY 2022-23. The same are also made available on the website of the Company at [www.biocon.com](http://www.biocon.com).

In compliance with the applicable Circulars issued by MCA and SEBI, the Notice of the 45<sup>th</sup> AGM along with the Integrated Annual Report for the FY 2022-23 are being sent only through electronic mode to those Members whose email IDs are registered with the Company/ Depositories.

Request you to kindly take the above intimation on record.

Thanking You,

Yours faithfully,  
For **Biocon Limited**

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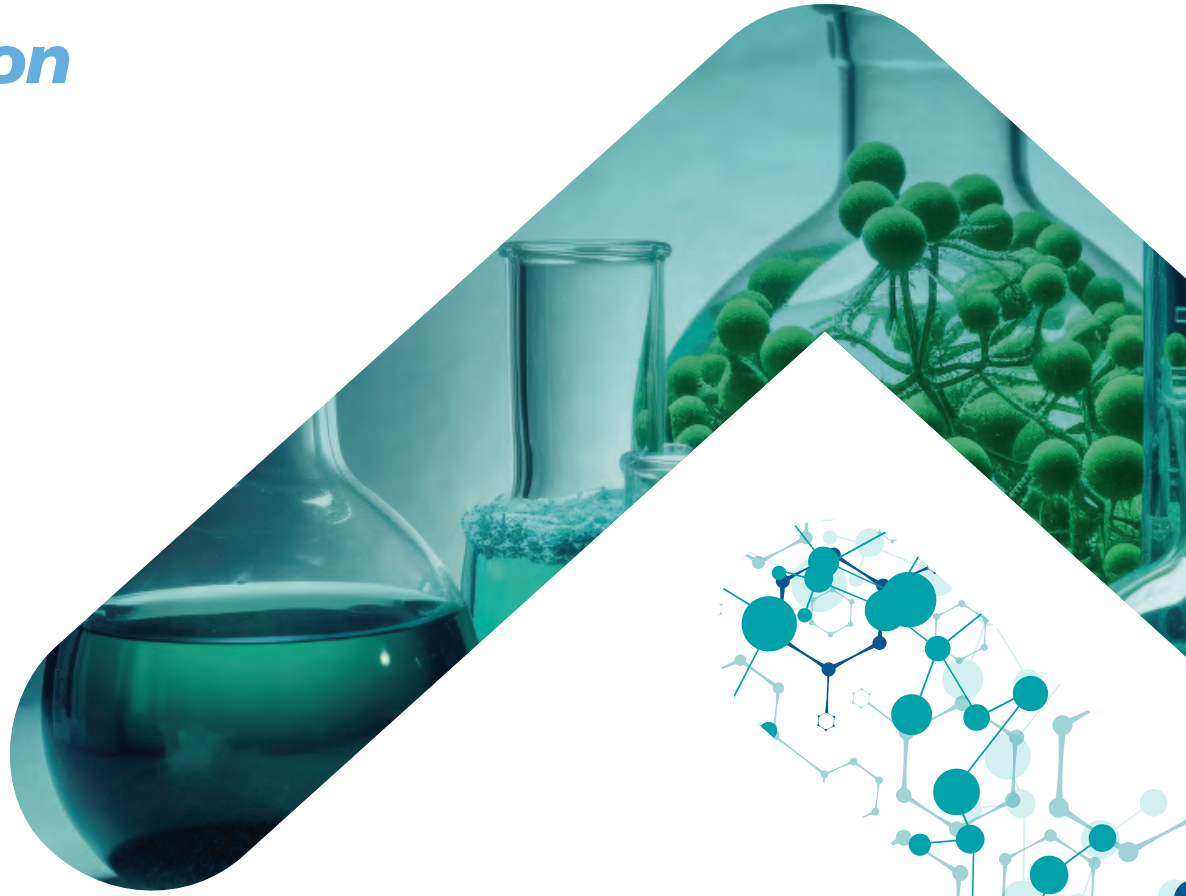
**Mayank Verma**  
**Company Secretary and Compliance Officer**  
**Membership No.: ACS 18776**

Enclosed: Information at a Glance, Integrated Annual Report, BRSR, GRI & ESG Data Book and 45<sup>th</sup> AGM Notice



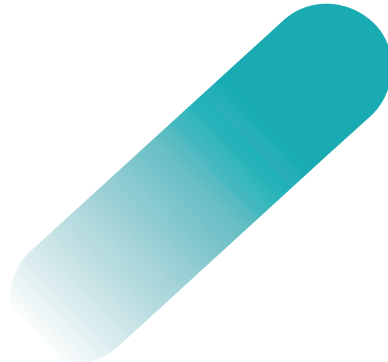
#### 45<sup>th</sup> Annual General Meeting of Biocon Limited - Information at a Glance

S. No.	Particulars	Details
1	Day, Date and Time of the AGM	Friday, August 11, 2023 at 3:30 PM (IST)
2	Mode	Video conference ('VC') and other audio-visual means ('OAVM')
3	Link for participating AGM through VC/OAVM	<a href="https://emeetings.kfintech.com/">https://emeetings.kfintech.com/</a>
4	Helpline number for VC participation and e-voting	1800-309-4001 & 040-6716 2222
5	Email IDs for any assistance or support for VC participation and e-voting	<a href="mailto:inward.ris@kfintech.com">inward.ris@kfintech.com</a> , <a href="mailto:evoting@kfintech.com">evoting@kfintech.com</a>
6	Cut-off date for e-voting	Friday, August 04, 2023
7	E-voting start time and date	9:00 AM (IST) on Sunday, August 06, 2023
8	E-voting end time and date	5:00 PM (IST) on Thursday, August 10, 2023
9	E-Voting website	<a href="https://evoting.kfintech.com/">https://evoting.kfintech.com/</a>
10	Speaker Registration for AGM	Please visit <a href="https://emeetings.kfintech.com">https://emeetings.kfintech.com</a> and click on 'Speaker Registration' and the registration will open only during the remote e-voting period.
11	Record date for Final dividend for FY 2022-23	Friday, July 07, 2023
12	Payment date for Final dividend for FY 2022-23	On or before Friday, September 08, 2023
13	Registrar and Share Transfer Agent ('RTA') contact details	Mr. Suresh D Babu (Unit: Biocon Limited) KFin Technologies Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032



# Relentless Pursuit. Differentiated Growth.

Integrated Annual Report FY 2023









# Relentless Pursuit Differentiated Growth



**Biocon's relentless pursuit of a differentiated business model has enabled it to remain relevant and sustain growth in a world characterized by rapid change, intense competition and evolving patients' needs.**

For a biopharmaceutical company, seeking differentiated growth requires a commitment to continuous innovation to meet the unmet needs of patients.

We have consistently tried to answer the critical question: How can we use our scientific expertise to improve the overall patient journey?

This quest has led us to invest in building specialized capabilities across small molecule generics, biosimilars, novel biologics and research services, based on a deep insight into life sciences and our understanding of patients' needs.

The Generics vertical manufactures and supplies innovative and affordable generic bulk drugs and finished formulations. Biocon Biologics ensures biosimilars reach patients in the poorest countries.

The research services delivered by Syngene drive accelerated new drug development, speed to market and cost efficiency for their clients. The Novel Biologics vertical enables us to push scientific boundaries to deliver breakthrough innovations through our associate company, Bicara Therapeutics.

We have developed these businesses as powerful growth accelerators based on our unique competencies in the discovery, development and commercialization of small and large molecule therapies.

From pipeline to production, from drug discovery to drug delivery, Biocon is bringing differentiated, high quality and affordable healthcare products & services, globally.

In tailoring our offerings to the diverse patient needs, we have achieved a competitive advantage, adapted to changing market dynamics and pursued strong and sustained growth.

At the same time, we understand that the pursuit of growth is a journey, not a destination. Our relentless pursuit of affordable innovation, which goes to the core of ensuring a global right to healthcare, also sets us apart in the global biopharmaceutical industry. It helps us reach new heights while staying grounded in our purpose of enabling access to lifesaving medicines.

**Our continuing focus on differentiated growth aims to create a better future for all.**

# About the Report

## Introduction to the Report & Reporting Guidelines

Biocon is proud to publish its first Integrated Annual Report in line with our vision, “to enhance global healthcare through innovative and affordable biopharmaceuticals for patients, partners and healthcare systems across the globe” and create long-term value for all our stakeholders. The transition to an integrated report underscores our commitment to delivering sustainable value and presents a holistic overview of our performance over the last financial year both from a financial and non-financial perspective. By voluntarily adopting this practice, including the early adoption of the Business Responsibility and Sustainability Reporting (BRSR) last year, we are demonstrating our commitment to upholding good governance principles and responsible business practices.

The report has been developed in accordance with the principles, guidelines and requirements of the International Integrated Reporting Council’s (IIRC) Integrated Reporting <IR> Framework. Furthermore, the report has been drafted with reference to the principles and requirements of the Global Reporting Initiative (GRI) Standards. The report is also aligned with the United Nations Global Compact (UNGC), United Nations Sustainable Development Goals (SDGs), Securities & Exchange Board of India’s (SEBI) Business Responsibility and Sustainability Reporting and S&P Global’s Dow Jones Sustainability Indices (DJSI).

Our financial and statutory information complies with the requirements of the Companies Act, 2013, Indian Accounting Standards, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Secretarial Standards and other applicable laws.

## Scope and Boundary

The FY23 Integrated Annual Report includes information on Biocon Limited representing Generics and Novel Biologics segments, Biocon Biologics Limited representing Biosimilars segment and Syngene International Limited representing Research Services segment’s global operations, including their joint ventures, subsidiaries and acquisitions, for the period from April 1, 2022 to March 31, 2023. The reporting boundary further extends to include factors that impact the Company’s ability to create value.

## Responsibility Statement

Biocon Limited believes that the FY23 Integrated Annual Report offers a balanced and holistic view of our financial and non-financial performance as well as our ability to deliver value to all our stakeholders. The Board of Directors confirms that the content of this report has been developed

under the guidance of the Company’s senior leadership and with support from various business functions. The information in the report, along with any estimates, predictions and forward-looking statements, are made on the basis of current performance and information. This does not take into account any external factors and changes in the socio-economic or natural environment. Further, market data used in the various chapters are based on several published reports and internal Company assessments. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.

## Assurance Statement

The Non-Financial disclosures related to EHS data have been independently assured by the DNV Business Assurance India Private Limited as of July 17, 2023. The detailed assurance statement is given in the supplementary data book. Financial statements have been independently assured by B S R & Co. LLP as of May 23, 2023.

## Feedback

*For Shareholders*

**Company Secretary and  
Compliance Officer**

[co.secretary@biocon.com](mailto:co.secretary@biocon.com)

*For Institutional Investors, Brokerage  
Firms and Financial Analysts*

**Head, Investor Relations**  
[investor.relations@biocon.com](mailto:investor.relations@biocon.com)

*For Media & Others*

**Global Head of Communications  
and Corporate Brand, Biocon Group**  
[Group.Communications@biocon.com](mailto:Group.Communications@biocon.com)

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\*A Supplementary Data Book is being released with the Integrated Annual Report that includes BRSR, GRI Index & ESG Data Book.



# FY23 at a Glance

## Financial Highlights



Consolidated Revenue:

**₹115,501 million**

Growth: **38%**



Gross Investment in R&D

**₹11,953 million**

Growth: **68%**



EBITDA:

**₹28,876 million**

Growth: **32%**



EBITDA:

Margin: **25%**



EPS:

**₹3.9**



Profit for the Year:

**₹4,627 million**

### Revenue Contribution by Segment

Biocon operates across four distinct business segments: Generics, managed by Biocon Limited; Biosimilars, managed by Biocon Biologics, Research Services, driven by Syngene, and Novel Biologics, overseen by Biocon.

Business Segment Revenue\*:



**Research Services:**

Revenue: ₹31,929 million



**Biosimilars:**

Revenue: ₹55,838 million



**Generics:**

Revenue: ₹26,367 million

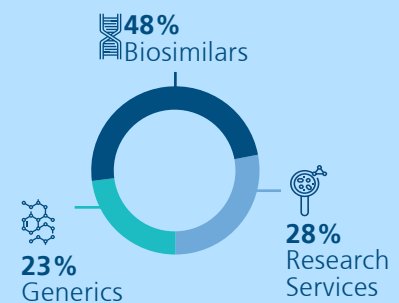


**Novel Biologics**

Revenue: ₹192 million

\*Includes inter-segment revenue

Business Segment Contribution



# Key Highlights - Biocon Group

## Environmental



71%

Green Power in Total Electricity Consumption\*



121,025 tCO<sub>2</sub>e

Total Greenhouse Gas (GHG) Emissions Avoided



34,245 tCO<sub>2</sub>e

GHG Offset (Scope 1 and 2)



100%

Recycling and Reuse of Treated Wastewater



0.12 million m<sup>3</sup>

Reduction in Freshwater Consumption



16%

Waste Reduction

## Social



23%

Women Employed in Workforce



510,000+

Individuals Positively Impacted



120+

Students Graduating from Biocon Academy



370,000+

Total Training Hours for Employees



₹262 million

Corporate Social Responsibility (CSR) Spending



105,400+

Patient Visits at eLAJ Smart Clinics

## Governance

Board Diversity: **44%** (Syngene), **22%** (Biocon Limited), **20%** (Biocon Biologics Limited)

**Zero** cybersecurity breaches or threats were reported

**Zero** consumer complaints were received about data privacy and cybersecurity

**Zero** cases of confirmed corruption & bribery

**Zero** instances of human rights violations reported

\*Biocon Group India Operations

## Other Key Highlights

### Biocon Limited

- Entered into a commercialization agreement with Zentiva in Europe.
- Entered into a long-term strategic partnership with Farmanguinhos in Brazil.

### Biocon Biologics Limited (BBL)

- Completed the strategic, multi-billion-dollar acquisition of its partner Viatrix' global biosimilars business.

- Biocon Biologics and Serum Institute Life Sciences (SILS) restructured their original equity linked strategic vaccine alliance.

- Out-licensed two of its biosimilar assets to Yoshindo for commercialization in Japan.

### Biocon Limited and Biocon Biologics

- Selected to participate in the Production Linked Incentive

(PLI) scheme announced by the Government of India.

### Syngene

- Celebrated 25 years of partnership with Bristol Myers Squibb (BMS).
- Signed 10-year biologics manufacturing agreement with leading animal health Company, Zoetis.

### Novels

- Biocon Limited initiated clinical study of Itolizumab for Ulcerative Colitis in India.
- Partner Equillum Inc. initiated pivotal Phase 3 Study for Itolizumab in March 2022 for use in first-line treatment of acute graft-versus-host disease (aGVHD); expanded the Part B portion to clinical centers in India.
- Bicara Therapeutics completed dose escalation studies evaluating BCA101 as a single agent and in combination with Pembrolizumab and have initiated the dose expansion arm of the clinical study.





# About Biocon Group

**The Biocon Group is driven by an unwavering purpose to deliver health equity through high-quality, affordable therapies that lower costs, increase access and improve treatment outcomes. From humble beginnings, we have grown into a fully integrated, technology-enabled, future-ready, global biopharmaceuticals leader.**

Over the years, we have constantly evolved to establish ourselves as a diversified, pioneering biopharmaceutical brand. From a primarily export-driven enzymes company, we expanded into research services, biosimilars and generic drugs.

Today, we are transforming patients' lives in over 120 countries, by finding new and affordable

ways to treat diabetes, cancer and autoimmune diseases amongst others. From pipeline to production, drug discovery to drug delivery, we make differentiated, high-quality and affordable healthcare products more accessible.

Despite the systemic challenges humanity faces, we are optimistic

that when there is a meeting of minds for a common goal, complex problems are solved. With this belief, we strive to create an institution where curiosity, collaboration and care amalgamate to push boundaries continuously.

## Biocon Group at a Glance



**16,500+**  
Total Employees



**120+**  
Countries where our products are available



**1,500+**  
Patents



**8**  
Biosimilars commercialized globally



**100+**  
cGMP approvals from International regulatory agencies



**15 of Top 20**  
Pharma companies served by service portfolio of Syngene

# Key Awards and Recognitions

## Individual Awards

- Kiran Mazumdar-Shaw honored with the H.K. Firodia Lifetime Achievement Award 2022 for Excellence in Science & Technology.
- Kiran Mazumdar-Shaw conferred the Lifetime Achievement Award at the Express Awards for Women Entrepreneurs.

## Biocon (including Biocon Biologics)

- Scored 52 in 2022 S&P Global's Corporate Sustainability Assessment, inducted into S&P Global's Sustainability Yearbook as an 'Industry Mover'.
- Continued listing in Dow Jones Sustainability Emerging Markets Index for the second consecutive year, ranking in the 90th percentile of Biotechnology companies.
- EcoVadis awards Silver Medal for Sustainability accomplishments.
- Received CDP scores of B in Water and C in climate change.
- Ranked 8th in pharma, biotech & biopharma category on the 'Global Top Employers' List by U.S. Science Magazine for the 10th consecutive year.

## Biocon Limited

- Won the Golden Peacock Award for Sustainability in 2022.
- Best ESG Initiative to improve renewable energy during Annual ESG Summit and Awards 2022.

## Biocon Biologics

- Biocon Biologics' Malaysia Facility won the prestigious 'Bioprocessing Excellence in South Asia' Award at the Asia-Pacific Bioprocessing Excellence Awards (ABEA) 2023.
- Won CII's Special Appreciation IP Award 2022 for creating a large portfolio of patents & trademarks.
- Won 'Gold Award' for 'Outstanding Achievement in Safety Management' at the 17th Annual Greentech Safety Awards.
- Won Greentech-Safety Excellence Award for excellent performance towards maintaining a safe workplace for employees and stakeholders.

## Syngene

- Won the Golden Peacock National Quality Award, 2023 from the Institute of Directors, India.
- Named Best Contract Development and Manufacturing Organization (CDMO) at the IMAPAC Biopharma Awards.

## Biocon Foundation

- Received the Mahatma Award 2022 for Excellence in Social Good.
- Won India Health and Wellness (IHW) Council's Gold Award for its Oral Cancer Screening Program.

Read more on page no. 174

## > Our Vision

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

## > Our Mission

To be an integrated biotechnology enterprise of global distinction.

Essential to this mission is:

- Intellectual asset creation through discovery, research and development
- State-of-the-art manufacturing capabilities
- Internationally benchmarked quality and regulatory systems
- New medical insight through disease-specific clinical research
- Customer relationship through outstanding products and services
- Human resource development through training, mentoring and empowering
- Management of research and business partnerships

## > Our Values

- Integrity and ethical behavior
- Performance-driven work culture
- Value creation through innovation and differentiation
- Quality through compliance and best practices
- Collaboration, teamwork and mutual respect



# Our Generics Business

## Biocon Limited - Executive Leadership Team



**Siddharth Mittal**  
CEO and Managing Director



**Indranil Sen**  
Chief Financial Officer



**Maninder Kapoor Puri**  
Head, Human Resources



**Abhijit Zutshi**  
Commercial Head, Global Generics



**Nehal Vora**  
Commercial Head, Global APIs



**Prasad Deshpande**  
Head, Supply Chain & Central Engineering



**Manoj Kumar Pananchukunnath**  
Head, R&D & Regulatory Sciences



**Sriram A V**  
Head, Quality



**Arun Gupta**  
Head, Operations

## Generic APIs & Formulations

**Biocon initiated its operations in the generics space in the late 1990s, centered around the production of Lovastatin, a fermentation-based statin API utilized for cholesterol reduction. In 2001, we became the first U.S. FDA-approved Indian Company to manufacture the API. Today, we are a leading global manufacturer of statins and immunosuppressants APIs.**

We are growing our portfolio beyond fermentation-derived molecules to niche molecules such as peptides and potent APIs and expanding into key markets. Our API business comprises a balanced portfolio of 50+ products spread across Cardiovascular, Anti-Diabetics, Immunosuppressants, Oncology based High Potent API (HPAPI) and a few specialty and niche molecules. The APIs serve over 750 pharma companies in 75+ countries, including the U.S. and Europe.

In 2013, we expanded into generic formulations, as a natural progression from Biocon's deep expertise in complex APIs to vertically integrated finished dosage forms. Our generic formulation strategy ensures continuity and reliability of supply for complex formulations through vertical integration. We aim to expand our product pipeline using in-house APIs, supplemented by in-licensing for diversification. Our portfolio comprises Cardiology, Oncology, Immunology and Autoimmune indications, offering oral solid dosage forms, injectables (vials, Pre-filled Syringes (PFS), auto-injectors) and other forms. In the U.S., we have commercialized 13 drug products, with eight more approved or tentatively approved by the FDA. We have also identified 12 other key markets for commercialization either directly or through strategic partnerships.

Our manufacturing, Research & Development (R&D) and quality capabilities benefit patients by providing affordable, accessible medicines. With a 20-year track record, we focus on building a pipeline of technology-intensive molecules, commercializing new products and expanding our global footprint.

### Ensuring Access Through Quality, Affordability and Reliability



#### R&D and Manufacturing

- 6 state-of-the-art facilities in Bengaluru, Hyderabad and Visakhapatnam.
- 2 new facilities – an immunosuppressants plant and a peptides facility – presently undergoing process validation.

#### Balanced Portfolio

- Cardiovascular, anti-diabetes, oncology, immunosuppressants, high potent API (Active Pharmaceutical Ingredient) & niche molecules, like peptides.

#### Compliance/Approvals

- Our manufacturing facilities comply with requirements of various international regulatory agencies.
- Our products have been approved by agencies such as US Food and Drug Administration (U.S. FDA); European Medicines Agency (EMA); United Kingdom's Medicines and Healthcare Products Regulatory Agency (MHRA); Mexico's Federal Commission for Protection from Sanitary Risks (COFEPRIS); Brazilian Health Regulatory Agency (ANVISA), among others.





BIOCON

STEAM LINE

11P-ROT1W-03

11P-ROT1W-03

STEAM LINE



## Future Outlook

Our efforts for FY24 will be to strengthen our pipeline and improve the affordability of our products. This will involve de-risking our base business through

- R&D investments
- Executing key Capital Expenditure (CapEx) projects
- Improving our processes

### Priorities:

Increase in market share in existing products, new product launches especially in the U.S.

### Key Growth Drivers:

1. Enhanced capacities in our API business.
2. Growth in the volume of our base business.
3. Traction from our recently launched generic formulation products.

### Challenges:

Pricing pressure in the U.S, inflation, higher input costs.

## Highlights of the Year

We entered into **2 significant strategic partnerships** this year, with Zentiva in Europe and Farmanguinhos in Brazil.

### Portfolio Expansion:

Portfolio Expansion: In FY23, we made 32 filings and received 19 approvals for our generic formulation products.\*

We had 2 important API launches - Sitagliptin and Vildagliptin in the European Union. We also launched 5 generic formulation products – 1 in the U.S., 2 in U.K. and 2 in E.U.

### Capacity Expansion:

We commissioned and commenced qualification and process validation of our greenfield, fermentation-based **immunosuppressant API** manufacturing facility in Visakhapatnam, Andhra Pradesh and our **peptides API manufacturing facility** in Bengaluru. Both facilities are expected to complete validation activities during FY24. We began work on expanding our **synthetic and potent API manufacturing** capacities in addition to an injectables facility.



\*Across markets including U.S., EU, UK and most-of-the-world markets.

# Generics

# Our Biosimilars Business

## Biocon Biologics Limited - Executive Leadership Team



**Shreehas Tambe**  
CEO and Managing Director



**Chinappa M.B.**  
Chief Financial Officer



**Matthew Erick**  
Chief Commercial Officer -  
Advanced Markets



**Susheel Umesh**  
Chief Commercial Officer-  
Emerging Markets



**Dr. Sandeep Athalye**  
Chief Development Officer



**Naveen Narayanan**  
Global Head - Human  
Resources



**Paul Thomas**  
Global Head - Portfolio and  
Program Management



**Ganesh Reddy**  
Global Head - Manufacturing



**Kiran Kumar  
Gandhirajan**  
Site Head - Malaysia



**Michael Cutter**  
Global Head - Quality



**Dr. Anuj Goel**  
Global Head - R&D - CMC



**Seema Ahuja**  
Global Head - Corporate Brand &  
Head of Communications – EMS



**Stephanie Wasco**  
Head of Communications –  
Advanced Markets



**Stephen J. Fecho, Jr.**  
Global Head - Supply Chain  
Management



**Akhilesh Nand**  
General Counsel – Emerging  
Markets



**Stephen Manzano**  
General Counsel -Advanced  
Markets



**Mandar Ghatnekar**  
Global Head - IT and Digital  
Transformation

# Biosimilars

**Biocon Biologics Limited (BBL) is a unique, fully integrated, leading global biosimilars player with established capabilities in the development, manufacturing and commercialization of biosimilars. We are driven by an unwavering purpose to enable equitable access to high-quality, lifesaving biosimilars for patients globally.**

As early movers in the biosimilars domain in the early 2000s, we have invested more than USD 1 billion to date, in building dedicated ‘lab to market’ capabilities for biosimilars. Over the last 20 years, we have created state-of-the-art R&D facilities in India, as well as large scale, globally compliant manufacturing facilities in India and Malaysia. Our comprehensive portfolio of 20 biosimilars spans oncology, immunology, diabetes and other therapeutic areas. Our self-commercialization capabilities in select emerging markets (e.g. India) coupled with a network of partners and distributors have enabled us to commercialize our products in over 100 markets globally, including Advanced Markets such as the U.S. and Europe. We have been amongst the first wave of biosimilars entrants and achieved several global industry “firsts”.

BBL closed an over USD 3-billion acquisition of Viatrix’ global biosimilars business in FY23. The historic acquisition has brought in complementary capabilities from our long-term partner, given us full ownership of co-developed and in-licensed biosimilars assets and taken us closer to patients in the Advanced Markets and several Emerging Markets. The increased scale, scope and global nature of the business will help us establish ourselves as a global leader in biosimilars and maximize value for all our stakeholders.

## Transforming Healthcare. Transforming Lives.



### Patients Served

- ~5.7 million\* patients served globally through our biosimilars
- ~2.1 million\* patients benefited in India through our products



### Biosimilars Portfolio

- 20 biosimilars targeted at oncology, immunology, diabetes, ophthalmology, bone health and other therapeutic areas
- 8 Biosimilars commercialized in global markets



### Global Reach

- Commercial footprint in 100+ countries
- Hybrid commercial model: Direct presence + Network of partners & distributors



### Scientific Capabilities

#### R&D

- Process development
- Scale up and tech transfer
- Analytical and Bioanalytical sciences
- Clinical development
- Regulatory sciences
- Intellectual Property

#### Manufacturing

- Insulins, mAbs and conjugated recombinant proteins
- Microbial and Mammalian Technology Platforms
- Drug Substances, Drug Products and Devices

#### Commercialization

- Self-led
- Partner-led
- Advanced Markets and Emerging Markets

\*12-month moving annual patient population



## Future Outlook

Having ended FY23 with a USD 1 billion revenue run-rate, we look forward to a promising year for the Biosimilars business. Our strong product portfolio and fully integrated business model position us for long-term success.

### Priorities:

Seamless integration of Viatris' global biosimilars business, continued progression of our product pipeline and sustainable, profitable growth.

### Key Growth Drivers:

1. Near-term launches in the US including bAdalimumab
2. Expanding breadth and depth across markets
3. Growth in existing core business

### Challenges:

Increased competition and pricing pressure in some markets.

## Highlights of the Year

Successfully **completed the transformational, multi-billion-dollar acquisition of Viatris'** global biosimilars business.

### Commercial

- 35+ launches of BBL's eight commercialized biosimilars in markets worldwide.
- BBL's commercialized biosimilars in the U.S. crossed the 10% market share threshold.
- bBevacizumab launched in 12 countries.
- Launched a new insulin analog from our portfolio, bAspart, in Canada and Malaysia.
- Entered into a strategic out-licensing agreement with Yoshindo for commercializing two pipeline assets, bUstekinumab and bDenosumab, in Japan.

### Pipeline

- Three assets, bUstekinumab, bDenosumab and bPertuzumab, advanced in the clinic.

### Regulatory

- EMA renewed the GMP Certification of our Malaysia insulins facility.
- Received EU GMP certification for our new antibodies Drug Substance manufacturing facility in India.



# Biosimilars

# Our Research Services Business

## Syngene International - Executive Leadership Team



**Jonathan Hunt**  
CEO and Managing Director



**Mahesh Bhargat**  
Chief Operating Officer



**Sibaji Biswas**  
Chief Financial Officer



**Andrew Webster**  
Chief Human Resources Officer



**Alok Mehrotra**  
Chief Quality Officer



**Kenneth Barr**  
Senior Vice President –  
Discovery Services



**Joydeep Kant**  
Senior Vice President –  
Development Services



**Alex Del Priore**  
Senior Vice President –  
Manufacturing



**Caroline Hempstead**  
Head of Corporate Affairs

## Research Services

Since 1993, Syngene has established itself as a leading global organization offering integrated discovery research, development and manufacturing services. With a proven track record, we cater to diverse industries such as pharmaceuticals, biotechnology, nutrition, animal health, consumer goods and specialty chemicals.

Our extensive scientific expertise, state-of-the-art infrastructure and stringent quality standards make us a preferred partner for innovative R&D solutions. We prioritize consistency and reliability in our services, fostering long-term strategic collaborations. This is driven by a talented workforce of 8,500 employees, including 6,000 scientists.

We remain committed to investing in new technologies and modalities, embracing digitization and automation to enhance our operations. This positions us as an agile outsourcing partner capable of meeting the evolving needs of our clients. Additionally, Syngene is listed on the Indian stock exchanges.

### Syngene operates through the following divisions:

#### Research Services

Syngene's Discovery Services division is engaged in early-stage research, from target identification to delivery of drug candidates for further development. It spans functional services covering Chemistry, Biology, Safety Assessment, Research Informatics and fully integrated drug discovery and development through its proprietary platform, SynVent. The Dedicated R&D Centers provide a dedicated infrastructure, teams of scientists and leadership for each client: Amgen Inc, Baxter Inc. and BMS.

#### Development Services

Syngene's Development Services division develops drug substances and products for clinical trials, including formulation and analytical services. It also offers Current Good Manufacturing Practises (cGMP)-compliant manufacturing of clinical supplies and registration batches for small molecules.

#### Manufacturing Services

The Manufacturing Services division includes commercial-scale manufacturing of small molecules and the development and manufacturing of large molecules at a commercial scale.

Syngene works with 15 of the top 20 global pharmaceutical companies, leading animal health companies and small and medium-sized biotechnology companies to find solutions to their research, development and manufacturing challenges for small and large molecules.



## Putting Science to Work



### Innovative R&D Solutions

- 2 million Square Feet World-class R&D and manufacturing infrastructure.
- Integrated R&D & manufacturing services for small & large molecules, antibody drug conjugates (ADCs) & oligonucleotides.



### Collaborations

- 15 collaborations with top 20 pharmaceutical companies.



### Strong Technical Expertise

- 500+ PhDs.
- Talented scientific & techno-commercial teams, led by experienced management.



## Future Outlook

In a healthy demand environment, our investments will be mainly focused on expanding the manufacturing capacity of biologics, laboratory space and capability additions across our service lines.

### Priorities:

Increased momentum in the supply chain diversification of global pharmaceutical and biopharmaceutical companies.

### Key Growth Drivers:

1. Commercial manufacturing in biologics.
2. Repeat and new business in the Development Services, stable revenues in the Dedicated Centers and good growth in the Discovery Services.

### Challenges:

Inflation, geopolitics and recessionary pressures are visible in some regions of the world.

## Highlights of the Year

**Signed a 10-year biologics manufacturing agreement with Zoetis** to manufacture the drug substance for Librela®, a first-in-class monoclonal antibody used for treating osteoarthritis in dogs.

Expanded capacities and capabilities through a new **GMP-compliant clinical scale sterile fill-finish facility, a kilo lab for polymers and specialty materials and a dedicated PROTACs\* facility.**

**Our partnership with BMS completed 25 years in March 2023.** The Biocon-BMS Research Center (BBRC) is the largest R&D facility for BMS outside of the U.S.

\*Proteolysis-targeting chimeras facility for clients involved in researching treatments for cancer and other therapy areas.



# Research Services



# Our Novel Biologics Business

Biocon is actively involved in innovating novel assets for autoimmune diseases and cancer. We launched India's first indigenously manufactured monoclonal antibody, Nimotuzumab, for head and neck cancer in 2006.

We developed and launched Itolizumab, the world's first novel anti-CD6 monoclonal antibody, for psoriasis in India under the brand name ALZUMAb in 2013. Itolizumab received 'restricted emergency use' approval in India in 2020 after we repurposed it for the prevention and treatment of Cytokine Release Syndrome (CRS) in moderate to severe Acute Respiratory Distress Syndrome (ARDS) patients due to COVID-19.

Biocon licensed Itolizumab to Equillium in 2017 for specific markets. Equillium is leveraging its deep understanding of immunobiology to develop Itolizumab for severe immune-inflammatory diseases, including aGVHD and systemic lupus erythematosus/lupus nephritis.

This fiscal, patient enrollment was ramped up and all 70 clinical study sites for the pivotal Phase III clinical study of Itolizumab in patients with aGVHD are fully operational. Enrolment continued for the Phase 1b clinical study for Lupus Nephritis and patient dosing (randomization) commenced for the Phase II clinical trials underway in India for patients with Ulcerative Colitis.

Equillium has also recently entered into an Option and Purchase Agreement with Japan's Ono Pharmaceutical Co., Ltd, granting them an exclusive option to acquire the rights to Itolizumab.

## Pushing Scientific Boundaries to Deliver Impactful Innovations



### Robust Pipeline

- Differentiated pipeline in immunology with expansions into new indications
- Deep pipeline of promising bifunctional antibodies and other biologics for treating solid tumors



### Molecules

- Itolizumab: World's first novel humanized anti-CD6 mAb that selectively targets the CD6-ALCAM pathway
- BCA101: First-in-class, dual-action bifunctional antibody that both inhibits EGFR and disables TGF-β directly



### Expertise at the Highest Level

- Multi-layered board who demonstrate strong expertise in business, medicine and biotechnology

## Bicara Therapeutics

Bicara Therapeutics, Biocon's associate based in Boston, U.S., develops innovative bifunctional antibodies that leverage immuno-oncology advancements. With access to the thriving U.S. innovation ecosystem, Bicara accelerates the development of cutting-edge cancer therapies. Collaborating with the scientific teams in Boston and Bengaluru, we pioneer rapid and cost-effective breakthroughs.

Bicara is making significant progress with its lead molecule, BCA101. This bifunctional antibody targets EGFR-positive tumors by inhibiting epidermal growth factor receptor (EGFR) and disabling TGF- $\beta$  directly at the tumor site, utilizing a TGF- $\beta$ trap. BCA101 is expected to demonstrate superior anti-tumor efficacy and an improved therapeutic window. We have successfully completed the dose escalation studies, evaluating the efficacy of BCA101 as a single-agent and in combination with pembrolizumab in front-line systemic patients with unresectable, recurrent, or metastatic head and neck squamous cell carcinoma (HNSCC). The results showcased highly encouraging response rates. Subsequently, the dose expansion phase of the clinical study has been initiated. Building on this positive data, Bicara concluded a Series B funding round, securing a substantial investment of USD108 million to further advance this asset.

We possess a robust portfolio of potential bifunctional antibodies and other biologics designed to address solid tumors. This includes a primary program that is already undergoing clinical trials, demonstrating our commitment to advancing innovative treatments in this field.

Backed by experienced leadership and a skilled clinical development team in Cambridge, we have strong connections with leading cancer centers worldwide. Our team excels in development of new business drug development and strategic partnerships. Collaborating with talented protein engineers, immunologists and Chemistry, Manufacturing and Controls (CMC) experts, we leverage their expertise in developing highly complex molecules and FDA-approved drugs.



## Future Outlook

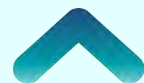
Our recent Series B fundraiser is a significant milestone for Bicara, paving the way for future growth. The successful funding round validates confidence in the molecule and our vision. With this capital infusion, we can scale operations, enhance products and explore new markets. The funding also positions us favorably for strategic partnerships and alliances. Furthermore, encouraging results from the ongoing clinical studies in the field of information technology indicate promising advancements for the development of the molecules.

## Highlights of the Year

Bicara Therapeutics **completed dose escalation studies evaluating BCA101** as a single-agent and in combination with pembrolizumab and has initiated the dose expansion arm of the clinical study.

Our partner, Equillum has granted the **exclusive option to acquire its rights to Itolizumab** to Ono Pharmaceutical Co., Ltd, Japan.

Bicara completed an oversubscribed **USD 108 million Series B financing** to advance its lead program BCA101 and its pipeline of investigational candidates to treat solid tumor cancers.

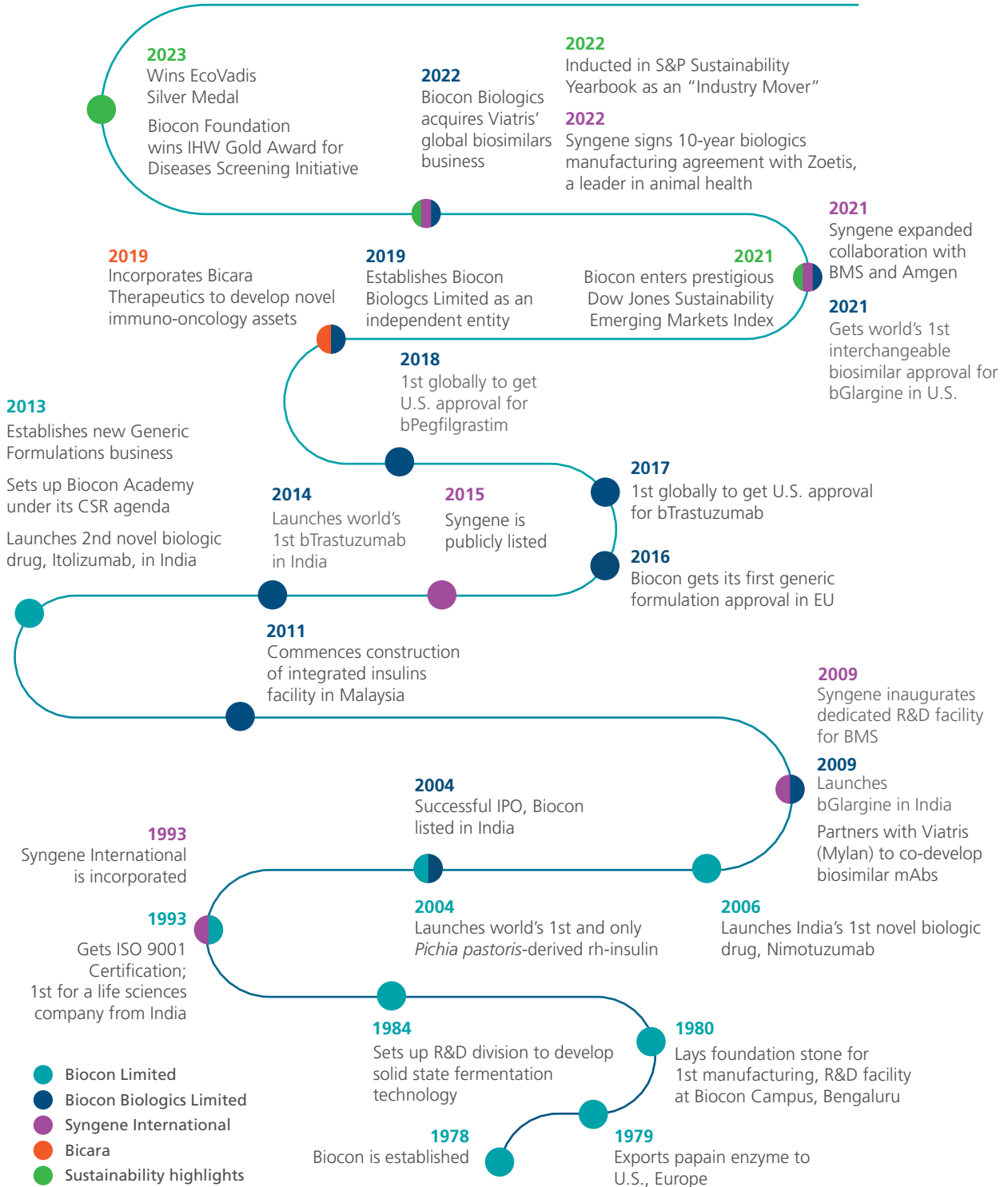


# Novels





# Milestones In Our Journey





# Our Global Presence

**Biocon**

- Delaware, US
- New Jersey, US

**Biocon Biologics**

- New Jersey, US

**Biocon**

- London, UK
- Dublin, Ireland
- Mosta, Malta
- Delemont, Switzerland

**Biocon Biologics**

- London, UK
- Dublin, Ireland

**Biocon**

- Bengaluru, India(HQ)
- Visakhapatnam, India
- Hyderabad, India

**Biocon Biologics**

- Bengaluru, India (HQ)
- Chennai, India

**Syngene**

- Bengaluru, India (HQ)
- Mangaluru, India
- Hyderabad, India



 Office

 Manufacturing

 Research

**Biocon Biologics**

- Sao Paolo, Brazil

**Biocon Biologics**

- Johor, Malaysia

**Biocon & Biocon Biologics**

- Dubai, UAE



# Chairperson's Message

**Kiran Mazumdar-Shaw**  
Executive Chairperson



# Relentless Pursuit Differentiated Growth

Dear Shareholders,

The social, economic and geopolitical fallout of the COVID-19 pandemic are posing complex threats to health and healthcare systems worldwide. The turbulent operating environment of the past year has only strengthened Biocon's commitment to address the critical global need for high quality biopharmaceuticals that can lower treatment costs, increase access and improve healthcare outcomes.

Delivering on our mission of enabling global health equity through affordable access to essential and lifesaving therapeutics drove a constant rebalancing between growth, affordability and stakeholder commitments.

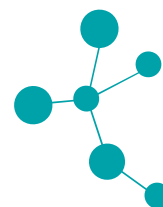
For the Biocon Group, FY23 marked a year of relentless pursuit of differentiated growth. Biocon Biologics closed the transformational acquisition of its partnered biosimilars business with Viatrix; Syngene delivered better-than-expected financial performance aided by a strong uptick in bio-manufacturing services; and the Generics business continued its geographic expansion with strategic partnerships across markets.

Having closed an eventful year on the business as well as the sustainability front, we are proud to present Biocon's maiden GRI-aligned Integrated Report. Building on our core principle of transparency, this report narrates how we were able to efficiently and productively allocate our six key capital investments to create value for our stakeholders and society.

## Reliability and Growth

To ensure that patients have access to the best available treatments irrespective of their economic status, the Biocon Group supplied high-quality APIs and finished formulations through its Generics business, a world leading portfolio of biosimilars for cancer, diabetes and autoimmune diseases through Biocon Biologics Limited (BBL) and high-value research services through Syngene.

The Biosimilars business reported a growth of 61%, contributing nearly half of Biocon Limited's consolidated revenue of ₹115,501 million (~USD 1.4 billion), which increased 38% from the last financial year. We expanded access to our high quality biosimilars worldwide with over 35 launches in global markets during the year, serving 5.7 million patients through our portfolio of 8 commercialized biosimilars.



**Biocon's maiden Integrated Report narrates how we efficiently and productively allocated our six key capital investments to create value for our stakeholders and the society.**





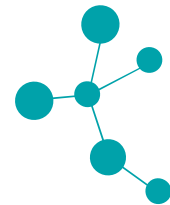
Our biosimilar insulins, both rh-Insulin and bGlargine, addressed the insulin access gap in many low- and middle-income countries (LMICs). We added an advanced insulin analog, bAspart, to our portfolio, expanding the therapy options for diabetic patients worldwide. Through our partnership with the Clinton Health Access Initiative (CHAI), we widened patients' reach to our anti-cancer biosimilars in some countries in sub-Saharan Africa.

Biocon Biologics completed the historic acquisition of the global biosimilars business from its long-term partner Viatris, which contributed significantly to Biocon's robust financial performance in FY23. We are on track to integrate a major part of the acquired business in a phased manner during FY24. Direct commercial presence in many global markets will allow BBL to devise more sustainable and targeted strategies to make our biosimilars accessible to the maximum number of patients and healthcare providers.

The Generics business addressed the needs of patients and customers, supplying our complex and differentiated APIs to ~750 pharma companies in over 75 countries. To take our Generic Formulation drugs to more patients, we identified partners in Europe and Brazil. Besides portfolio and geographical expansion, the Generics business progressed its CapEx projects that will support our future growth. For the year, the Generics business' revenue, accounting for 23% of consolidated revenue, grew 13%, driven by immunosuppressants, specialty APIs and a ramp-up of some of our recently launched Generic Formulations.

Our Research Services business, Syngene, delivered innovative scientific solutions to over 400 clients thus helping to accelerate drug development at an optimal cost. The callout event in FY23 was a biologics manufacturing partnership with Zoetis which heralded a new phase of growth through a Contract Development and Manufacturing Organization (CDMO) model. Syngene's revenues rose 23% in FY23 and accounted for 28% of consolidated revenues for Biocon.

Our Novel Biologics programs – anti-CD6 monoclonal antibody Itolizumab and bifunctional antibody BCA101 – reported good progress during the year. Our Boston-based associate, Bicara Therapeutics, which is developing BCA101, successfully concluded an oversubscribed Series B fund by raising USD 108 million on the back of very promising Phase 1B clinical data.



**Direct presence in many global markets will allow BBL to devise more sustainable and targeted strategies to make our biosimilars accessible to the maximum number of people.**





## Implementing Sustainability

In FY23, we further evolved our core growth strategy to integrate environmental, social and governance (ESG) factors. Embedding sustainability into our corporate culture and day-to-day operations enabled us to continue developing lifesaving medicines in an environmentally and socially responsible manner.

As a patient-centric Company, we were vigilant on quality and compliance and made continuous improvements through data-driven digital transformation and operational excellence, all with the highest levels of quality, integrity and ethics.

We engaged with our 16,500-strong workforce to make progress towards our ESG-focused goals, including building a diverse, equitable and inclusive workplace.

Biocon's commitment to health equity underscores our approach to environmental stewardship. As a science-driven Company, we understand that human health is inextricably linked to the health of the planet. We have been steadily increasing the use of solar and wind energy across our operations. These efforts have raised the share of 'green power' in the Group's energy consumption in India to 71%. We reduced our carbon footprint by 121,025 tCO<sub>2</sub>e during FY23.

We invested over ₹260 million in FY23 on several corporate philanthropy initiatives implemented by Biocon Foundation and Biocon Academy in the areas of social upliftment, job-oriented advanced education, public infrastructure and lake rejuvenation. We benefited 510,000 lives across six states through our CSR efforts.

Progress on our ESG efforts continues to receive global recognition, reflected by our scores from leading global sustainability indexes in FY23. Based on S&P Global's Corporate Sustainability Assessment, Biocon improved its ESG score to 52 in 2022 from 45 the previous year. This performance led Biocon to feature on the Dow Jones Sustainability Emerging Markets Index for the second consecutive year. We were the only biotech player to be included in S&P Global's prestigious annual Sustainability Yearbook for 2023 under the 'Industry Mover' category. We were also awarded a Silver medal by EcoVadis for our sustainability accomplishments.



**We invested over ₹260 million in FY23 on several corporate philanthropy initiatives implemented by Biocon Foundation and Biocon Academy.**



## Board Appointments

Biocon appointed Peter Bains and Naina Lal Kidwai as Independent Directors to its Board during FY23.

## Tribute to Late John Shaw

I would like to pay tribute to my late husband, John McCallum Marshall Shaw, former Vice Chairman of Biocon Group. John passed away on October 24, 2022, in Bengaluru. In his 22 years with Biocon, he played a very important role in building the Company, ensuring the highest levels of corporate governance, as well as contributing to the financial and strategic development of the Biocon Group. He retired from the Board of Directors of Biocon on July 23, 2021, due to health reasons. His vision for Biocon will continue to guide us towards creating global leadership in all our businesses.

## Dividend

Biocon's Board recommended a final dividend of ₹1.50 per share at the rate of 30% of the face value of the share for FY23. The final dividend includes payout on account of one-time exceptional gains arising from partial monetization of Biocon Limited's holdings in Syngene International Limited.

## Creating a Sustainable & Healthier World

Biocon's strategy of being a diversified biopharmaceuticals company, with three powerful growth accelerators across Generics, Biosimilars and Research Services, has enabled us to create a unique and differentiated enterprise. We will continue to focus on creating a more sustainable and healthier world, while delivering value to all stakeholders in the year ahead.

I am deeply grateful to our people, partners, customers, communities and shareholders for helping us address the world's emerging healthcare needs with passion and compassion. I would like to thank all our esteemed stakeholders for their continued trust in us and supporting our journey of ethical value creation.

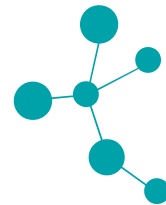
*Yours sincerely,*

Sd/-

**Kiran Mazumdar-Shaw**

Executive Chairperson,  
Biocon & Biocon Biologics

July 5, 2023



**We will continue to focus on creating a more sustainable and healthier world, while delivering value to all stakeholders in the year ahead.**







# Biocon Limited CEO's Message

**Siddharth Mittal**  
CEO & Managing Director



Dear Shareholders,

Biocon's pursuit of growth has always been driven by a strategic focus on differentiation as well as relentless execution to deliver at scale and with quality. Our single-minded efforts to address the unmet needs of patients across the world for affordable, high-quality drugs is what drives us to innovate and add complex, difficult-to-make products to our portfolio. This has earned us a strong reputation in the global pharmaceutical arena and enabled us to consistently deliver value to our stakeholders.

The value we deliver includes our deep commitment to the environment, to the community and to ethical governance. That is why I am happy to inform you that this is our first 'Integrated Report' which, in addition to our financial disclosures, includes our ESG disclosures in accordance with the reporting framework of the IIRC.

FY23 was a year of uninterrupted operations after the preceding period of turmoil we came through and allowed us a full return to business normalcy. Consequently, it was also an eventful year for Biocon across our businesses, with the biggest milestone being the closure of Viatrix' biosimilars business acquisition, amongst several other noteworthy accomplishments, which I shall elaborate on through this message.

Let me begin with the Generics business.

## Generics

Our Generics' business growth has been directed in a coherent, planned manner by identifying strategic priorities that define our goals and guide our actions. In my address to you in the FY20 Annual Report, I had outlined eight such strategic priorities, namely, Product Pipeline, Cost Competitiveness, Manufacturing Expansion, Strengthen Quality, Base Business, Talent Development, Regional Expansion and Digital Initiatives. Focusing on these enabled us to accelerate our progress over the last few years and reach where we are today.

Three years down, we believe it is time to take Biocon to the next level, for which we have recalibrated and redefined our strategic priorities. These eight priorities span the lifecycle of our business – product selection, development, mapping, CapEx execution, scale-up and validation – the goal being to bring our products to market at the right time and right cost.

Let me list them out:

- 1. Development Excellence**
- 2. Operational Excellence**
- 3. Quality Excellence**
- 4. Commercial Excellence**
- 5. Cost Leadership**
- 6. Innovation Focus**
- 7. Talent Development**
- 8. Digital Initiatives**

In line with these priorities, we will continue to focus on growing our product pipeline, where possible, through vertical integration,



**It was also an eventful year for Biocon across our businesses, with the biggest milestone being the closure of the Viatrix' biosimilars business acquisition, amongst several other noteworthy accomplishments.**





with a clear focus on innovation, while adding capacities and niche capabilities in areas such as peptides, high potent drugs and injectables. We will also continue to direct our efforts towards building strategic partnerships, de-risking our supply chain and strengthening our vendor management processes to accelerate our expansion into key global markets.

I will now touch upon some key aspects of the Generics business in FY23.

The business saw a steady growth of 13% Y-o-Y in FY23, clocking ₹26,367 million (USD 321 million). The growth was driven mainly by our immunosuppressant APIs and the growing market share of our statins portfolio as well as some of our recently launched generic formulation products in the U.S.

In FY23, we launched five generic formulation products. In the U.S - Mycophenolic Acid delayed release tablets, indicated for the prophylaxis of organ rejection, in two strengths and Aminocaproic Acid in two forms – solid and oral. In the UK, we launched Posaconazole and in the European Union, Rosuvastatin. We also had two important API launches – Sitagliptin and Vildagliptin in the EU. Last year, I had said that we would continue our focus on geographical expansion, through a direct presence as well as strategic partnerships. I would now like to share with you the progress we made on this front in FY23. During the year, we entered into

two significant alliances. The first is a semi-exclusive partnership with Zentiva in 30 countries across Europe for the commercialization of Liraglutide, a drug-device combination for the treatment of Type 2 diabetes and obesity. The second is a long-term strategic partnership with Farmanguinhos in Brazil for the supply and tech-transfer of an immunosuppressant finished dosage formulation product. These partnerships will add momentum to the execution of our expansion strategy and help us deliver much-needed medicines to more patients around the world.

Innovation focus is one of our current strategic priorities and is at the core of all we do. We continue to build new capabilities across our API segments, as well as on the formulations and analytical front. New R&D labs which were commissioned last year are now being operationalized, while our focus on Biotransformation and continuous flow chemistry is seeing good progress and has the potential to be a game-changer in the long term.

I am happy to report that we continue to successfully secure approvals for our products from regulatory authorities in different markets. During the year, we received approvals for Prazosin capsules, Teriflunomide and Atorvastatin tablets in the US, Lenalidomide capsules, Posaconazole delayed release tablets and Everolimus tablets in Europe and are well-prepared to take them to market. We also



**Innovation focus is one of our current strategic priorities and is at the core of all we do. We continue to build new capabilities across our API segments, as well as on the formulations and analytical front.**



secured approvals for Posaconazole, Lenalidomide and Fingolimod capsules in the UK, Fingolimod and Mycophenolic acid delayed release tablets in the UAE, Rosuvastatin tablets and Mycophenolic acid in Singapore, Tacrolimus capsules in Mexico, Everolimus in Saudi Arabia and Dasatinib tablets in Chile. Overall, we made 32 filings, 18 Drug Master Files (DMF) submissions and received 19 approvals in FY23 for our generic formulations in the US, EU, UK and MoW markets.

Capacity enhancement has been a key focus area for the last few years and efforts gathered significant steam during FY23. Process validation is currently underway at our fermentation-based immunosuppressant API facility in Visakhapatnam and is scheduled to be completed in the current fiscal year. As our first fully aligned Industry 4.0 manufacturing unit, it will not only strengthen compliance and add to our production capacity, but also enhance our ability to respond faster and more cost efficiently to changing customer needs.

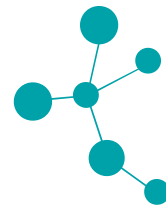
Our peptide manufacturing plant in Bengaluru, likewise, is undergoing process validation. The plant will be a major driver of our strategy to pursue the peptide market, which is expected to grow to USD 100 billion over the next decade. Our proven expertise in developing complex molecules positions us well to claim a significant piece of the pie in this market.

We also commenced work

on growing our synthetic and non-immunosuppressant fermentation capacities, as well as a new injectables facility this year.

Digitization is one of our strategic priorities and a key driver of all-round excellence. During the year, we expanded and introduced several technological advancements including Manufacturing Execution System (MES) at our Visakhapatnam facility, paperless preventive maintenance plant module, R&D workbench, Quality Management System (QMS), chargeback process automation and a documentation management system at four of our sites. Our Laboratory Information Management System now has dashboards that enable process mining. We also launched a custom-built API Customer Portal, which takes customer interactions to the next level in terms of access to information, speed of response and monitoring of orders.

Our Supply Chain is critical to achieving operational and commercial excellence and on this front, we have three priorities. The first is de-risking supply to ensure business continuity. We are actively reducing dependence on single vendors or single geographies by sourcing alternative vendors from multiple countries and regions. The second is building more sophisticated capabilities in keeping with the constantly evolving nature of our product portfolio and our rapid geographical expansion. For example, we are backing our



**Our proven expertise in developing complex molecules positions us well to claim a significant piece of the pie in the peptide market.**



relentless move into the sphere of complex, tough-to-make drug products with investments in end-to-end cold chain capabilities. We are also opening new distribution hubs in Europe to facilitate faster and smoother supply of our products in the new markets we are entering there. The third is augmenting our manufacturing capabilities by partnering with select CMOs to meet the growing demand in all markets.

Quality excellence is another of our strategic priorities and we continue to focus on 'any-time-inspection-readiness' across our operations.

In 2022, the Medicines and Healthcare products Regulatory Agency (MHRA), UK, issued a certificate of GMP compliance for our oral solid dosage formulations' manufacturing facility at Biocon Park in Bengaluru. In July 2022, the U.S. FDA concluded a pre-approval inspection for our site at Hyderabad, Telangana. Three observations were cited, to which we responded with a comprehensive Corrective and Preventive Actions (CAPA). I am happy to report that at the time of writing this message, the U.S. FDA conducted a reinspection of the facility with zero observations. In December 2022, the European Directorate for the Quality of Medicines & HealthCare (EDQM) issued a GMP Certificate of Compliance for our API manufacturing facility in Bengaluru and in February 2023, the site went through an EU GMP inspection, for

which we received a certificate of compliance in June 2023.

Our quality improvement efforts are continuous and sustained. We leverage advanced technologies, including data analytics, to pre-empt problems and conduct regular training programs to inculcate a deep culture of excellence at Biocon.

Cognizant of the fact that all our efforts must ultimately result in our products reaching the market at the right time and pricing, a large part of our focus is on cost leadership. Continuous cost improvement efforts and green belt initiatives are ongoing on several fronts to ensure this – projects to improve yield in our key products, a progressive shift from conventional to renewable energy, improvement in our solvent recovery process, a reduction in usage of cleaning solvents, identifying utilization opportunities for idle capacities, to name a few. We are confident that the rigorous focus we have put on reducing costs and eliminating operational redundancies will hold us in good stead in an increasingly competitive marketplace.

Last, but by no means the least, let me touch upon our employees, who are our most important asset and what we have done to support them, increase their diversity and attract the best talent to Biocon. This year, we developed on programs that had been set in motion in FY22, especially the use of Artificial Intelligence (AI) tools to streamline



**Cognizant of the fact that all our efforts must ultimately result in our products reaching the market at the right time and pricing, a large part of our focus is on cost leadership.**



talent acquisition, including a fully-automated background verification process and our focus on growing internal talent rather than hiring externally.

We pride ourselves on being an equal opportunity employer and aim to have one of the strongest Diversity, Equity and Inclusion (DEI) practices in the industry. In FY23, over 280 women joined Biocon across levels, which took our diversity to around 15%. I am especially happy to let you know that this included a cohort of 16 fresher graduates who joined our fermentation facility in Bengaluru, a first in Indian pharma. FY23 also saw ex-armed forces women join us in senior roles in support functions within the organization.

Fostering a culture of continuous improvement, we have many sustained initiatives to enable our people to upgrade their skills and knowledge. This includes our scheduled Learning & Development programs, both via digital learning platforms and physical classrooms, as well as collaborations with renowned partners such as Development Dimension International (DDI), who customized and delivered senior and mid-level manager programs.

I will now move to our other businesses.

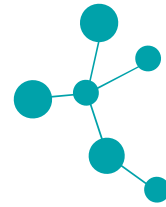
### Biosimilars

FY23 was a marquee performance

year for the Biosimilars business, clocking growth of 61% and 68% in revenues and core EBITDA, respectively, to close with a top line of ₹55,838 million (USD 681 million). The strong financial performance in the fourth quarter sets up the business for a USD 1 billion run-rate in the current fiscal.

The most momentous event of FY23 was undoubtedly the completion of the global acquisition of our partnered Biosimilars business from Viatris. This landmark deal marks an inflection point in our transformational journey and positions Biocon Biologics as a unique, fully integrated, leading global biosimilars enterprise. The integration of the Viatris Biosimilars business is progressing with a country-wise implementation that is underway. Viatris continues to provide commercial and other transition services to Biocon Biologics as part of a Transition Services Agreement. Effective from the date of closing of the deal on November 29, 2022, Biocon Biologics now recognizes the full value of revenue and associated profits of the acquired business, a step-up from the earlier arrangement.

Our biosimilars portfolio continues to gain market share in the U.S. and several other Advanced Markets, while we continue to be on an upward curve in the Emerging Markets with product launches in several new markets. Our key products continued to



**Our biosimilars portfolio continues to gain market share in the U.S. and several other Advanced Markets, while we continue to be on an upward curve in the Emerging Markets with product launches in several new markets.**



gain market share in FY23, led by interchangeable bGlargine in the U.S. and bAdalimumab and bTrastuzumab in Europe. Our insulins continue to hold double-digit market share in several countries such as Malaysia, Mexico and Morocco.

Significant progress was made in Research and Development as well. Clinical development of two assets, bUstekinumab and bDenosumab, advanced further. bPertuzumab, has entered Phase 1 trials, while bAflibercept, an in-licensed molecule, is under review with the U.S. FDA. These will be key additional drivers for our medium-to-long term growth, on top of our current portfolio. We continued to progress on the development of other pre-clinical assets. Biocon Biologics continues to have access to 100 million doses of vaccines annually, along with distribution rights from Serum Institute Life Sciences. This gives us the unique positional advantage of straddling both infectious and non-communicable diseases in our quest to deliver affordable and high-quality medicines globally.

Given its strong business fundamentals and future growth catalysts, the Biosimilars business will continue to be a key growth driver for the Group.

### Novel Biologics

Clinical studies on Itolizumab progressed well during the year with our partner Equillium Inc.

In May 2022, a Phase 3 clinical study was initiated in patients with aGVHD to assess the efficacy and safety of the drug versus placebo as a first-line therapy in combination with corticosteroids. A Phase 2 clinical study was also initiated in December 2022 to evaluate the safety and efficacy of Itolizumab for the induction of remission in biologics naïve patients with moderate to severely active ulcerative colitis. After observing positive trends in Part A of its Phase 1b EQUALISE study for systemic lupus erythematosus (SLE) and lupus nephritis (LN) indication, Equillium has expanded the Part B portion to clinical centers in India.

Equillium has also recently entered into an Option and Purchase Agreement with Ono Pharmaceutical Co., Ltd, Japan, by which they can grant exclusive rights to acquire the rights to Itolizumab. We regard this as a very important event as Ono is a well-reputed company that has brought several important molecules to the market through partners.

Bicara Therapeutics has completed dose escalation studies evaluating BCA101 as a single-agent and in combination with pembrolizumab in front-line systemic patients with unresectable, recurrent or metastatic head and neck squamous cell carcinoma (HNSCC), with very encouraging response rates. The dose expansion arm of the clinical study has now been initiated. Based on this encouraging data, Bicara



**Given its strong business fundamentals and future growth catalysts, the Biosimilars business will continue to be a key growth driver for the Group.**





concluded a Series B fund raise of USD 108 million that will help advance this asset. Consequently, at the close of the fiscal, Biocon's stake in Bicara stood at 38%, which, in the current year, is expected to reduce further once the full amount of this fund raise is realized.

## Research Services

Our contract research, development and manufacturing organization, Syngene, delivered a very positive FY23 performance, clocking a revenue growth of 23% to ₹31,929 million (USD 389 million), surpassing its upgraded mid-year guidance.

While all businesses showed growth, manufacturing services, in particular, had a strong year on the back of the commercial-scale biologics manufacturing business supporting the partnership with Zoetis, a leading animal health Company, with whom a ten-year biologics manufacturing agreement was signed in FY23.

The Discovery Services division also delivered healthy growth. During the year, the Hyderabad research facility continued to expand and now houses over 900 scientists. The year also saw the Company celebrate a partnership of 25 years with BMS, which has evolved over the years to become BMS' largest R&D facility outside of the U.S. and has several hundreds of scientists working on cardiovascular, fibrosis, immunology and oncology therapy areas.

With the Company continuing to focus on high service levels and investing in augmenting capability

and capacity, such as the new state-of-the-art fill-finish facility that was operationalized, the kilo lab for polymers and specialty materials that was commissioned and the dedicated PROTACs facility that was opened, they are well positioned for continued growth in the years to come.

## Sustainability

Sustainability underscores our business strategies and operations. We have a comprehensive and clearly articulated ESG strategy that is implemented organization wide. For instance, we continuously strive to replace non-renewable energy sources with greener fuels and at the end of FY23, our Bengaluru facilities met over 80% of their energy needs from green sources like wind and solar power. Our efforts in the ESG space have received recognition at leading international platforms and our ratings in various global indices showed significant improvement during the year. Our ESG score as per S&P Global's CSA rose to 52 from 45 in 2021. We were inducted into S&P Global's Sustainability Yearbook in the 'Industry Mover' category and made it to the Dow Jones Sustainability Emerging Markets Index for the second consecutive year. We were also awarded a Silver Medal by EcoVadis for our sustainability initiatives. We take pride in being a signatory of the UNGC and are strongly dedicated to upholding its ten principles for responsible business practices. We continue to stay committed to setting and attaining ESG goals

in line with global standards as well as stakeholder expectations.

## Conclusion

Looking ahead, I can say with confidence that all our business verticals are poised to record sustained growth, as opportunities abound in the global marketplace. Several key drugs will be going off patent in the coming months. Your company is well placed to move in with launches of our biosimilar, API and generic formulation products for a number of them, thanks to our concerted focus on tough-to-make products, supported by ongoing capacity enhancement, geographic expansion, strategic partnerships and cost leadership. I would like to express my appreciation of the Biocon team, whose commitment to excellence and agility enabled us to leverage every competitive advantage to ensure that our medicines reached the maximum number of patients.

As always, I conclude this message by placing on record my gratitude and appreciation to our shareholders for continuing to repose your trust in Biocon as we prepare the Company for the next phase of its growth.

*Yours sincerely,*

Sd/-

**Siddharth Mittal**

CEO & Managing Director

Biocon Limited

July 5, 2023



# Biocon Biologics CEO's Message

**Shreehas Tambe**  
CEO & Managing Director

Dear Shareholders,

The fiscal year FY23 saw the COVID-19 pandemic subside, however healthcare systems and supply chain networks across the world continued to be strained. The sharp rise in non-communicable diseases (NCDs) and the associated increase in healthcare costs remains a key challenge. Biosimilars can help address this health challenge by improving patient outcomes through affordable access to lifesaving biologic treatments and drive significant savings.

Against this backdrop, we have a responsibility and an excellent opportunity to make a meaningful difference to healthcare and patient lives. The acquisition of Viatrix' global biosimilars business transforms Biocon Biologics into a unique, fully integrated, leading global biosimilars enterprise and is an important step towards realizing this ambition.

As we embark on this exciting transformational journey to 'build the organization of the future', our focus remains on three top priorities - Strengthening the Core, Accelerating Growth and Investing in the Future.

### **Evolving Market Landscape**

With over 55 'blockbuster' biologics expected to lose exclusivity by 2032 translating to USD 270+ billion in cumulative peak sales, the opportunity for biosimilars is very large. We are seeing a growing

acceptance of biosimilars by all key stakeholders translating to a significant increase in adoption globally with even late adopters like the U.S. now recording more than 80% uptake in some therapy areas.

Regulatory guidelines are evolving to favor biosimilars and reduce both the time and cost of development. E.g., the U.S. FDA has waived the need for a Phase 3 trial for approving interchangeable insulins and recently deemed a biosimilar ophthalmology product interchangeable without an additional clinical study. Cost competitiveness is becoming increasingly important to succeed in several tender markets including the EU as in Emerging Markets.

As a unique, fully integrated player with a proven track record of success and a comprehensive portfolio, Biocon Biologics is well positioned to capitalize on this opportunity.

### **Strengthening the Core**

In FY23, Biocon Biologics delivered stellar growth with revenues increasing over 60% year-on-year to Rs. 55,838 million (USD 681 million). This is a significant step-up on account of the consolidation of Viatrix' revenues post the acquisition, 35 new launches and strong growth in the underlying core business which allowed us to serve 5.7 million patients around the globe.

All our commercial products in the U.S., bPegfilgrastim, bTrastuzumab and bGlargine, crossed the 10%



**As we embark on this exciting transformational journey to 'build the organization of the future', our focus remains on three top priorities - Strengthening the Core, Accelerating Growth and Investing in the Future.**



**As a unique, fully integrated player with a proven track record of success and a comprehensive portfolio, Biocon Biologics is well positioned to capitalize on this opportunity.**





market share threshold with our interchangeable bGlargine being a key growth driver on the back of strong national formulary positions. In Europe, we continue to see a strong uptake with our bAdalimumab and bTrastuzumab capturing double digit shares in several key markets. On the Emerging Markets front, we had several key tenders wins and expanded our reach through new product launches. Our existing business continues to demonstrate strong growth.

In keeping with our commitment to profitable and sustainable growth, revenue performance has translated to an improvement in quality of earnings. Core EBITDA, which is EBITDA adjusted for licensing, forex, mark-to-market movement on investments and R&D expenses, has grown almost 70% vs. FY22 to Rs. 22,160 million (USD 270 million). Our Core EBITDA Margins were above our guidance of mid-30s, a testament to the strong operational performance of the business and healthy profitability post the acquisition.

### Accelerating Growth

Our recent acquisition of Viatris' global biosimilars business is an inflection point not only in our journey as a Company but also in the Indian pharma industry as it is the largest outbound deal in the sector. The acquisition brings complementary capabilities including a direct presence and related infrastructure in several key markets including the U.S. and

Europe. In doing so, it accelerates growth and brings us closer to patients and customers.

Since the closure of the transaction in November 2022, we have focused on ensuring business continuity while preparing for a seamless integration of people, systems and processes. We have also designed a bespoke commercial strategy by country based on the market archetype and 'what it takes to win' to realize the full market potential.

We have put in place a robust integration plan as we look to transition the business in a phased manner by geography. The first wave of over 70 Emerging Market countries have successfully transitioned to us on July 1, 2023. To ensure we are ready to take over the business, we have built a strong, global and diverse leadership team with significant in-market expertise.

### Investing in the Future

As an innovation-led Company, we continue to invest in our product pipeline with R&D spends of Rs. 8,890 million (USD 108 million) in FY23, almost three times higher than last year. Given our expanding revenue base, we are well positioned to continue these investments and build an industry leading portfolio to drive future growth.

FY23 saw our pipeline progress with bUstekinumab and bDenosumab advancing in the clinic and bPertuzumab entering Phase 1 trials. Our bAflibercept asset is the



**Our recent acquisition of Viatris' global biosimilars business is an inflection point not only in our journey as a Company but also in the Indian pharma industry as it is the largest outbound deal in the sector.**



**We have put in place a robust integration plan as we look to transition the business in a phased manner by geography.**





'first-to-file' biosimilar and under U.S. FDA review. Collectively, these products unlock a USD 30 billion global market opportunity in the medium term.

We have also seen our investments to expand mAbs manufacturing capacity fructify with our new Drug Substance facility in Bengaluru receiving GMP Certification from EMA and ANVISA, Brazil and approval in 20 Emerging Markets. This unlocks additional capacity to meet the needs of our patients. On the insulins front, EMA renewed the GMP Certification of our Malaysia facility including the additional installed capacity. Our capacity expansion plans for Drug Substance and Drug Product filling to meet with increased demand for our products globally are progressing as planned.

As the scale, reach and complexity of our business increases, we are reimagining operations to improve performance, reliability and sustainability. To bolster our investments in in-house capacity, we are also setting up an agile, distributed global supply network by leveraging external manufacturing sites. This allows us to expand capacity in a short time with an 'asset light' model, de-risk dependencies on single sites and bring our products closer to patients and customers. We have also designed a comprehensive transformation roadmap to ensure we are 'future ready' and set up for success. Key elements of this plan are an investment in technology

and the adoption of digital tools to increase efficiency, enable more agile decision-making and ensure we stay 'ahead of the curve.'

## ESG – Integral to the Business

As a socially responsible organization, we have always been driven by a humanitarian cause, a vision of affordable healthcare and a commitment to expand access to all sections of society.



**At Biocon Biologics, we have taken a broader view to go beyond financial metrics and serve patients, customers, shareholders and the communities in which we operate through our philosophy of Unconditional Equity.**

This is based on five key pillars: Patient Equity, People Equity, Environment Equity, Stakeholder Equity and Social Equity.

We have set up an ESG and CSR Board Committee and an ESG Steering Committee with key members of our leadership team to help drive this strategy and oversee the execution of these initiatives. Programs include increasing access to our products in low- and middle-income Countries (LMICs), reducing carbon emissions, recycling water, adopting best-in-class governance practices and increasing diversity in

the workplace.

This Integrated Report, designed in line with global guidelines, is an important step towards realizing our ESG goals. In FY23 we also pledged to support the Ten Principles of the United Nations Global Compact, the world's largest corporate sustainability initiative.

## The Way Ahead

Through the acquisition of Viatrix' global biosimilars business and strong growth in all business segments, we ended FY23 on a strong footing with a USD 1 billion revenue trajectory. The consolidation of the acquired Viatrix business, key near-term launches in the U.S., our expanding breadth and depth across regions and advancing product pipeline will build on this strong foundation and serve as key growth drivers in FY24 and beyond.

These are exciting times, full of possibilities and a tremendous opportunity for growth as we 'build the organization of the future'.

**We remain committed to unlocking value for all our stakeholders – patients, customers, employees and shareholders.**



*Yours sincerely,*

*Sd/-*

**Shreehas Tambe**

CEO & Managing Director  
Biocon Biologics Limited  
July 5, 2023



# Syngene CEO's Message

**Jonathan Hunt**  
CEO & Managing Director



Dear Shareholders,

We are pleased to report another successful year at Syngene, driven by the strong partnerships we have built with our clients. A significant percentage of our turnover comes from repeat business with long-standing clients, supplemented by increasing numbers of small and medium-sized research-based companies seeking outsourced research, development and manufacturing capabilities. Our broad portfolio of services allows us to provide a full range of facilities and experience to support their projects, driving dynamic growth for our business.

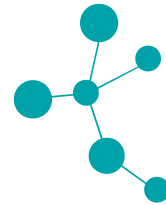
This year, we saw a keen interest from our existing clients to make up for lost time during the pandemic. These loyal partnerships were complemented by new clients who sought our expertise in research, development and manufacturing.

We remain committed to building exceptional partnerships and leveraging our expertise to find solutions that improve lives and drive dynamic growth for the Company.

### Exceptional Partnerships

Our partnerships were a highlight of the year, with significant milestones achieved. We signed a 10-year partnership with Zoetis for commercial manufacturing of a mAb for animal health and celebrated the 25<sup>th</sup> anniversary of our partnership with BMS for innovative discovery research in human health. These partnerships share a deep belief in the application of science to improve patient care and trust in our teams to deliver world-class science and service.

Many clients come to Syngene to leverage our scale and capabilities and we continue to invest to ensure that we have the capacity required: further laboratory space was added during the year at the campus in Hyderabad, which now accommodates 900 scientists. Other clients seek cutting-edge technology and we have invested here too: adding a dedicated PROTAC facility, accommodating 150 researchers. In Bengaluru, a state-of-the-art sterile fill-finish facility was commissioned to add to the end-to-end capability that we offer in Development Services. A kilo laboratory for polymers and specialty materials was also commissioned during the year.



**In Bengaluru, a state-of-the-art sterile fill-finish facility was commissioned to add to the end-to-end capability that we offer in Development Services.**



## Operational Delivery

Maintaining high standards in our operations is a daily focus, given the highly regulated nature of our industry. We continuously train in, check and verify safety, quality, compliance, data handling and cybersecurity to ensure our operations meet the highest standards. In FY23, we hosted 80 audits, including successful regulatory inspections of our biologics manufacturing facilities by three world-leading regulators: the U.S. FDA, the EMA and UK MHRA.

## Responsible Growth

We are committed to improving our non-financial reporting and monitoring our impact on society from an environment, social and governance perspective. In January 2023 we were very pleased to become a member of the United Nations Global Compact and pledge our support to embrace its 10 principles in our strategies, policies and procedures to build our business responsibly for the benefit of future generations. By adhering to these principles, we commit to minimizing our negative impact on the environment, respecting human rights, promoting fair labor practices and conducting business with integrity. During the year, we reduced our environmental footprint, delivering a 3.8% energy saving, while increasing the percentage of energy drawn from renewable sources, including the installation of solar energy production in our Mangaluru plant. We also reduced freshwater withdrawal by 40%.

We continued to increase the number of young scientists recruited into the Company and reviewed our human resources processes to ensure fairness, transparency and gender-neutrality. Our efforts to build a balanced workforce are paying off, with 25% of our management population comprising female employees up from 14% in our baseline year of FY21.

Through our CSR programs, we funded the expansion of the mobile science laboratory concept by adding a 'lab on a bike,' exposing young people to the world of science. In Hyderabad, we funded 25 science-based scholarships for women from underserved communities, mentored by scientists based at our Hyderabad campus, providing firsthand experience of careers in science.

I would like to take this opportunity to thank our shareholders and other stakeholders for their support throughout the year. We are committed to continuing the pursuit of scientific advances in partnership with our clients for the benefit of people, patients and animals all around the world.

*Yours sincerely,*

Sd/-

**Jonathan Hunt**

CEO & Managing Director  
Syngene International Limited  
July 5, 2023



**In Hyderabad, we funded 25 science-based scholarships for women from underserved communities, mentored by scientists based at our Hyderabad campus, providing firsthand experience of careers in science.**





# Value Creation Model

This year, the Biocon Group has adopted the Integrated Reporting <IR> Framework to provide a more comprehensive view of its overall performance and the value it creates for stakeholders.

The framework is based on six capitals essential to holistically understanding a Company's performance.

- **Financial Capital:** Financial resources, including revenue, partnerships and investments, as well as financial risks and obligations.
- **Manufacturing Capital:** Physical assets as part of operations, such as manufacturing sites, laboratories and distribution networks.
- **Intellectual Capital:** Information and expertise developed by a company, including intellectual property like patents and trademarks.
- **Human Capital:** Employees' skills, expertise and experience critical to a company's development.
- **Natural Capital:** Natural resources used in a company's operations and the environmental impact, including raw materials, energy usage, emissions, waste and water consumption.
- **Social and Relationship Capital:** Relationships with stakeholders, such as customers, suppliers, NGOs and regulatory bodies, are important for creating value beyond business boundaries.

We have aligned our value creation strategy with the Group's overarching Vision, Mission and Values. Through this collective effort, we can now represent our core capabilities and priorities that drive value creation.

## Our Core Capabilities

- **Drug Discovery:** Largely through Syngene, the Group continues to drive integrated Drug Discovery solutions and invest in different capabilities, technologies and platforms, including AI-enabled drug discovery. There are 15 active integrated drug discovery programs, with more in the pipeline as well as multiple platforms, including SynVent, that are focused on integrated drug discovery programs.
- **Drug Development:** The Group focuses on cutting-edge clinical developments in generics, biosimilars and novel drugs. Progress has been made in biosimilars such as bUstekinumab, bDenosumab and bPertuzumab and early-stage development of other biosimilar assets. Novel Biologics advance through programs like Itolizumab and those run by associate Company Bicara.
- **Manufacturing:** Our advanced manufacturing sites are being upgraded with automation, artificial intelligence and Industry 4.0 technologies to enhance competitiveness. We are a global leader in insulin production and have one of the largest antibody manufacturing capacities in South Asia. Our robust manufacturing capabilities, compliant with Good Manufacturing Practice (GMP), position us for future growth.
- **Distribution and Commercialization:** We prioritize delivering world-class biopharmaceuticals affordably and efficiently to patients, focusing on strengthening our distribution networks. Strategic partnerships and acquisitions

expand our capabilities and reach in new markets and bolster our commercialization efforts. The acquisition of Viatrix' global biosimilars business has strengthened our presence in Advanced and Emerging markets for the Biosimilars business, while partnerships with Tabuk Pharmaceuticals, Zentiva and Farmanguinhos have expanded the Generics Business' reach and capabilities.

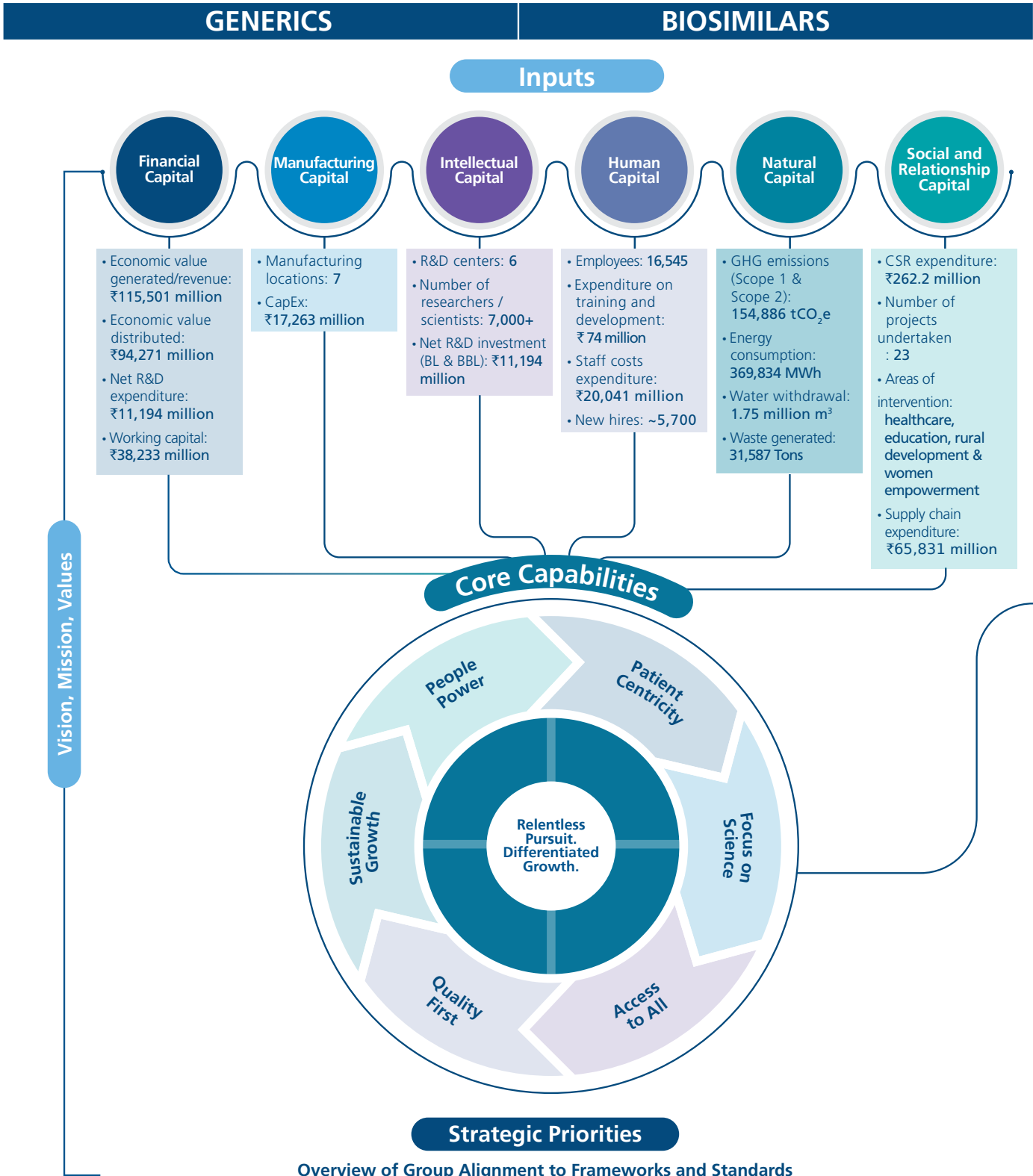
Our expertise in Generics, Biosimilars, Research Services and Novels allows us to deliver quality services and products to patients

aligned with our core values and business priorities

- **Patient Centricity:**  
We discover, develop, and deliver affordable, innovative medicines that help our patients prevail over serious diseases.
- **Focus on Science:**  
Research & Development forms the bedrock of Biocon's mission to deliver affordable therapeutics that address unmet patient needs.
- **Access for All:**  
We are moderating costs and widening patient access through high-quality specialty products for chronic ailments such as diabetes, cancer and autoimmune diseases.
- **Quality First:**  
We are committed to maintaining the highest quality standards. Our regulatory and quality systems are robust, best-in-class and of global standards.
- **Sustainable Growth:**  
We believe that real, sustainable growth is possible when industry interests are balanced with societal ones.
- **People Power:**  
Our people are our biggest asset. They fuel innovation in our pipeline and uphold our commitment to exploring the unexplored in medicine.



# One Company, Four Unique Offerings



# Across The Pharmaceutical Value Chain

## RESEARCH SERVICES

## NOVELS

### Outputs

- Increase in economic value generated/revenue: **+38%**
- Economic value retained: **\*₹12,640 million**
- Net profit after tax: **₹4,627 million**
- EBITDA: **₹28,876 million**

\*Excludes Syngene

- Commercial reach (BL and BBL): **120+ countries**
- Our clients (Syngene): **Large & mid-sized bio-pharma companies, animal health companies, agrochemical and chemical/polymer**
- Product portfolio (BL & BBL):

Generics:

- **50+ APIs**
- **75+ generic formulations**

Biosimilars:

- **8 commercialized biosimilars**

Novel Biologics:

- **3 molecules**

- Patents granted (BL & BBL): **56**
- Products launched: **BL: 13, BBL: 35+ launches of 8 commercialized biosimilars**
- Net R&D investment: **14%\***

\*As % of revenue (ex-Syngene)

- Female employees across management position: **23%**
- Training hours: **370,000+ hours**
- Average training hours per employee: **23 hours**

- Emission reduction: **34,245 tCO<sub>2</sub>e**
- Percentage of green power: **71%<sup>^</sup>**
- Water savings: **0.12 million m<sup>3</sup>**
- Reduction in waste generation: **16%**

<sup>^</sup>Biocon Group India Operations

- Beneficiaries of CSR projects: **510,000+**
- Supplier count: **5,500+**
- Students graduating from Biocon Academy: **120+**

### Outcomes



Improve access to high quality biotherapeutics to drive **Patient Equity**



Operate with integrity, transparency and accountability ensuring **Stakeholder Equity**



Build an empowering and inclusive workplace creating **People Equity**



Adapting sustainable business practices to promote **Environment Equity**



Enable underserved communities **Social Equity**

### Impact on UNSDGs







# Environment, Social & Governance

# ESG Strategy

**Biocon has implemented a robust ESG governance framework and strategy aimed at delivering long-term sustainable value. We are committed to collaborating with our stakeholders to positively impact society.**

**By integrating ESG into our strategy, operating model and culture, we are building a resilient, future-fit institution.**

At Biocon, we believe that the true value an organization creates goes beyond business as usual and extends to its wider impact on society and stakeholders across the value chain. Built on a foundation of robust governance practices, transparency and accountability, our approach to ESG is aligned with our purpose, vision and mission - which is to use our unique capabilities to address health inequity and drive environmental sustainability and social development.

ESG is increasingly becoming an integral part of a redefined business purpose. We have implemented a robust framework of globally benchmarked policies, processes, and practices to integrate purpose-inspired and responsible business principles in everything we do.

Our ESG strategy and roadmap are designed to guide our actions toward delivering sustainable and equitable outcomes across our stakeholder ecosystem. Our teams, across the Biocon Group, have identified actions, set targets, developed and executed plans to improve our ESG performance.

**Biocon Emerges as Industry Mover:** Named Among the World's Most Sustainable Companies in S&P Global 2023 Sustainability Yearbook.

In recognition of our commitment and excellence in sustainability practices, Biocon was included amongst the world's most sustainable companies in S&P Global's 2023 Sustainability Yearbook. We are proud to have been the only company from the Biotechnology industry to be named 'Industry Mover' this year. This recognition is granted to companies in the top 15% of each industry that participated in the Corporate Sustainability Assessment in both the previous and current year, achieved an improvement in their S&P Global ESG Score of at least 5% and achieved the strongest improvement in their industry.

## Our Approach to Materiality

We cultivate synchronistic relationships with our internal and external stakeholders and recognize that maintaining open lines of communication for feedback and collaboration are important.

A materiality assessment was conducted by Biocon Limited, Biocon Biologics and Syngene in

2021. The assessment was aimed at capturing internal and external stakeholder feedback to better understand and prioritize ESG issues that are material to our businesses. The process helps guide strategy, resource allocation and monitoring & reporting.

Biocon Limited and Biocon Biologics' combined materiality assessment covered more than 110 internal and external stakeholders. Through surveys, we engaged with multiple key stakeholders such as customers, patients, media, NGOs, regulatory bodies and healthcare professionals, to name a few.

Syngene conducted a separate materiality assessment in order to focus on the stakeholders that were relevant to its business. Consistent with GRI guidance, Syngene collected and evaluated stakeholder priorities and established a clear set of topics to form the basis for future planning.

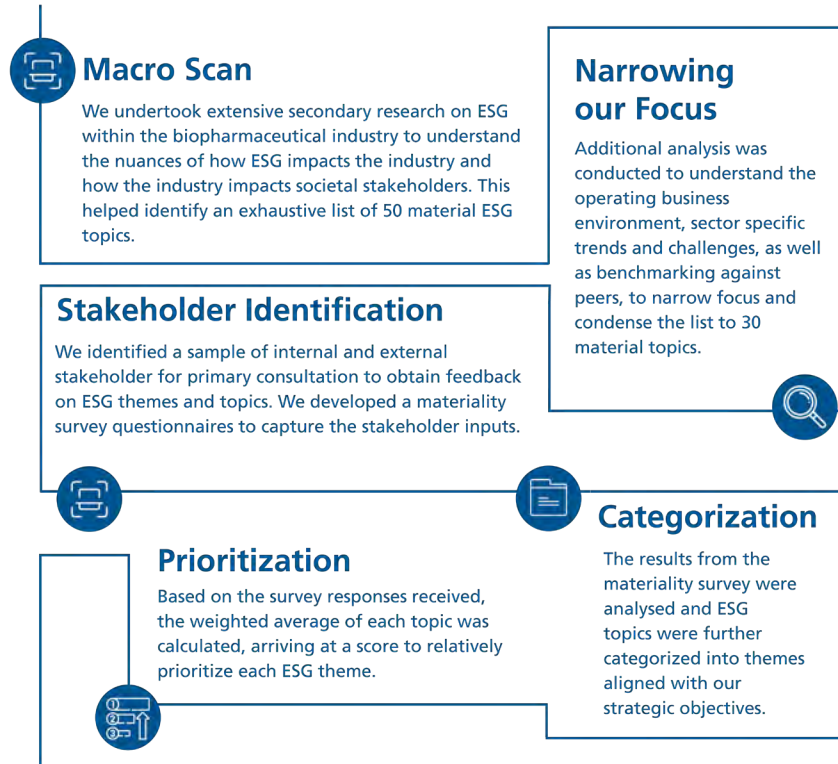
The insights gained from the assessment provided strategic inputs in developing ESG strategies and action plans for Biocon Limited, Biocon Biologics and Syngene. We are dedicated to maintaining our focus on material issues as an integral part of our sustainable business approach. We intend to conduct the assessment every

three years as the ESG landscape is dynamic and ever evolving. The materiality assessments

were conducted in alignment with guidance from the GRI, the Sustainability Accounting Standards

Board (SASB) and the AA1000 Stakeholder Engagement Standard (AA1000SES).

## Our Materiality Assessment Process



## Our ESG Priorities

Two independent materiality assessments were conducted - one by Biocon Limited & Biocon Biologics Limited jointly and one by Syngene, through which we have mapped commonalities and differences across identified material ESG topics.

The material issues presented in the infographic are our top 18 rated priorities. These have been detailed in this report, along with disclosures on management approach and

performance. These material topics have been integrated into the Enterprise Risk Management (ERM) framework of each business, enabling us to appropriately identify existing and emerging opportunities/risks and manage and mitigate risks effectively. We have included appropriate ESG risk categories in the risk register of each business.

Our material issues, priority areas and metrics are reviewed

by the Board of Directors and Corporate Social Responsibility and Environmental, Social & Governance (CSR and ESG) Committee.

In light of BBL's acquisition of Viatris' global biosimilars business, we expect to see a change in the identified material issues in future assessments. Integrating the results into our business strategy and risk management practices would enable us to realize the full value of the transformational acquisition.



## ESG Governance Framework

Our ESG strategy is deeply intertwined with our business, and we are aware of the need to design a governance framework supported by systems and processes to deliver on our commitments. Each Group entity has a Board Committee that is responsible for oversight of our ESG strategy and performance.

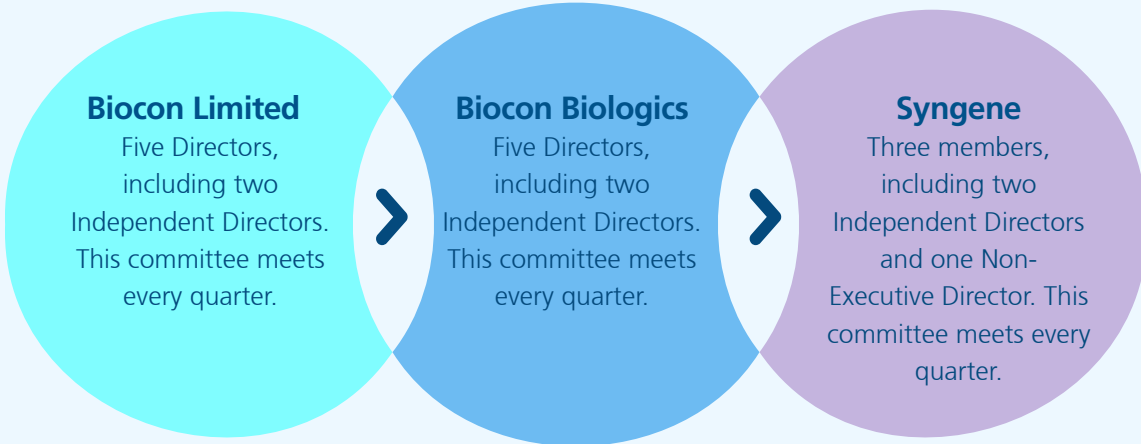
Biocon Limited and Biocon Biologics have an independent CSR and ESG Committee, which have apex responsibility. Likewise, at Syngene International, the 'Stakeholder Relationships and ESG Committee' has primary accountability. While the ESG governance across Biocon Limited, Biocon Biologics and

Syngene are independent of each other, the structures are similar. At Biocon Limited and Biocon Biologics, we have also adopted a top-down approach for ESG integration with key direction and overview from our Board of Directors through respective Board Committees with ESG mandates. The Board-level ESG committees will provide direction and monitor ESG strategy, plans and performance. It will also guide the management represented by the core C-Suite comprising the Managing Director & Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operating Officer, Chief Human Resources Officer, etc. in

implementing initiatives to embed integrated thinking into the Group's culture. A working group, including domain and industry specialists across each business and functional unit, is responsible for strategy, coordination, implementation and daily monitoring of ESG performance. At Syngene, the Executive ESG Council drives the ESG agenda and the Board Committee provides strategic and operational oversight. Further details of our ESG-related systems, processes, targets, performance and key initiatives are outlined throughout this report.



## Composition and Meeting Frequency of CSR and ESG Committees across the Group



### ESG Governance Structure

<b>Board Level Committee</b>	<ul style="list-style-type: none"> <li>• Strategy Ideation and Organizational Direction*</li> <li>• Monitoring of Organizational Level Progress</li> <li>• Review Goals and Targets</li> </ul>
<b>Executive Leadership</b>	<ul style="list-style-type: none"> <li>• Strategy Development and Roadmap</li> <li>• Support and enable implementation by Working Groups</li> <li>• Regular updates to the Board Level Committee</li> </ul>
<b>Core Working Groups</b>	<ul style="list-style-type: none"> <li>• Operational Implementation of Strategy</li> <li>• Conduct benchmarking and best practices mapping</li> <li>• Execute ESG Initiatives</li> <li>• Maintain Progress Records for Executive Leadership</li> </ul>
<b>Rest of the Workforce</b>	<ul style="list-style-type: none"> <li>• Ensure ESG initiatives, culture and processes are being upheld at an individual level</li> </ul>

Further details of our ESG-related systems, processes, targets, performance and key initiatives are outlined throughout this report.

\*Does not apply to Syngene. That role is undertaken by the Executive ESG Council.

# Governance, Ethics and Compliance

In order to realize our aspirations and steadfast dedication to advancing Biocon’s innovative and respected global reputation, we have diligently constructed systems and procedures that align with the highest standards of corporate governance, ethics and quality compliance. We maintain a firm conviction that effective governance and transparent practices will set us up for success and growth.

The Biocon Group ensures effective governance through its capable leadership teams, independent boards and efficient management structures across Biocon Limited, Biocon Biologics and Syngene.

All companies have a multi-tiered governance structure, with transparent roles and responsibilities to maintain investor confidence. We go beyond legal requirements by implementing best practices in corporate governance and

promoting diversity at all levels. Through robust Group and Company-level policies, we strive to exceed regulatory requirements and foster a culture of transparency. These efforts aim to enhance and maintain the trust placed in our brand by stakeholders.

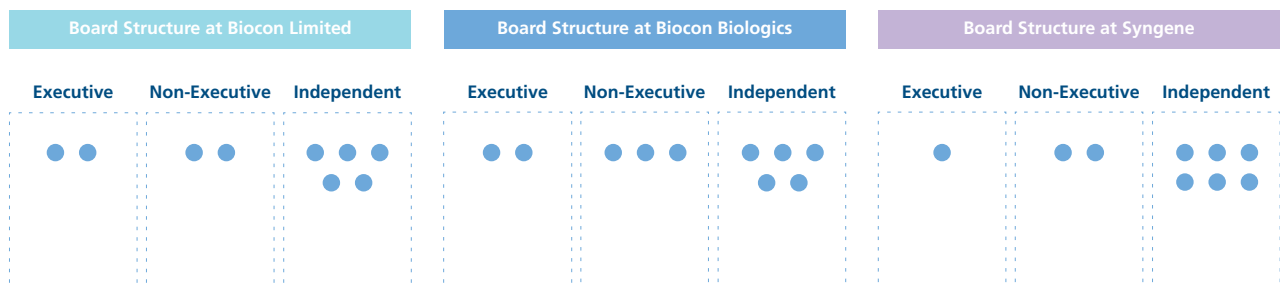
## Board Oversight

**Biocon Limited, Biocon Biologics and Syngene have autonomous Boards of Directors consisting of Executive, Non-Executive and Independent Directors. An executive management team supports each Board.**

Each Company’s diverse board guides management actions, reviews performance and helps meet stakeholder expectations. Their strategic insights as well as risk control and compliance expertise maintain high corporate governance standards and enhance shared value.

At least half of the total strength of each of the three Boards are comprised of Independent Directors, ensuring that unbiased perspectives are included in the decision-making process. This high ratio of independent directors guarantees objective evaluation of the Company’s performance.

Moreover, the Boards ensure that the respective companies adhere to the listing requirements of SEBI or the Companies Act, 2013, or both, as may be required, cementing the Company’s compliance and commitment to upholding regulatory/statutory requirements.



# Meet the Board

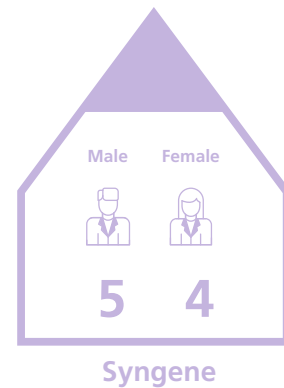
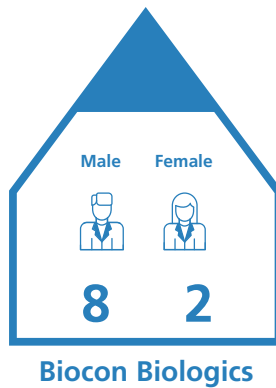
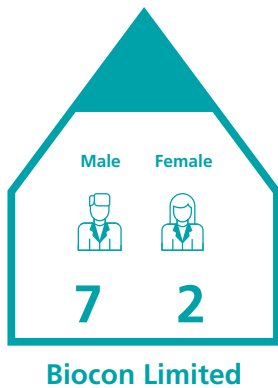
## Promoting Diversity of Thought and Expertise

Across the Group, we recognize the importance of a diverse board to enhance decision-making effectiveness and higher degree of assurance to our stakeholders. To support this, we have implemented

a combined Board Diversity policy for Biocon Limited and Biocon Biologics and a standalone Board Diversity Policy for Syngene. In compliance with Section 178 of the Companies Act, 2013, and

SEBI Regulations, the Nomination and Remuneration Committee (NRC) assesses candidates for specific competencies, enabling us to maintain a high standard of corporate governance.

### Board Diversity



### Key Expertise of the Board

Board of Directors - Biocon Limited							
	Research and Innovation	General Management	Finance & Risk Management	Corporate Governance and Compliance	Global Healthcare	Technology and Digital Perspective	Scientific Knowledge
Kiran Mazumdar Shaw	●	●	●	●	●	●	●
Siddharth Mittal	●	●	●	●	●	●	
Prof. Ravi Mazumdar	●		●			●	
Dr. Eric Mazumdar	●		●			●	
Dr. Vijay Kumar Kuchroo	●					●	●
M. Damodaran		●	●	●			
Bobby Parikh		●	●	●			
Naina Lal Kidwai	●	●	●	●	●		
Peter John Bains	●	●	●	●	●	●	●





**Sitting (From Left to Right):** Kiran Mazumdar-Shaw, Bobby Parikh & Siddharth Mittal  
**Standing (From Left to Right):** Prof. Ravi Mazumdar, Dr. Vijay Kuchroo, M Damodaran, Naina Lal Kidwai, Dr. Eric Mazumdar & Peter Bains





## Kiran Mazumdar-Shaw

*Executive Chairperson*

Chairperson of the Board of Directors since inception

Year of Birth: 1953 | Nationality: India

### Professional Experience

- First-generation entrepreneur
- Founded Biocon in 1978
- 45+ years of experience in Biotechnology
- Executive Chairperson, Biocon Biologics
- Non-Executive Chairperson, Syngene

### Mandates

- Non-Executive Director, Narayana Health
- Former Lead Independent Director, Infosys
- Global Alumni Ambassador for Australia
- Business Ambassador for State of Victoria, Australia

### Memberships

- Member, National Academy of Engineering (NAE), U.S.
- Member, The Advisory Board of The France-India Foundation
- Member, MIT Corporation, U.S.
- Member, Board of Trustees, Memorial Sloan Kettering Cancer Center, U.S.
- Member, Board of Trustees, Keck Graduate Institute, U.S.

### Recognitions

- Padma Bhushan (2005)
- Padma Shri (1989)
- Order of Australia (2020)
- Knight of the National Order

- of the French Legion of Honour (2016)
- EY World Entrepreneur of the Year (2020)
- EY Entrepreneur of the Year, India (2019)
- AWSM Award for Excellence (2017)
- Othmer Gold Medal (2014)
- Kiel Institute's Global Economy Prize for Business (2014)
- ICMR's Lifetime Achievement Award (2019)
- H.K. Firodia Lifetime Achievement Award (2022)
- 'Legacies 60' - Endpoints News' list honoring 60 biopharma global pioneers

### Philanthropy

- Signatory, The Giving Pledge
- The Mazumdar-Shaw Advanced Research Centre and The Mazumdar Shaw Chair of Molecular Pathology, University of Glasgow, U.K.
- Lead Founding Patron, Science Gallery, India
- R.I. Mazumdar Young Investigator Endowment Fund, Indian Institute of Science (IISc), India
- Mazumdar-Shaw International Oncology Fellows Program, The Koch Institute for Integrative Cancer Research at MIT, U.S.

- Mazumdar-Shaw International Clinical Fellowship Fund and Kidney Cancer Fellowship Fund, Memorial Sloan Kettering Cancer Center, U.S.
- Mazumdar-Shaw Laboratory for Frontier Biology, Jawaharlal Nehru Centre for Advanced Scientific Research (JNCASR), India
- Mazumdar-Shaw Research Chair, Centre for Human Genetics, India

### Education

- B.Sc. (Zoology Hons.), Bangalore University
- Post-Graduate Diploma, Malting and Brewing, Ballarat Institute of Advanced Education, Melbourne, Australia
- Honorary doctorates from several prestigious global universities, including:
  - University of Ballarat, Australia
  - Heriot-Watt University, UK
  - University of Glasgow, UK
  - Trinity College Dublin, University of Dublin, Ireland
  - National University of Ireland (NUI)
  - University of Abertay, Dundee, UK
  - Deakin University, Victoria, Australia
  - Presidency University, Kolkata, India



### Siddharth Mittal

*CEO & Managing Director*

Member of the Board of Directors since 2019

Year of Birth: 1978 | Nationality: India

#### Professional Experience

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

#### Education

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



### Prof. Ravi Majumdar

*Non- Executive Director | Chairperson, Stakeholders Relationship Committee*

Member of the Board of Directors since 2000

Year of Birth: 1955 | Nationality: Canada/ OCI

#### Professional Experience

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

#### Recognitions

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

#### Education

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



### Dr. Eric Mazumdar

*Non-Executive Director*

Member of the Board of Directors since 2021

Year of Birth: 1993 | Nationality: UK/OCI

#### Professional Experience

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

#### Education

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

#### Recognitions

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



### M. Damodaran

*Lead Independent Director*

Member of the Board of Directors since 2016

Year of Birth: 1947 | Nationality: India

#### Professional Experience

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

#### Education

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



## Dr. Vijay Kuchroo

*Independent Director*

Member of the Board of Directors since 2015

Year of Birth: 1955 | Nationality: U.S./ OCI

### Professional Experience

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

### Education

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

### Recognitions

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





## Bobby Parikh

*Independent Director | Chairperson, Audit Committee & Risk Management Committee*

Member of the Board of Directors since 2018

Year of Birth: 1964 | Nationality: India

### Professional Experience

- Founder, Bobby Parikh Associates
- Co-founder, BMR Advisors
- Has been a member of several trade and business associations
- Member of the advisory or executive boards of private as well as listed Indian companies
- CEO, EY in India
- Country Managing Partner, Arthur Andersen
- Works closely with regulators and policy formulators
- Over 30 years of experience in advising private equity investors, banking groups, investment banks, brokerage houses, fund managers and other financial services intermediaries

### Education

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



## Peter Bains

*Independent Director*

Member of the Board of Directors since 2022

Year of Birth: 1957 | Nationality: British

### Professional Experience

- 30+ years of global experience in strategic & operational leadership roles
- Successful track record of building brands, businesses, teams and companies
- Non-Executive Director, Indivior Plc
- Executive Director, MiNA Therapeutics Ltd.
- Non-Executive Director, Apterna Ltd.
- CEO and Board Director, Syngene International (2010-2016)
- Senior VP, Commercial Development (International), GSK (1986-2009)

### Education

- B. Sc. (Combined honours in Zoology and Physiology), University of Sheffield, UK



## Naina Lal Kidwai

*Independent Director | Chairperson, Nomination & Remuneration, CSR & ESG Committees*

Member of the Board of Directors since 2022

Year of Birth: 1957 | Nationality: India

### Professional Experience

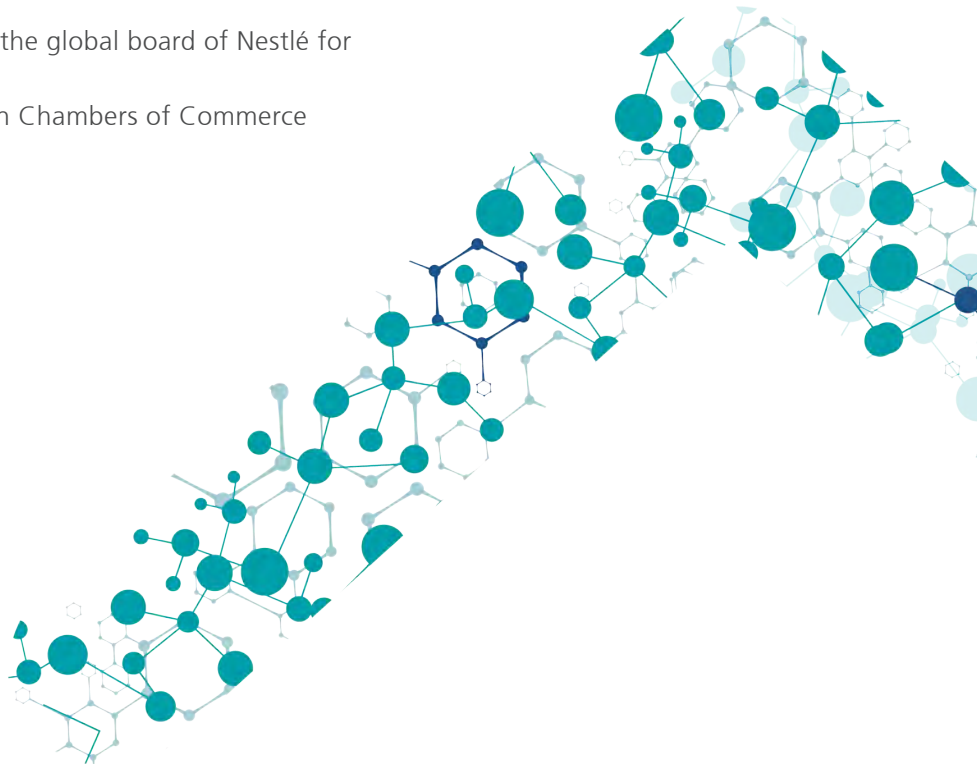
- Chairperson and Senior Advisor, Rothschild India
- Senior Advisor, Advent International
- Non-Executive Director on the boards of Holcim, Gland Pharma, UPL
- Member, INDO-ASEAN Business Council
- Member, Harvard Business School's South Asia Advisory Board
- Member, Standard Chartered Bank's International Advisory Council
- Member, Mission Board of the global EQT Future Fund
- Member, Army Group Insurance Fund's investment advisory committee
- Trustee, Asia House in the UK
- Chairperson, FICCI Water Mission and the Ficci Sustainability Council
- Chairperson and Founder India Sanitation Coalition
- Member, Advisory Board, Wildlife Conservation Trust
- Former Executive Director, HSBC Asia Pacific and Chairperson, HSBC India
- Former Chairperson, HSBC India
- Former Non-Executive Director on the global board of Nestlé for 12 years
- Past President, Federation of Indian Chambers of Commerce & Industry

### Recognitions

- Padma Shri (2007)
- Several awards and listings for leadership in business
- Alumni Achievement Award, Harvard Business School

### Education

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



## Board of Directors - Biocon Biologics



**Kiran Mazumdar-Shaw**  
Executive Chairperson



**Shreehas Tambe**  
CEO & Managing Director



**Dr. Arun Chandavarkar**  
Non-Executive & Non-Independent Director



**Bobby Parikh**  
Independent Director  
Chairperson, Audit Committee & Risk Management Committee



**Daniel Bradbury**  
Independent Director



**Russell Walls**  
Independent Director



**Prof. Peter Piot**  
Independent Director  
Chairperson, CSR & ESG Committee



**Dr. Thomas Roberts**  
Non-Executive & Non-Independent Director



**Nivruti Rai**  
Independent Director  
Chairperson, Nomination and Remuneration Committee



**Rajiv Malik**  
Non-Executive Non-Independent Director and Nominee of Mylan Inc. (Viatris)

## Key Expertise of the Board

Board of Directors - Biocon Biologics							
	Research and Innovation	General Management	Finance & Risk Management	Corporate Governance and Compliance	Global Healthcare	Technology and Digital Perspective	Scientific Knowledge
Kiran Mazumdar Shaw	●	●	●	●	●	●	●
Shreehas Tambe	●	●	●	●	●	●	●
Dr. Arun Chandavarkar	●	●	●	●	●	●	●
Bobby Parikh		●	●	●			
Daniel Bradbury	●	●	●	●	●		●
Russell Walls		●	●	●	●		
Prof. Peter Piot	●	●		●	●		●
Dr. Thomas Roberts	●		●	●	●		●
Nivruti Rai		●	●	●		●	
Rajiv Malik	●	●	●	●	●	●	●

## Board of Directors - Syngene



**Kiran Mazumdar-Shaw**

Non-Executive Chairperson



**Jonathan Hunt**

CEO & Managing Director



**Prof. Catherine Rosenberg**

Non-Executive Director, Chairperson, CSR Committee



**Paul Blackburn**

Independent Director Chairperson, Audit Committee & Risk Management Committee



**Dr. Vijay Kuchroo**

Independent Director Chairperson, Science and Technology Committee



**Vinita Bali**

Lead Independent Director Chairperson, Nomination and Remuneration Committee



**Dr. Carl Decicco**

Non-Executive Director



**Dr. Kush Parmar**

Independent Director



**Sharmila Abhay Karve**

Independent Director Chairperson, Stakeholders Relationship & ESG Committee

## Key Expertise of the Board

Board of Directors – Syngene							
	Research and Innovation	General Management	Finance & Risk Management	Corporate Governance and Compliance	Global Healthcare	Technology and Digital Perspective	Scientific Knowledge
Kiran Mazumdar Shaw	●	●	●	●	●	●	●
Jonathan Hunt		●	●	●	●		
Prof. Catherine Rosenberg	●				●	●	●
Paul Blackburn		●	●	●	●		
Dr. Vijay Kumar Kuchroo	●					●	●
Vinita Bali		●	●	●			
Dr. Carl Decicco	●	●	●		●	●	●
Sharmila Abhay Karve		●	●	●			
Dr. Kush Parmar	●	●			●	●	●



## Board Effectiveness

### Board Selection Process

The responsibility of identifying and evaluating suitable candidates for the Board is delegated to the NRC for all three companies. Each Board member is elected individually, and the NRC adopts a disciplined process under Section 178 of the Companies Act and SEBI Regulations for selecting and evaluating candidates.

During the selection process, the NRC ensures that the Board's composition and diversity encompass various attributes, such as skills, professional background and experience, independence, knowledge, functional expertise and education, to ensure continued effectiveness. Furthermore, the selection process also includes aspects pertaining to board & management relations, succession planning and committee effectiveness.

The Independent Directors provide an annual certificate of independence, which the Board records, as required by applicable laws.

### Board Meetings

Regular communication between the Boards and the senior management is ensured to enable effective performance of each Company. In FY23, Biocon Limited held 4 board meetings with 100% attendance of all Board Members.

The Board of Biocon Biologics met 6 times, with 96% attendance and the Board of Syngene met 5 times, with 98% attendance. Attendance at all Boards meetings met the minimum requirement for all members.

### Board Evaluation

All three companies have a rigorous framework in place for evaluating Board performance, in accordance with the guidelines laid down by their respective NRCs. A third party conducts a Board evaluation at least once every three years to ensure transparency. The performance evaluation of Independent Directors is based on various criteria, including experience, expertise, independent judgment, ethics and values, adherence to corporate governance norms, interpersonal relationships, attendance and contribution at meetings. The evaluation outcomes are discussed at Board meetings and appropriate recommendations are provided for implementation.

### Board Mandates Across Multiple Companies

Furthermore, each Board Member of Biocon Limited, Biocon Biologics and Syngene have a set number of mandates to which they are restricted. According to the SEBI Listing Regulations of 2015, it is stipulated that a Director should not hold directorship positions in more than seven listed entities, should not be a member of more than ten Committees, or act as Chairperson of more than five Committees across all listed entities in which they serve as a Director. All the Directors serving in Biocon Limited, Biocon Biologics and Syngene have adhered to these legal requirements.



## Committees to the Board

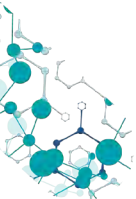
Biocon Limited, Biocon Biologics and Syngene have established committees to focus on specific areas and make informed decisions within their authority.

These committees operate based on defined charters that outline their scope, roles and responsibilities. Decisions or recommendations made by the committees are presented to the Board for approval. The committees have the authority to engage external experts, advisors and counsels, as needed, and they receive detailed information from senior officers or function heads during committee meetings.

Committees	Biocon Limited	Biocon Biologics	Syngene
Audit Committee	●	●	●
Risk Management Committee	●	●	●
Nomination and Remuneration Committee	●	●	●
Stakeholder Relationship Committee*	●		●
CSR and ESG Committee**	●	●	●
Science and Technology Committee			●

\*Syngene's Stakeholder Relationship Committee also includes ESG

\*\*Syngene has a standalone CSR Committee



## Scientific Advisory Board

Biocon Limited's Scientific Advisory Board provides direction and guidance on current as well as upcoming R&D activities. The Board comprises industry experts in medicine, research and academia.

### Satish K. Garg *MD*

Satish K. Garg, MD, is a renowned Professor of Medicine and Pediatrics at the University of Colorado, Denver. He serves as Director of the Adult Program at the Barbara Davis Center for Diabetes. He has been the Editor-in-chief of the *Diabetes Technology and Therapeutics* journal since 2006. Dr. Garg has extensive involvement in the field, including chairing committees for American Diabetes Association meetings, membership in Endocrine and Diabetes Societies and contributions to numerous diabetes journals with over 285 published manuscripts.

### John Petrie *Ph.D.*

John Petrie, MD, is a renowned Professor of Diabetic Medicine at the University of Glasgow and President of the European Group for the Study of Insulin Resistance. He has published extensively in peer-reviewed journals and served on grant-awarding panels for esteemed organizations. Dr. Petrie is actively involved in leading diabetes research and has contributed important statements on Insulin Pumps. He holds editorial roles in prestigious journals and is highly respected in the cardiovascular endocrinology industry.

### Vijay Kuchroo *DVM Ph.D*

Vijay Kuchroo is the Samuel L. Wasserstrom Professor of Neurology at Harvard Medical School and Director of Evergrande Center for Immunologic Diseases. He is also a Senior Scientist at Brigham and Women's Hospital, a Co-Director of the Center for Infection and Immunity at the Brigham Research Institute and an Associate member of the Broad Institute. With numerous accolades and achievements, including the Peter Doherty Award for Excellence in Science, Technology, Engineering and Mathematics (STEM). Dr. Kuchroo is recognized for his significant contributions in immunology and neuroscience. He has founded multiple biotech companies and serves on scientific advisory boards for pharmaceutical companies.

### Shashank R. Joshi *MD*





Shashank R. Joshi is a renowned endocrinologist and diabetes expert. With notable positions like President of the Indian Academy of Diabetes and past president of various prestigious medical societies, he has made significant contributions to the field. Dr. Joshi has received numerous accolades, including the Padma Shri from the Government of India and the International Clinician of the Year award. He has authored numerous research publications and is an editorial board member for leading medical journals.

## Ethics and Compliance

Ethics and compliance at Biocon Limited, Biocon Biologics and Syngene are governed by their respective Codes of Conduct (CoC). These codes serve as the cornerstone of the organizations, providing invaluable guidance on maintaining success and upholding a reputation for honesty and transparency.

The CoC goes beyond mere policy and behavior guidelines. It serves as a vital tool to foster a positive work culture and align all stakeholders with the Company's expectations. We acknowledge that each Company operates within a constantly evolving socio-economic environment. Hence, the CoC undergoes periodic review and updates to stay current, with the most recent review in FY22.

To reinforce the principles enshrined in the CoC, we prioritize ongoing training and communication for all employees, full-time as well as contract workers, across all three companies. Additionally, new hires are required to undergo an onboarding program that covers the Code in detail.

Embedding the Tenet of Our Code of Conduct			
 <p>Dedicated digital channel for micro-learning videos</p>	 <p>On-the-go, QR code-based training video to promote ethical behaviors</p>	 <p>Animated micro-learning videos covering all industry-specific topics</p>	 <p>Interactive learning platform 'Kahoot' to conduct live training through gamification and data analytics for focused training needs</p>

Our Global Ethics and Compliance (GEC) policy reinforces our Code of Conduct, promoting a positive work environment that prioritizes compliance and upholds our core values of integrity and ethical business practices. This aligns with our steadfast dedication to transparency, accountability, and business ethics, ingrained in our organizational DNA.

Furthermore, at Biocon Biologics, we have a mandatory Anti-Bribery and Anti-Corruption (ABAC)

training program for employees.

Biocon Limited, Biocon Biologics and Syngene have their own Compliance Management Systems for tracking, managing and reporting adherence to compliance requirements. For instance, Synpliance, Syngene's compliance management system, is an advanced compliance solution that provides a comprehensive guidebook and calendar for the Company's legal requirements. It streamlines administration,

reporting and governance, supported by a live legal desk for prompt regulatory updates. With built-in safeguards like alerts and escalation protocols, our compliance management system strengthens compliance and fosters a culture of adherence. These systems are regularly monitored to ensure compliance with national and regional regulations. Updates on compliance are reported to the Risk Management Committee (RMC) and/or Audit Committee (AC) every quarter.



### Whistleblower Policy

All three companies have an Integrity Committee (IC) overseeing the reporting and investigation of suspected unethical practices. The committees provide a platform for the Board, employees and vendors to report grievances. The committees assess concerns and take corrective actions. Quarterly summaries of key investigations are presented to the committees.

### Insider Trading

At a Group level, the 'Code of Conduct for Prevention of Insider Trading' is in place to protect the interest of investors and to promote fairness, transparency, integrity, and accountability within the Group. It applies to all employees/designated persons across subsidiaries, joint ventures and associates worldwide. Additionally, Bicon Limited and Syngene have adopted the 'Code of Practice and Procedure for Fair Disclosure of Unpublished

Price Sensitive Information' to ensure timely and comprehensive disclosure of price-sensitive information.

### Tax Transparency and Strategy

We uphold high tax governance standards and meet stakeholder expectations. Our 'Group Tax Policy' and 'Tax Transparency Report' promote transparency and trust in our tax practices. We published our inaugural report in FY22 and our second report in FY23, reflecting our commitment to transparency.

### Breaches

In the spirit of transparency, we actively report on the number of breaches across multiple dimensions, including corruption and bribery, discrimination and harassment, confidentiality, conflicts of interest, money laundering and insider trading. Details can be found in the ESG Data Book.

### Synpliance - A Unique Statutory Compliance System

Synpliance, Syngene's compliance management system, is a cutting-edge solution that offers a comprehensive guidebook and calendar detailing all laws that apply to the Company, facilitating smooth administration, reporting and governance.

This state-of-the-art tool is backed by a live legal desk, ensuring regulatory updates are communicated promptly and efficiently. With its built-in safeguards, such as timely alerts and escalation protocols, Synpliance has dramatically strengthened the compliance process and effectively reinforced a culture of compliance throughout the organization.



# Risk Management

**In light of the heightened vulnerability of organizations to risks and threats, it has become imperative to establish a comprehensive risk management system and processes that ensure business operations continue uninterrupted. The Biocon Group recognizes the need for managing risks and each Company distinctively manages risks based on its specific business model and operations. This includes implementing robust risk governance frameworks and structures, identifying and classifying risks accurately and in a timely manner, addressing risks properly and establishing a strong risk culture.**

The Biocon Group adopts an integrated approach to risk management, encompassing both business risks and ESG-related risks. This comprehensive view acknowledges the interconnected nature of risks across the Company, its stakeholders and the value chain. We have implemented strategic frameworks to drive transformative actions, ensuring a robust approach to risk management.

## Approach to Risk Management

This is typically divided into four key stages:

1. Risk identification and assessment,
2. Risk prioritization,
3. Risk mitigation and
4. Risk monitoring and reporting.

The first stage includes identifying, evaluating and classifying potential risks that could affect the Company's operations or

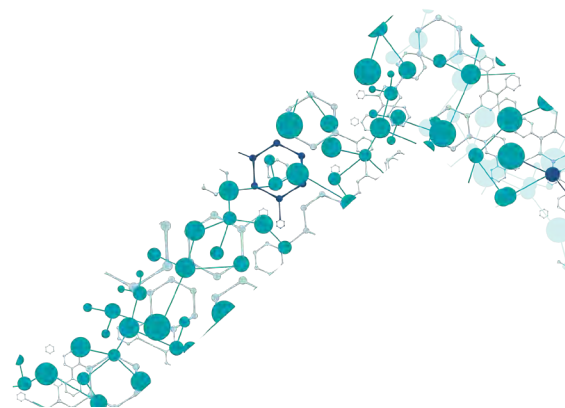
achievement of its strategy. This step involves a comprehensive analysis of existing and emerging risks and the internal and external factors that impact the Company's ability to achieve its objectives.

This is followed by the second stage where the identified risks are prioritized on the basis of the probability of occurrence and the severity of their impact.

The third stage involves developing and implementing strategies to minimize, eliminate or transfer identified risks. This step requires a thorough understanding of the identified risks, their potential impact and the available risk mitigation options. Risk mitigation measures include implementing controls to prevent risks from occurring or accepting risks based on a cost-benefit analysis.

Risk monitoring and reporting is the fourth and final stage. This stage involves the monitoring and

review of the effectiveness of risk mitigation strategies to confirm a reduction in risk exposure and also identify any emerging risks that may require additional attention. This stage uses performance metrics and reporting mechanisms to enable management to monitor progress and identify areas for improvement. Regular risk reporting is conducted as a part of this stage.



## Risk Governance

The ERM framework has direct Board-level oversight through the RMCs of Biocon Limited, Biocon Biologics and Syngene. Each Board is responsible for overseeing the implementation of their respective Company’s risk management policies and procedures.

Senior leaders and risk management specialists support these committees in the day-to-day identification, monitoring and management of risk. The committees categorize risks into different types and review them quarterly, while risk owners handle day-to-day mitigation and management.

Periodic enterprise risk management training is provided to the Board of Directors and supporting committee members. The training intends to enhance their expertise and empower senior management with the necessary tools and knowledge to combat risk effectively.

By implementing a strong risk management governance framework, there is improved alignment between corporate strategy, risk processes and ESG to gain a comprehensive understanding of the potential risks and opportunities that pertain to each individual business. This ensures each business is better equipped to address potential challenges and capitalize on favorable circumstances.

### Risk Management Structure



## Risk Management in Action

### Risk Identification

The risk management process begins with a detailed risk assessment, which helps effectively identify key risks across the Company's functions. Risks are identified on the basis of various internal and external factors. This may involve, amongst other things, reviewing financial statements, operational processes,

The RMC, Executive Leadership Team, CRO and Department Heads of each respective Company periodically review the identified and categorized risks.

### Risk Prioritization

Prioritizing identified risks is crucial to focus on those that can significantly impact the Company's

urgency with which identified risks must be managed and mitigated. This ongoing risk prioritization process is the responsibility of the entire risk management governance team, ranging from the Board to the Department and Function Heads.



workforce management practices and examining market trends, economic conditions and regulatory requirements. We also consider upcoming global risks by monitoring geopolitical, environmental and other macroeconomic trends.

The primary objective of the risk identification process is to capture significant risks that may impede each of the Company's goals and targets. The subsequent step involves classifying the identified risks into various themes to facilitate efficient resource allocation for risk mitigation and management.

objectives. To achieve this, each Company prioritizes risks based on three core dimensions:

- Significance of the impact
- Likelihood of occurrence
- Effectiveness of existing mitigation plans.

A rating system has been developed across these dimensions, incorporating qualitative and quantitative thresholds to accurately assign a gross rating to each risk. Each company's risk appetite helps bolster the prioritization process, as this aids in determining the

### Mitigation Actions

To achieve high cohesion and effectiveness in risk management, Biocon Limited, Biocon Biologics and Syngene each prioritize aligning all aspects of their risk management process with their daily operations. With this, we ensure that we manage risks effectively and minimize any potential negative impact on our business.

This approach underlines the Group's commitment to managing and mitigating risks across all corporate functions and promoting a culture of risk awareness and responsiveness.



## Monitoring and Reporting

The CRO plays a central role in keeping the Board and Executive Leadership Team updated on any changes to risk libraries, prioritization ratings and mitigation plans. The CRO also utilizes various tools, including external expert inputs and self-assessment forms, to track risks and identify potential exposures. The Board of Directors, Executive Leadership Team and CRO conduct annual risk exposure reviews. A detailed report on risk management is presented to the RMC and Board of Directors every quarter.



## Current Risks

Biocon Limited, Biocon Biologics and Syngene have comprehensively analyzed their business operations to identify potential risks and develop corresponding mitigation measures.

### Group Level Risks

Risks	Insights	Mitigation Actions
<p><b>Regulatory Compliance Risk</b></p>	<p>Continuous compliance of regulatory requirements not only safeguards the Company from regulatory action, fines, penalties and reputation loss, but also supports continuity of our operations, fosters trust and bolsters our market position.</p>	<p>Across the Group, several initiatives have been implemented to mitigate regulatory compliance risks, such as:</p> <ul style="list-style-type: none"> <li>• Establishing a framework for continuous compliance monitoring to ensure anytime audit readiness;</li> <li>• Regular shop floor visits by quality and operations leaders to gain insight into on-ground issues and suggest practical solutions;</li> <li>• Automation or digitization, reducing human errors and improving product standards;</li> <li>• Regular training programs to improve the overall quality environment.</li> </ul>
<p><b>Statutory Compliance and Governance Risks</b></p>	<p>Adhering to the law not only helps avoid fines, penalties and reputation damage, but also safeguards our operations.</p>	<p>To ensure compliance, all Group companies :</p> <ul style="list-style-type: none"> <li>• Keep track of various statutory requirements, using systems/ workflows, which provide reminders to the compliance owners on upcoming requirements and enable them to comply with these requirements on a timely basis.</li> <li>• Have processes in place which allow independent tracking of the compliances, follow-up, addressing gaps and assessing changes to compliance requirements, enabling timely identification of any changes in law, and evaluating their applicability to the business.</li> <li>• Seek technical support regularly from external consultants, as and when required, including conducting periodic gap analysis of the compliance framework/ requirements.</li> </ul>

Risks	Insights	Mitigation Actions
<p><b>Supply Chain Risks</b></p>	<p>Proactive management of supply chain risks ensures the stability and resilience of our entire value chain, mitigating potential negative economic and social consequences.</p>	<p>Across the Group, there is focused effort to:</p> <ul style="list-style-type: none"> <li>• Develop alternate vendors and suppliers, coupled with the building of strategic inventory, which helps mitigate supply chain risks by reducing dependence on any specific country or source for key materials and ensuring that any unanticipated supply disruptions can be effectively addressed.</li> <li>• Build skill-based teams for sourcing, procurement operations, business partnering backed by digitized processes, analytics, and sustainable governance practice.</li> </ul>
<p><b>Human Capital Risk</b></p>	<p>Fostering high talent retention rates and prioritizing skill development mitigates operational disruptions and promotes robust professional growth of internal talent.</p>	<p>The Group ensures human capital risk is mitigated by</p> <ul style="list-style-type: none"> <li>• Continuously upskilling and developing resources</li> <li>• Providing career path visibility and internal movement options</li> <li>• Implementing succession planning</li> <li>• Improving employee engagement</li> <li>• Becoming an employer of choice.</li> </ul>
<p><b>Workplace Safety Risks</b></p>	<p>Maintaining a safe and healthy workplace environment is crucial to prevent instances that can potentially cause harm to employees. By prioritizing workplace safety, we safeguard the well-being of our employees and ensure a conducive work environment.</p>	<p>Across the Group, procedures and continuous process safety improvements have been implemented to ensure a zero-incident safety culture. These measures include:</p> <ul style="list-style-type: none"> <li>• Regular employee training</li> <li>• Protocols for preventing and reporting misconduct</li> <li>• Strengthening the biological safety program through assessments, audits, and consultation</li> <li>• Actions to address any adverse incidents/non-compliance with policies</li> <li>• Internal and external audits to ensure compliance with these measures.</li> </ul> <p>Syngene has also implemented the KAVACH safety program, which sets safety standards and ensures compliance for industrial activities, including risk assessment.</p>

Risks	Insights	Mitigation Actions
<p><b>Environmental Performance and Climate Change</b></p>	<p>Proactive compliance with emerging environmental regulatory/sustainability requirements and stakeholder expectations strengthen our environmental performance and response to climate change.</p>	<p>To mitigate environmental and climate change risks associated with its operations, the Group is committed to implementing measures such as:</p> <ul style="list-style-type: none"> <li>• Reduce its carbon footprint</li> <li>• Promote resource recycling</li> <li>• Transition to renewable energy</li> <li>• Adopt responsible sourcing practices</li> <li>• Drive productivity across the value chain;</li> <li>• Embrace digital solutions that reduce inefficiencies.</li> </ul>
<p><b>Commercial/ Pricing Risks</b></p>	<p>Managing commercial/ pricing risks effectively ensures sustained growth and execution of our business plans, positively impacting our financial performance. This enables us to navigate market dynamics, strengthen our competitive position and achieve long-term financial success.</p>	<p>At both Biocon Limited and Biocon Biologics, efforts are being made by;</p> <ul style="list-style-type: none"> <li>• Implementing operational and cost improvement initiatives, automation, or digitization initiatives to increase production efficiencies and reduce costs.</li> <li>• Strategic partnerships to enter new markets, product differentiation and vertical integration, which helps create a competitive advantage with customers and improve overall profitability.</li> </ul>
<p><b>Information and Cybersecurity Risk</b></p>	<p>Implementing robust measures to mitigate information and cybersecurity risks safeguards against crucial data loss and external cyber threats. By proactively addressing these risks, we protect the integrity and confidentiality of our data, instilling trust in our stakeholders and preserving our reputation.</p>	<p>Our Group has set up a Security Operations Center (SOC) and cyber defense center to proactively and efficiently manage all our security needs:</p> <ul style="list-style-type: none"> <li>• Implemented strong incident monitoring and response measures to guarantee that security threats are detected and addressed promptly.</li> <li>• Increase in employee awareness of information and cybersecurity.</li> <li>• Conduct regular vulnerability assessments to identify any potential gaps in our security protocols and once identified, swiftly rectify them.</li> </ul>



Risks	Insights	Mitigation Actions
<p><b>Ethics and Integrity Risks</b></p>	<p>Upholding business integrity and ethical practices mitigate adverse events. By emphasizing ethical behavior and maintaining a strong culture of integrity, we foster trust among our stakeholders, enhance our reputation and strengthen our relationships with customers, partners, and the community.</p>	<p>At a Group level, the establishment of ABAC measures apply to all companies and their suppliers, which is enforced through</p> <ul style="list-style-type: none"> <li>• The Code of Conduct, Supplier Code of Conduct and ABAC principles across all Companies</li> <li>• Mandatory annual training for all employees;</li> <li>• External audits</li> <li>• A third-party program of supplier assessments</li> <li>• Constant communication reinforcing the importance of the policies</li> </ul>
<p><b>R&amp;D Risk</b></p>	<p>Efficiently meeting planned timelines and development costs helps in ensuring a timely launch and avoiding commercial losses. By effectively managing R&amp;D risks, we enhance our ability to deliver innovative solutions to the market, seize competitive advantages and capture new opportunities.</p>	<p>To mitigate R&amp;D risk:</p> <ul style="list-style-type: none"> <li>• Comprehensive portfolio reviews are conducted by leadership to select new products for the portfolio</li> <li>• Innovative digital / technology solutions and transformational recommendations from external experts are built into the overall process to increase efficiency and reduce timelines and costs</li> <li>• Proactive interaction with regulators helps to obtain timely inputs on changing regulatory landscape and expectations, use of regulatory checklists which are benchmarked helps to avoid last-minute surprises and minimize the risk of obtaining regulatory queries</li> <li>• Cross-functional teams are aligned to ensure smooth execution and programs are continuously monitored to avoid potential delays.</li> </ul>

Risks	Insights	Mitigation Actions
<p><b>Project and Capital Investment Risk</b></p>	<p>Effective management of project and capital investments are key to unlocking opportunities and driving success. By proactively addressing project and capital investment risks, we optimize resource allocation, enhance project efficiency, and maximize return on investment.</p>	<p>Meeting project milestones and CapEx budgets ensure timely completion within allocated resources, minimizing delays and cost overruns. This is achieved by:</p> <ul style="list-style-type: none"> <li>• Strong technical support which identifies and addresses challenges early, reducing disruptions and failures</li> <li>• Value engineering that optimizes costs and maximizes project value, mitigating financial risks</li> <li>• Alignment with cross-functional teams fosters collaboration, reducing miscommunication and conflicting objectives</li> <li>• Detailed cost tracking enables early identification of escalations for prompt corrective actions</li> </ul>
<p><b>Integration &amp; Migration Risk: On account of the acquisition of Viatris' global biosimilars business</b></p>	<p>Seamless integration of people, processes, technology, and aspects related to commercial terms and contracts between two originally different entities could be a time-taking process.</p>	<ul style="list-style-type: none"> <li>• Up to a two-year Transition Services Agreement during which Viatris continues to provide commercial and other transition services to ensure business continuity.</li> <li>• A robust governance structure with senior leaders from both Viatris and Biocon Biologics has been formed to ensure a smooth transition.</li> <li>• Dedicated Integration Management Office (IMO) set up to track and monitor the integration.</li> <li>• Leveraging the use of expert advisors for the overall integration planning exercise.</li> </ul>

## Opportunities

Biocon Limited, Biocon Biologics and Syngene are also engaged in identifying key opportunities within their respective business and value chains. Subsequently, they deploy various strategies to capitalize on these opportunities and realize their full potential. This concerted effort allows them to leverage their strengths and gain a competitive edge in the market.

Opportunity	Insights	Realization Actions
<p><b>Access &amp; Affordability*</b></p>	<p>Implementing responsible pricing strategies for innovative and generic medicines, which consider affordability, positive cost-benefit ratio and reduction of overall healthcare costs can significantly enhance reach among patients relative to Biocon’s competitors, increase customer loyalty and improve our brand reputation, leading to sustained revenue growth and profitability. This is also in line with our four strategic pillars of Accessibility, Affordability, Availability and Assurance.</p>	<p>At Biocon Limited, there is focus on continuous cost improvement within the Generics business, be it through yield improvement, or reduction of operating costs.</p> <p>At Biocon Biologics, we are committed to driving cost leadership and expanding our patient reach globally.</p> <p>At Syngene, access and affordability are enhanced through collaborations with not-for-profit organizations such as the Bill and Melinda Gates Foundation.</p> <p>Last-mile reach of preventive and primary healthcare are also enabled through Biocon Foundation.</p>
<p><b>Research and Development**</b></p>	<p>Investing in R&amp;D positively affects eco-friendly innovation, which pertains to developing technologies aimed at lessening an enterprise’s environmental impact and enhancing its environmental performance. This also drives accessibility and affordability and in turn, contributes to business performance and growth.</p>	<p>In addition to improving processes through its R&amp;D activity, Biocon continues to focus on biotransformation and continuous flow chemistry.</p> <p>Since its inception, Biocon Biologics has invested over USD 1 billion in building biosimilars’ R&amp;D and manufacturing capabilities.</p> <p>Syngene has an ongoing investment program in the latest technology and capabilities to partner with clients to generate the next generation of materials and therapeutics.</p>

\*Please refer to Social & Relationship Capital and Manufacturing Capital Chapter

\*\*Please refer to Intellectual Capital Chapter

Opportunity	Insights	Realization Actions
<p><b>Community Engagement*</b></p>	<p>Establishing engagement with local communities is vital for the Biocon Group to promote trust, stronger relationships with local communities, improved brand reputation and enhanced social responsibility. Further, the Biocon Group can prevent potential grievances or concerns, protecting its business interests from adverse events.</p>	<p>Through the Biocon Foundation, diversified social impact interventions, including employee volunteering activities, have been developed and implemented that drive engagement within communities that we operate in.</p>
<p><b>Digitization**</b></p>	<p>Digital solutions enable the Group to streamline operations by minimizing human error, increasing standardization, efficiency and transparency while ensuring data integrity. This approach can also result in cost savings, faster turnaround times and better decision-making capabilities, leading to improved competitiveness and profitability for the Company.</p>	<p>With Digital Initiatives as one of the strategic priorities, we continue to introduce several technological advancements across manufacturing, quality, R&amp;D and digital tools to enable various support functions including commercial and finance.</p>
<p><b>Promotion of Inclusion and Diversity#</b></p>	<p>The Group recognizes the potential of a diverse and inclusive workforce in driving innovation, fresh perspectives and a more productive work environment for long-term value creation. The Group can attract and retain top talent from diverse backgrounds, leading to increased creativity, improved problem-solving abilities and better overall business outcomes.</p>	<p>Concerted efforts have been made to improve diversity in the workplace from the Board level to the shop floor through interventions across recruitment, training and retention. We are committed to creating career avenues for women in non-traditional roles, including manufacturing.</p>

\*Please refer to Social & Relationship Capital Chapter \*\*Please refer to Manufacturing Capital Chapter #Please refer Human Capital Chapter Chapter

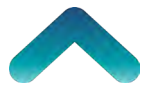


## Cultivating a Cohesive Risk Culture

To strengthen the risk culture across the Group, we provide comprehensive training to all employees, senior management, and Board members to educate them on the significance of risk identification, mitigation and management. Additionally, we incentivize employees to identify and report potential risks and integrate risk management metrics into the HR review process. We encourage a culture of constant feedback to drive continuous improvement in our risk management systems and processes. Furthermore, we implement risk management practices during product development to ensure smooth product manufacturing and rollout.

 <b>A Showcase of the Group’s Comprehensive Risk Culture</b>	
<b>Incentives that Incorporate Risk Management Metrics</b>	<p>The variable pay of the Executive Leadership Team, as well as their respective teams and departments, is also tied to risk management metrics and targets related to critical risks. Risk mitigation goals are also used to incentivize the ELT and failure to achieve these goals may impact their performance and bonus. This approach aims to cultivate a culture of effective risk management and awareness across all three companies.</p>
<b>Focused Training Throughout the Company</b>	<p>All employees undergo mandatory annual refresher training workshops on aspects of Company policies, including the Code of Conduct, processes, statutory and regulatory compliances, and the associated risks.</p>
<b>Internal Controls</b>	<p>We have implemented a robust internal control system that comprises policies, guidelines and procedures to promote efficient and orderly business conduct, safeguard assets, prevent and detect fraud and errors, maintain accurate accounting records and ensure the timely preparation of reliable financial information. The system aims to enhance our operational efficiency, compliance with regulations, asset protection and reliability of financial reporting. We engage an independent firm of chartered accountants to perform regular internal audits to assess the effectiveness of our internal controls and recommend industry best practices.</p>
<b>Inclusion of Risk Management Criteria in the HR Review Process</b>	<p>Comprehensive de-risking strategies are in place to mitigate critical risks associated with key departments and their goals. These strategies include assessing employees as part of the annual performance evaluation on how they can track and manage risks. Furthermore, when onboarding employees, background verifications on the employee’s education, employment history and criminal background check (to the extent permissible by law) are performed as a risk mitigation measure.</p>

<p><b>Robust Measures to Help Employees Proactively Identify Risks</b></p>	<p>There are dedicated employees responsible for gathering feedback around risk management practices across various business functions. Feedback received is assessed to identify potential risk, which is then monitored by the Executive Leadership Teams. This is further supplemented by our Whistleblower policy, which allows stakeholders to report any concerns or complaints to the Integrity Committee.</p>
<p><b>Incorporation of Risk Criteria in Product Development and Approval</b></p>	<p>During the product development and approval phase, multiple risk aspects are considered. For instance, we assess potential safety and efficacy risks regarding Reference Listed Drugs. We also use state-of-the-art analytical methodologies to characterize products based on their exposure to impurities. Early assessment to ensure all products meet regulatory criteria is conducted to mitigate any unwanted regulatory risk. A task force team carries out these measures to implement quality control and consistency across all the Group's products.</p>
<p><b>Processes for Continual Improvement of Risk Management Measures</b></p>	<p>At Biocon, we believe that enhancing risk management measures requires a thorough understanding of risk identification and management challenges. To achieve this, we hold regular meetings between the Risk Management Committee, Executive Leadership Teams and employees to identify gaps and propose improvements. Any changes to the risk management measures undergo Board Approval.</p>



# Leveraging Six Capitals for Value Creation

1. Financial Capital
2. Manufacturing Capital
3. Intellectual Capital
4. Human Capital
5. Natural Capital
6. Social & Relationship Capital







# Financial Capital

**At Biocon, solid management of financial resources drives operational excellence, which, in turn drives growth. This positively impacts society since it contributes to building the nation's economy. Consequently, this mindset makes Financial Capital an indispensable part of our business.**

The Biocon Group stands out as a truly differentiated player in the pharmaceutical industry.

One of the key financial differentiators of the Company lies in its **diversified capital allocation between distinct businesses across pharmaceutical products and services.** We established a strong presence in various market segments through strategic investing, enabling us to tap into multiple revenue streams and mitigate risks associated with a single business concentration.

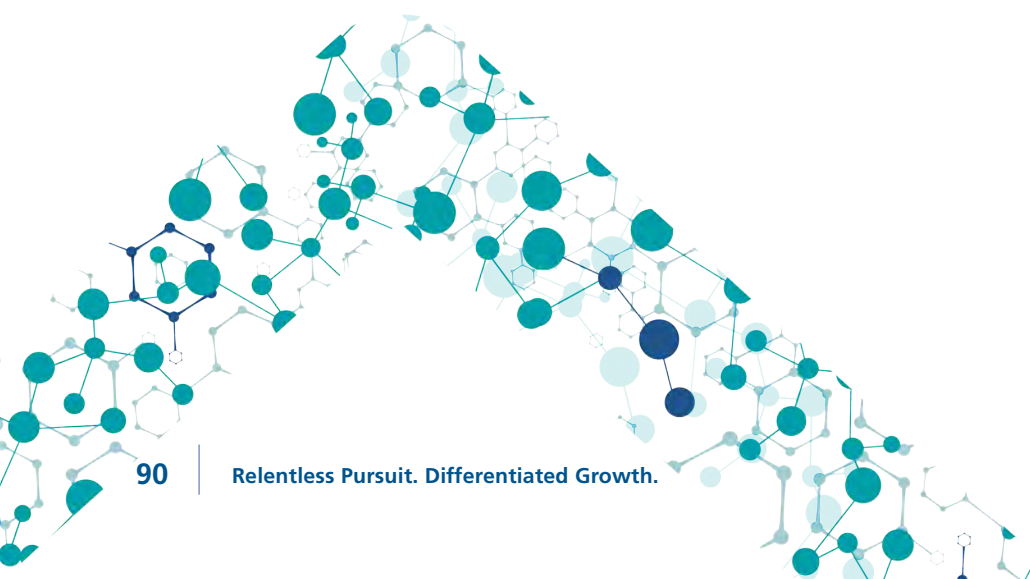
Another differentiator is **our ability to move up the value chain in the Generics business.** We have enhanced our offerings by vertically integrating APIs with generic formulations.

Furthermore, Biocon Biologics has undergone a significant transformation, becoming a fully integrated global Biosimilars company with a direct commercial presence in Advanced and Emerging Markets. This integration has strengthened its position and enabled the Company to capture higher-value opportunities and deliver innovative healthcare solutions to patients globally.

The Group's commitment to **investing in the future is evident through our capital expenditure and industry-leading investments in R&D.** By allocating significant resources toward R&D, we actively foster innovation and cultivate a robust pipeline of new drugs and therapies.

This proactive approach ensures that we stay at the forefront of medical advancements, providing us with a competitive edge and paving the way for sustainable growth.

In addition to our financial strategies, **rigorous corporate governance practices** underpin the Group's sustained growth. We prioritize transparency, accountability and ethical decision-making, which builds trust with stakeholders and reinforces our commitment to long-term success. This dedication to sound corporate governance further sets us apart, instilling confidence in investors and establishing a solid foundation for our financial stability and growth.





Our Differentiators

Our Performance



**Diversified Capital Allocation**



**Vertical Integration of APIs with Generic Formulations**



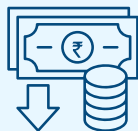
**Fully Integrated Biosimilars Business**



**Industry-Leading Investments in R&D**



**Rigorous Corporate Governance**



Total income in FY23 increased by **38%** to **₹115,501 million (USD 1,405 million)**



Generics, Biosimilars, and Research Services revenue grew by **13%**, **61%** and **23%**, respectively



Profit for the year stood at **₹4,627 million (USD 56 million)**



EBITDA for the year stood at **₹28,876 million (USD 351 million)**



R&D Investments/Expenses stood at **₹11,194 million (USD 136 million)**



Net Worth was **₹178,669 million (USD 2,174 million)**



Working Capital was **₹38,233 million (USD 465 million)**



**38%** increase in Economic Value generated



## Q&A with the CFO

**Indranil Sen**

Chief Financial Officer,  
Biocon Limited

**Q1: Can you describe the consolidated financial performance of Biocon in FY23? What do you see as the main drivers behind this?**

A: During the year, total consolidated revenue grew 38% from ₹83,967 million to ₹115,501 million (USD 1,405 million). The consolidated revenue includes ₹2,170 million of stake dilution gain in Bicara, pursuant to fund raise during the year and accrual for benefit under Product Linked Incentive (PLI) scheme. From a revenue from operations standpoint, Biosimilars contributed 48%, followed by Research Services at 28% and Generics at 23%.

Biosimilars segment revenues increased 61% over last year to ₹55,838 million (USD 681 million), primarily due to the acquisition of Viatrix' biosimilar business and increase in market shares of products. Revenues in the Generics segment grew 13% at ₹26,367 million (USD 321 million), driven by both increase in API (Immunosuppressant & specialty APIs, new launches) and formulations (growth in base business, higher volume market share of products launched in FY22, new launches in Emerging Markets). Research Services grew 23% at ₹31,929 million (USD 389 million) with growth across discovery services (chemistry services), development services (further orders from existing clients) as well as manufacturing

services (start of manufacturing of drug substance at commercial scale for Zoetis).

**Q2: The Generics business grew a healthy 13% in FY23. Could you share insights into growth drivers for this business for the coming years?**

A: The Generics business recovered from a muted performance in FY22 with growth across both APIs as well as generic formulations in FY23. We expect impetus in the Generics business to continue in FY24.

We commissioned our larger peptides API manufacturing facility in Bengaluru and our greenfield fermentation-based immunosuppressant API manufacturing facility in Visakhapatnam during the year. Qualification of these facilities is progressing well with validation expected to be completed in FY24. There were additional API capacity enhancements we had done in FY23, the full-year impact of which is expected to reflect in our performance in FY24. In Generic Formulations, the momentum is expected to continue with growth driven by additional contract wins in the U.S. in our base business as well as through new product launches in the U.S. and other geographies.

Furthermore, investments in R&D and CapEx towards a pipeline of complex products, including peptides and oncology molecules,

are expected to play out positively in the coming years.

**Q3: What is the rationale for Viatris' biosimilars business acquisition? Could you speak about the contours of the funding of the transaction?**

A: Viatris has been a longstanding partner for Biocon Biologics Limited (BBL). On November 29, 2022, BBL closed the acquisition of Viatris' global biosimilars business. This acquisition accelerates the buildout of BBL's commercial capabilities, especially in Advanced Markets.

As a part of this transaction, BBL has acquired Viatris' rights to the BBL partnered programs and in-licensed assets, biosimilars related commercial infrastructure along with regulatory and supply chain capabilities, thereby creating a fully integrated biosimilars enterprise with lab-to-market experience and a proven track record. In addition, it has acquired rights to another molecule, bAflibercept, which has first-to-file status with the U.S. FDA. It has started realizing the full revenue and associated profits from these programs. This is a step up from its prior arrangement of realizing a portion of the economics.

As a part of funding the transaction, we issued Compulsorily Convertible Preference Shares (CCPS) in BBL valued at USD 1 billion and made an upfront cash payment of USD 2 billion to Viatris.

To fund the upfront payment, we raised USD 1.2 billion in a Sustainability Linked Loan (SLL). The balance was funded through an equity infusion of USD 650 million by Biocon Limited and USD 150 million by Serum Institute Life Sciences (SILS). There is an additional deferred consideration of USD 335 million payable in FY25, of which USD 175 million is linked to bAflibercept. On the other hand, BBL is eligible to receive up to USD 250 million as working capital adjustment clawback, linked to the valuation of CCPS issued to Viatris at the time of BBL's IPO.

**Q4: What are the key revenue growth drivers for BBL in FY24 and beyond?**

A: With the Viatris transaction concluded in FY23, BBL is well positioned with clear growth drivers in place. BBL ended the last quarter of FY23 on a USD 1 billion revenue run rate, forming a strong base for FY24. The consolidated revenues reported in Q4 FY23 included contribution from three products commercialized in the U.S. and eight products commercialized in ex-U.S. markets.

The launch of bAdalimumab in the U.S. and the anticipated approvals and launch of bAspart and bBevacizumab should help us to build upon the USD 1 billion revenue run rate, on which Biocon Biologics concluded FY23. We are awaiting site approvals from the U.S. FDA for our bBevacizumab

in India and bAspart in Malaysia which is expected to pave the way for the approval and subsequent launch of bBevacizumab and bAspart in the U.S. market.

In addition, the currently marketed products in the U.S. continue to witness a gradual improvement in market share. In other markets, including Europe, we expect continued growth as we win new tenders, launch our products in new countries and improve market share in relevant retail segments.

There are three late-stage assets, including bAflibercept, bUstekinumab and bDenosumab, which are on the path to regulatory approval. These will be important growth drivers beyond FY24.

With our robust R&D platform, our already strong product portfolio will see additions. Moreover, there are several pre-clinical assets under development, which should enable success in the long term.

**Q5: What were the R&D investments during FY23? What are the expectations for FY24?**

A: Innovation lies at the heart of our business model and we prioritize strategic investments in research and development. Net R&D investments for the fiscal were up 88% at ₹11,194 million (14% of Biocon revenues ex Syngene). For Generics, the spend was ₹2,166 million (9%

of Generic segment revenues), while we spent ₹8,890 million in Biosimilars (16% of Biosimilars segment revenues).

We expect absolute amounts in R&D investments to increase in FY24. These investments are expected to be around 10% of revenues for Generics and normalize to around 12% of revenues for Biosimilars, as we accrue full revenues from the acquired Viatrix' biosimilars business. The Generics business continues to invest in its portfolio which includes complex vertically integrated products such as peptides to treat diabetes, obesity and cancer. In the Biosimilars segment, we continue to advance bUstekinumab and bDenosumab through Phase 3 clinical trials. bPertuzumab entered Phase 1 clinical trials in FY23 and there are other molecules in pre-clinical development.

**Q6: How has Syngene's Research Services business performed in FY23? What are the significant trends and developments that have impacted the Company's performance in this space?**

A: Revenue in Research Services grew 23% over FY22 to ₹31,929 million (USD 389 million) in FY23 with good performance across all divisions. The Discovery Services delivered steady growth, with a strong contribution from

Discovery Chemistry Services. Development Services showed improved operating performance, evident in the increased number of repeat orders from our existing clients. Notably, the biologics development and manufacturing services made substantial progress, highlighted by signing the 10-year commercial-scale biologics manufacturing deal with Zoetis.

These achievements have laid a strong foundation for future growth in a healthy demand environment.

**Q7: Can you give us an update on the Novel Biologics segment?**

A: The Novels Biologics business continues to work on unmet patient needs with a focus on immunology and oncology.

Our second global 'lab-to-market' novel biologic, Itolizumab, is advancing well in collaboration with our U.S.-based partner, Equillium. It is currently being developed for indications such as acute graft-versus-host disease (aGVHD), systemic lupus erythematosus (SLE) or lupus nephritis (LN) and ulcerative colitis. Based on the promising data in aGVHD, Equillium recently entered into an Option and Purchase Agreement with Ono Pharmaceutical Co., Ltd, Japan, where Equillium has granted Ono an exclusive option to acquire its rights to Itolizumab. We believe



this is a very important event as Ono is a highly respected company that has brought several important molecules to the market through partners.

Coming to Bicara Therapeutics, our Boston-based associate. Its lead candidate, BCA101 continues to make good progress in Phase 1/1b development in head and neck cancer. Based on the encouraging data generated thus far, Bicara completed an oversubscribed USD 108 million Series B financing, which will help to advance BCA101 and its pipeline of investigational candidates for the treatment of solid tumor cancers. The successful completion of the Series B financing not only provides Bicara with the necessary financial resources to advance its programs but also highlights the confidence and support of investors in the potential of Bicara’s innovative approaches to cancer treatment.

Following the successful financing, Biocon’s stake in Bicara stands at 38%. It is expected to reduce to ~23% on a fully diluted basis, post receipt of the full amount from the series B financing in FY24.

**Q8: As the CFO, can you highlight some of the key initiatives and outcomes undertaken on the ESG front from your perspective?**

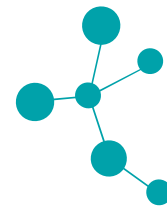
A: For Biocon, sustainability is not just an add-on, but an integral part of our overall business strategy,

across companies. Embedding ESG principles into our business purpose and practices is therefore a top priority for us. We continue to work on developing our strategy to carry out our priorities, governed through our ESG and CSR Board committees, under the oversight of the Board.

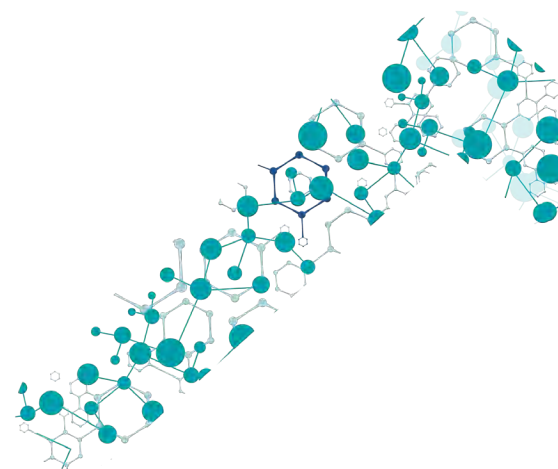
Last year, we released the BRSR (Business Responsibility and Sustainability Report) in line with the framework provided by the Securities and Exchange Board of India (SEBI), along with our first Global Reporting Initiative (GRI) aligned ESG Report, which articulated several ESG parameters and initiatives undertaken by the Company. This year, we are taking a step further by publishing our first Integrated Report developed in accordance with the principles, guidelines and requirements of the IIRC framework. It has also been drafted with reference to the principles and requirements of the GRI Standards.

Our efforts to improve disclosures around our sustainability initiatives continue to earn us global recognition, reflected in the scores from leading global sustainability indexes such as Dow Jones Sustainability Index where Biocon improved its score from 45 to 52 and based on this performance, we were inducted into S&P Global’s prestigious annual “Sustainability Yearbook” under the “Industry Mover” category. We were also awarded

a Silver medal by EcoVadis for our Sustainability Accomplishments.



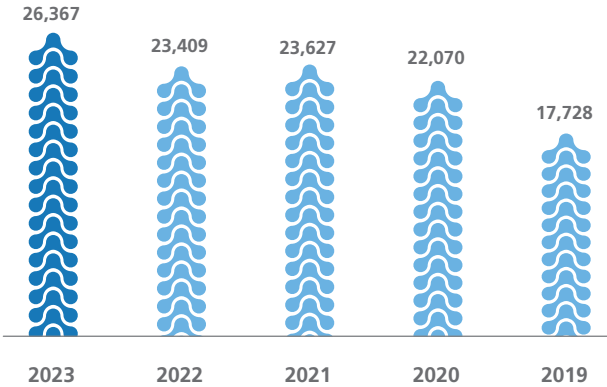
**For Biocon, sustainability is not just an add-on, but an integral part of our overall business strategy, across companies.**



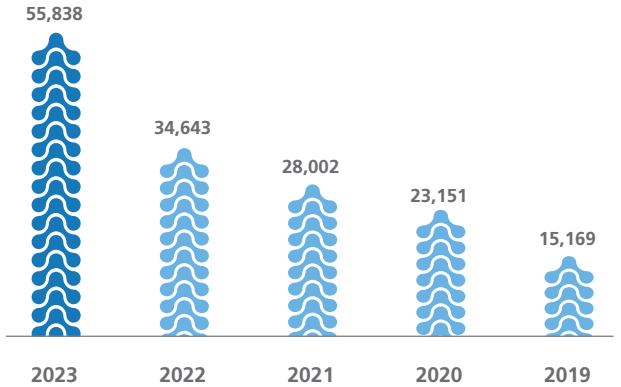
# Financial Highlights

## Segment-wise Revenue\*#

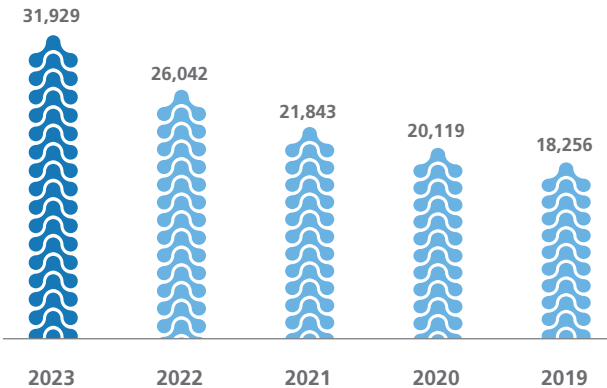
### GENERICS (₹ Million)



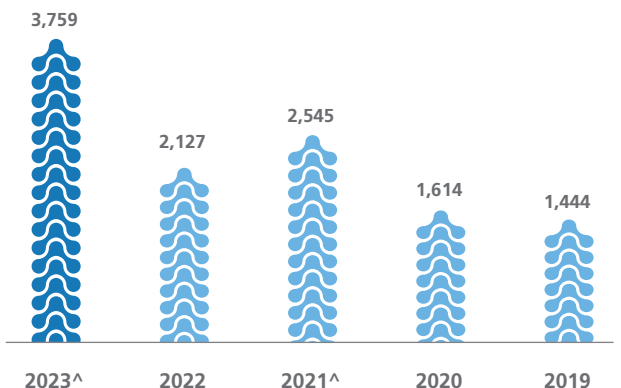
### BIOSIMILARS (₹ Million)



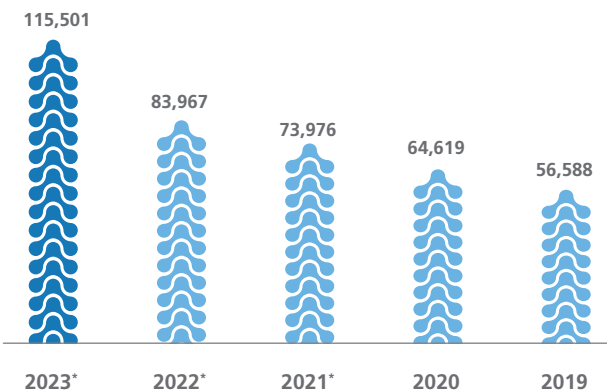
### RESEARCH (₹ Million)



### OTHER INCOME (₹ Million)



### TOTAL REVENUE<sup>^</sup> (₹ Million)

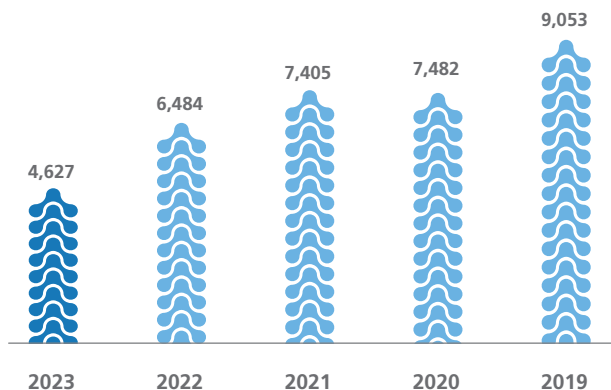


\*includes inter-segment revenue

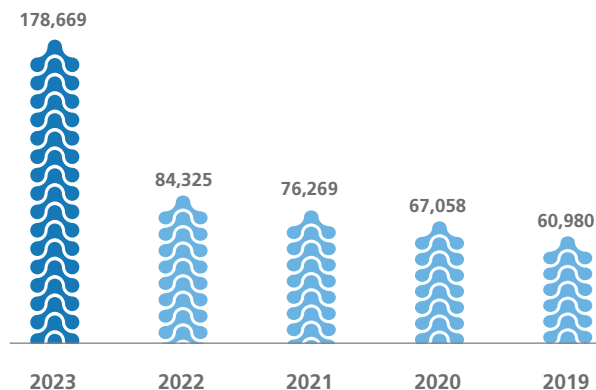
#Effective April 1, 2020, the Group pursuant to its internal restructuring process has restated segment information for FY21 and FY20

<sup>^</sup>includes fair valuation gain of Bicara ₹1,597 million in 2021

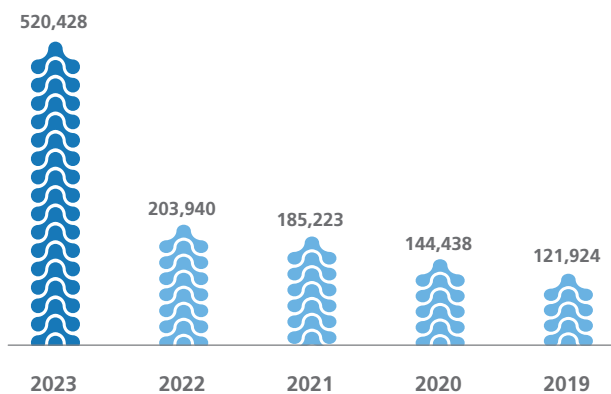
**PROFIT<sup>^</sup>** (₹ Million)



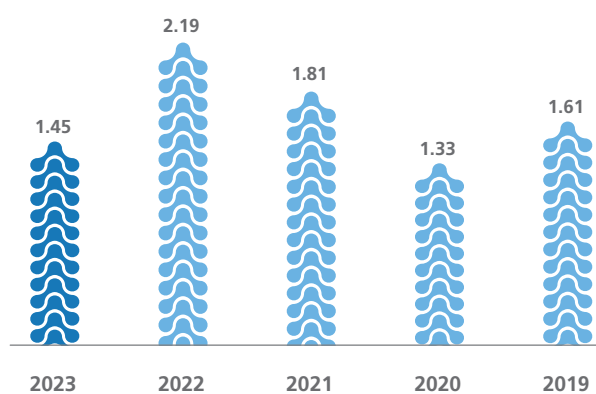
**NET WORTH** (₹ Million)



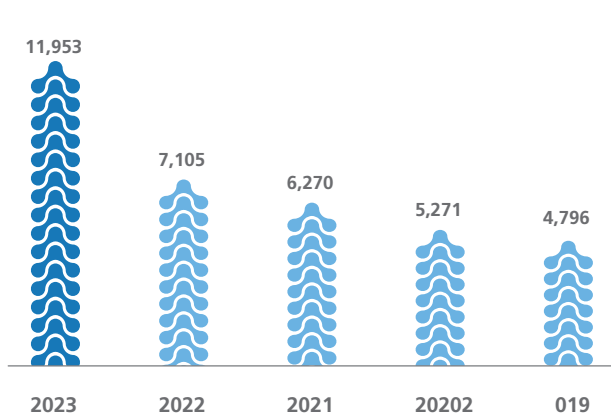
**TOTAL ASSETS** (₹ Million)



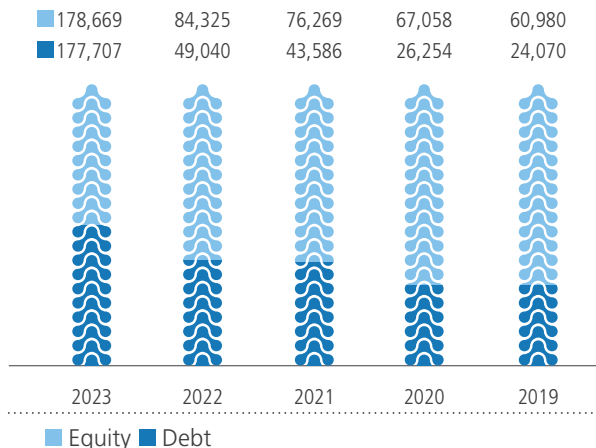
**CURRENT RATIO**



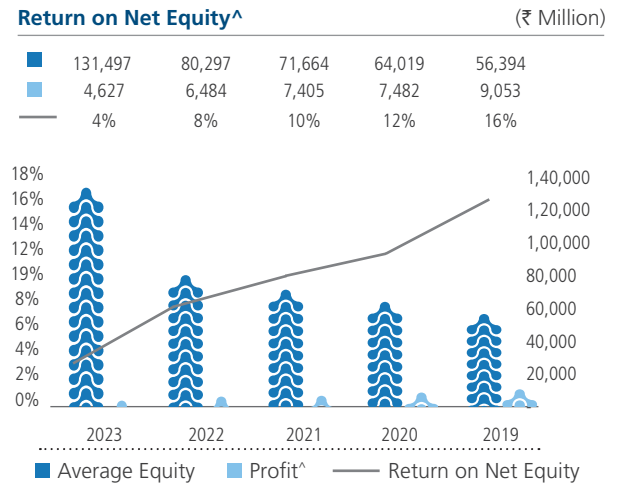
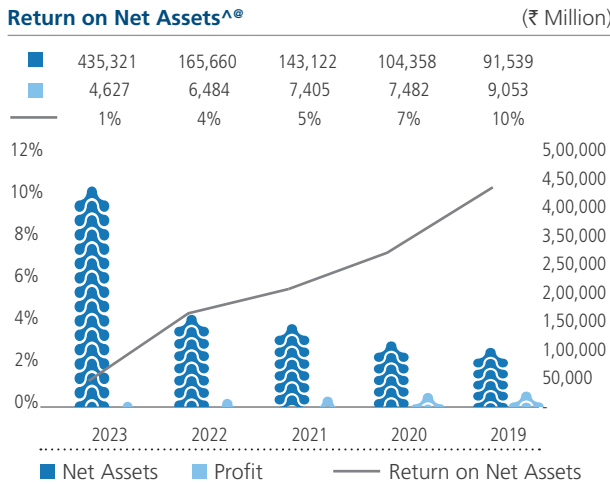
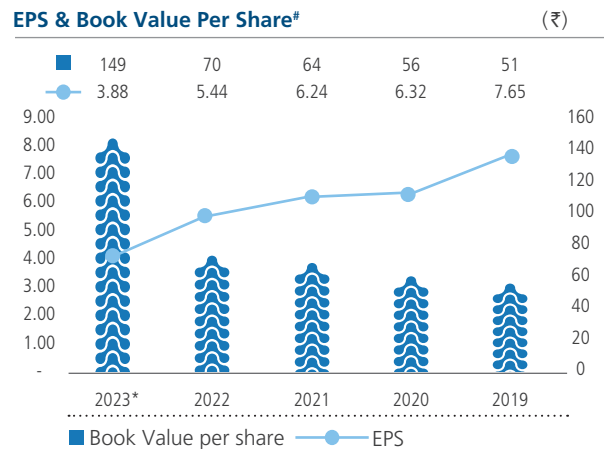
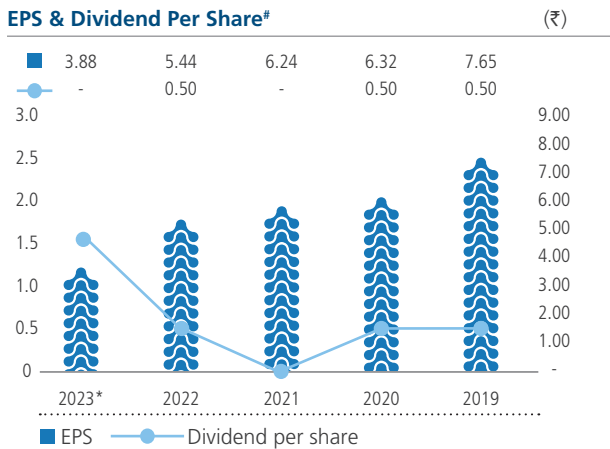
**GROSS R&D SPEND** (₹ Million)



**DEBT: EQUITY** (₹ Million)



<sup>^</sup>includes exceptional items



^ includes exceptional items

# 2019 is adjusted for bonus issue in 2020

® Net Assets = Total Assets - Current Liabilities

\* Proposed a dividend @ 30% of face value per share

## Overview of Financial Performance

Biocon delivered a robust financial performance in FY23, showcasing resilience and growth in a dynamic market. Total revenue rose by 38% to reach ₹115,501 million (USD 1,405 million), driven by strong performances across key business segments. Biosimilars revenue witnessed robust growth, growing by 61%, while Research Services and Generics segments recorded strong growth rates of 23% and 13%, respectively. The total revenue includes ₹2,170 million of stake dilution gain in Bicara.

Core EBITDA increased by 43% to ₹38,066 million (USD 463 million), resulting in core operating margins of 34%, up from 32% last year. R&D spending grew substantially, with ₹11,194 million allocated, representing 14% of revenues. Despite a forex loss of ₹1,605 million this fiscal, EBITDA grew by 32% to ₹28,876 million (USD 351 million), with EBITDA margins at 25%. Profit before tax and exceptional items rose 9% to ₹11,885 million.

The profit growth did not increase in line with the increase in EBITDA due to additional charges related to the





Consolidated Revenue

**₹115,501** millionTotal revenue **increased by 38%**

Biosimilars Revenue

**₹55,838** millionTotal revenue **increased by 61%**

Generics Revenue

**₹26,367** millionTotal revenue **increased by 13%**

Research Services Revenue

**₹31,929** millionTotal revenue **increased by 23%**

Core EBITDA

**₹38,066** millionCore EBITDA **increased by 43%**

EBITDA

**₹28,876** millionEBITDA **grew by 32%**

Net R&amp;D Investment

**₹11,194** millionRepresenting **14% of revenues (ex-Syngene)**

Biosimilars Business acquisition. Net profit before exceptional items reached ₹7,874 million, a 9% increase from the previous year. Exceptional items amounted to ₹3,247 million, including deal-related expenses of the Viatris transaction and tax adjustments.

## Generics

In FY23, our Generics business demonstrated strong performance and growth, rebounding from the challenges faced in the previous year. Key highlights include:

- Revenue of ₹ 26,367 million (USD 321 million), accounting for 23% of consolidated revenues and a 13% YoY growth.
- Core EBITDA, which is EBITDA less licensing, foreign exchange (forex) gain/loss, mark-to-market movement on investments and R&D

investments, of ₹ 6,282 million (USD 76 million).

- R&D expenditure of ₹ 2,166 million, that accounts for over 9% of our revenue.
- Profit Before Tax (PBT) of ₹ 2,644 million, with a PBT margin of 10%, in line with the previous year.
- Annual capital expenditures (CapEx) of ₹ 5,306 million (USD 65 million), supporting expansion and operational enhancement.
- Progress on the greenfield immunosuppressant API facility in Visakhapatnam and the new peptide facility in Bengaluru.
- GMP Certificate of Compliance issued by the EDQM for our API manufacturing facility in Bengaluru.

This performance was driven

by increased demand for immunosuppressant and specialty APIs as well as Generic Formulations, particularly products launched in FY22 in the U.S. and recent product launches in Emerging Markets. Despite the growth, margins remained subdued mainly due to continued pricing pressure in the U.S. market.

## Biosimilars

Biocon Biologics continues to be the key growth driver across the Group and the largest business segment for Biocon, contributing ~50% to FY23 revenues. BBL's revenue for the year grew 61%, driven by the acquisition of Viatris' global biosimilars business, over 35 new launches and an increase in market shares across both Advanced Markets and Emerging Markets.

This growth momentum is expected to continue with the consolidation of the acquired business and several other catalysts. Key highlights for this fiscal include:

- Revenues of ₹ 55,838 million (USD 681 million), with 61% YoY growth.
- Net R&D investments for the year increased 186% to ₹ 8,890 million (USD 108 million), representing 16% of annual revenues, reflecting the progress of our pipeline assets in global clinical trials.
- Core EBITDA reported 68% growth to ₹ 22,160 million (USD 270 million).
- Profit Before Tax before exceptional items at ₹ 4,030 million (USD 49 million).
- Continued CapEx investment, with ₹ 6,805 million (USD 83 million), spent on expansion.

Our consistent financial performance is a testament to our commitment to growth and creating value for our stakeholders, even as we work to enable global health equity through our cost-competitive biosimilars.

### Strong Performance in Advanced and Emerging Markets Driving Financial Growth

Our business in the U.S. recorded significant growth with all three commercial products (bPegfilgrastim, bTrastuzumab and bGlargine) crossing the 10% market share. Prescription shares

for our interchangeable bGlargine are trending higher, which augurs well for FY24. In Europe, our bTrastuzumab and bAdalimumab products witnessed market share improvements with bAdalimumab achieving double-digit shares in Germany and France. We launched four biosimilars, bBevacizumab, bAdalimumab, bGlargine and bAspart, in Canada, where we are the biosimilars market leader for bTrastuzumab.

Business performance in the Emerging Markets in FY23 was driven by continued strong demand for BBL's biosimilar insulins and monoclonal antibodies, growing portfolio coverage and several new launches.

The Company expanded global reach through over 35 launches of its biosimilars in markets worldwide in FY23.

New tenders for bTrastuzumab, bGlargine and bPegfilgrastim won this fiscal in the AFMET and LATAM regions will contribute to the Emerging Markets growth in FY24.

### Research Services

In FY23, Syngene and Zoetis together achieved a significant milestone by signing a 10 year biologics manufacturing agreement worth USD 500 million. The partnership, which began in 2011, involves the development of mAb projects for animal health, specifically for treating osteoarthritis in dogs.

Pending regulatory approvals and market demand, Syngene will manufacture the drug substance for Librela<sup>®</sup>, a first-in-class monoclonal antibody. In another accomplishment, Syngene celebrated 25 years of partnership with BMS, which has grown into BMS's largest R&D facility outside the U.S., accommodating many scientists.

Syngene has established a cutting-edge sterile clinical scale fill-finish facility and a kilo lab for polymers and specialty materials to further enhance their capabilities and capacity. These facilities enable the development and production of small and large-molecule injectables and support the research of PROTACs for cancer and other therapeutic areas. Syngene also prioritized strengthening its supply chain by increasing the number of suppliers outside of China, expanding supplier networks in India and enhancing the overall supplier ecosystem. These initiatives aim to enhance supply resilience and ensure reliable delivery of products and services.

Syngene experienced robust demand in the United States and Europe, driving a 23% increase in revenues to ₹ 31,929 million (USD 389 million) in FY23. Key highlights include

- Strong performance across all divisions: Discovery Services, Dedicated Centers and Development Services.

- Successful inspections by U.S. FDA, EMA and MHRA for biologics facilities.
  - Revenue growth supported by repeat orders and collaborations with emerging biopharma companies.
  - Reported EBITDA increased by 18% to ₹ 10,053 million (USD 122 million).
  - Profit before tax reached ₹ 5,936 million (USD 72 million), a growth of 15%.
- Syngene’s proactive strategic planning and successful operations have driven revenue growth, strengthened partnerships and positioned the Company for continued success.

## Tax Transparency and Reporting\*

We began publishing an annual ‘Tax Transparency Report’ from FY22. The Report structure and content are aligned with the Group Tax Policy and with the GRI 207 standards on tax reporting. The Tax Transparency Report is a voluntary disclosure we publish on our website annually to cater to the information needs of all our stakeholders and enable wider discussions around our tax trends, tax legislation, and tax transparency matters. The report

covers all three Group entities.

We prioritize corporate governance and transparency in managing our tax affairs. In collaboration with CFOs, our tax functions handle tax governance responsibilities across businesses. The independent Audit Committees provide oversight and guidance on tax governance, while Risk Management Committees oversee effective tax risk management. Our Tax Policy, approved by the

Board of Directors and enforced by the Audit Committee, guides this process. The tax function, with inputs from business CFOs, implements the policy.

\*Please visit our website for more information: <https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/>



# Manufacturing Capital

**As a pioneering biopharmaceutical Company, our state-of-the-art manufacturing facilities are capable of producing high-quality products at global scale, with reliability and efficiency. We have integrated operational capabilities to move up the value chain, introduced new therapeutic products in our manufacturing facilities and expanded production capacity further to extend access to our products to patients globally.**

From a manufacturing standpoint, the Biocon Group emerges as a differentiated player in the pharmaceutical industry by capitalizing on our unique manufacturing capabilities and forward-thinking approach.

With **long-standing expertise in fermentation and recombinant DNA technology**, we possess the know-how to harness the power of these cutting-edge techniques, enabling us to develop therapies and treatments that address patients' needs worldwide.

As a Group, we can **leverage large-scale manufacturing capacities for small and large-molecule therapeutic products**. With state-of-the-art facilities and production capabilities, we possess the infrastructure to meet the growing demand for our products. This expansive manufacturing set-up positions the Group as a reliable and efficient provider of pharmaceutical solutions on a global scale.

Another significant aspect of our manufacturing differentiators is **adopting niche technologies to achieve sustainable cost advantages and a competitive edge**. By embracing innovative manufacturing approaches, the Group optimizes processes, enhances efficiency and drives cost-effectiveness. This proactive stance enables us to offer high-quality products while maintaining a competitive pricing structure, making our therapies more accessible to patients in need.

The Group's commitment to operational excellence is reinforced through our **Center of Excellence (COE), which focuses on quality systems, digital transformation and operational excellence**. This centralized initiative is a driving force, integrating all digital transformation and improvement initiatives across the Group's companies. Implementing comprehensive frameworks and leveraging advanced digital

technologies ensure streamlined operations, enhanced quality control and overall excellence across our manufacturing processes.

**We invest in cutting-edge manufacturing processes in line with our dedication to future technologies**. We embrace Industry 4.0 principles, which leverage automation, data exchange and advanced analytics to create smart and interconnected manufacturing systems. Additionally, our adoption of Manufacturing Execution Systems (MES) for commercial-scale production of small and large molecules further enhances efficiency, traceability and quality, setting us apart as a forward-looking organization at the forefront of manufacturing advancements.



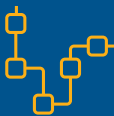
Our Differentiators



**Expertise in Fermentation and Recombinant DNA Technology**



**Large-scale Manufacturing Capacities for Small and Large Molecule Therapeutics**



**Adoption of Niche Technologies**

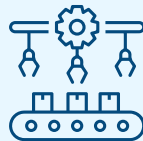


**Center of Excellence Drives and Integrates all Digital Transformation**



**Investing in Future Technologies in Manufacturing Processes**

Our Performance



**Biocon Limited**

- 6 Manufacturing Sites Across India
- 90+ cGMP approvals received from international regulatory agencies.
- Portfolio comprising 50+ APIs
- Portfolio comprising 75+ Generic Formulations



**Biocon Biologics**

- 3 State-of-the-art Manufacturing Sites (India and Malaysia)
- 85+ cGMP certifications obtained from regulatory agencies.
- 8 commercial products across markets, a portfolio of 20 biosimilars
- Invested >USD1 billion in the development and manufacturing of biosimilars ahead of its peers.



**Syngene**

- Operating to global quality standards from 2 million sq. ft. R&D and manufacturing infrastructure in Bengaluru, Mangaluru and Hyderabad.
- Manufacturing of small and large molecules for commercial supplies.
- cGMP-compliant facilities.
- State-of-the art API and biologics manufacturing facilities in Bengaluru and Mangaluru.



## Our Manufacturing Capabilities

Biocon Group’s manufacturing capabilities empower us to meet global healthcare needs. We have the expertise to produce generic drugs, biosimilars and novel biologics to address critical healthcare challenges. Strategic investments in state-of-the-art facilities and cutting-edge technologies keep us at the forefront of the industry. Our world-class facilities maintain the highest quality standards, equipped with advanced automation and control

systems for operational excellence and consistently delivering top-quality products.

We go beyond the production line, fostering a culture of continuous improvement to drive innovation and efficiency. We enhance productivity, reduce cycle times and optimize resource utilization by leveraging data analytics, process optimization and lean manufacturing principles. These efforts make us more competitive

while ensuring cost-effective solutions without compromising quality.

Our commitment to quality is unwavering. Robust quality management systems, adherence to Good Manufacturing Practices (GMP) and rigorous control and assurance measures are embedded in every stage of our manufacturing process. By meeting or surpassing regulatory expectations, we instill confidence in our stakeholders.



### Generics

Biocon Limited is one of the world’s largest manufacturers of statin and immunosuppressive APIs. In 2013, we entered the generic formulation area as part of a strategy to forward-integrate our in-house APIs in finished dosage forms. We have supplemented our in-house manufacturing with global CMOs expertise for formulations as needed.

### Core Capabilities:

- Diverse API manufacturing facilities with capabilities in microbial fermentation, downstream process, including chromatographic purification, chemical synthesis, peptide synthesis and HPAPIs.
- Peptide facility with various synthesizers and supporting unit operations.
- State-of-the-art oral solid dosage manufacturing facility for seamless scale-up, from

R&D to cGMP production.

- Dedicated facility for potent molecules with barrier technology (Isolators).
- Formulation of manufacturing infrastructure for oral solid and parenteral dosage forms.



## API and Generics Manufacturing

### Unwavering Commitment to Producing APIs of the Highest Quality

<p><b>20 Years of Expertise</b></p>	<ul style="list-style-type: none"> <li>• Serves 750+ pharmaceutical companies across 75+ countries.</li> <li>• Expertise in complex manufacturing technologies, high-potency compounds and challenging characterization requirements.</li> </ul>
<p><b>API Manufacturing</b></p>	<ul style="list-style-type: none"> <li>• Commissioned peptide API capacity in Bengaluru and immunosuppressant API capacity in Visakhapatnam, currently undergoing process validation.</li> <li>• Leading global manufacturer of statin and immunosuppressant APIs.</li> </ul>
<p><b>Additional Offerings</b></p>	<ul style="list-style-type: none"> <li>• Select API pellets and premixes available to meet specific customer and market demands.</li> <li>• Robust development pipeline in the oncology space.</li> </ul>
<p><b>Vertical Integration</b></p>	<ul style="list-style-type: none"> <li>• In-house APIs ensure efficient control over the supply chain.</li> <li>• Enables creation of high-quality generic drugs with improved efficacy, safety and stability.</li> <li>• Ensures supply continuity and enhances the ability to meet diverse client and patient needs.</li> </ul>

### Leveraging Technology and Data

We are entering a new era of manufacturing and production driven by digital technologies, automation and intelligent data management. Accordingly, our focus on strengthening manufacturing capacities and capabilities through new technologies has increased manifold.

#### Driving Operational Excellence and Digitization: Our Digital Tools

- |   |  |   |
|---|--|---|
| <p>➤ Regulatory Information Management Systems (RIMS)</p> | <p>➤ Quality Management Systems (QMS)</p>  | <p>➤ Cleaning Validation</p>                  |
| <p>➤ Lab Information Management Systems (LIMS)</p>        | <p>➤ Learning Management Systems (LMS)</p> | <p>➤ Annual Product Quality Review (APQR)</p> |
| <p>➤ Scientific Data Management Systems (SDMS)</p>        | <p>➤ Document Management Systems (DMS)</p> | <p>➤ Process Mining</p>                       |

Biocon Limited is investing in a state-of-the-art fermentation-based immunosuppressant manufacturing plant in Visakhapatnam that integrates digital technologies into our processes. This facility will drive operational efficiencies and compliance through Industry 4.0 principles. Equipped with a cutting-edge Manufacturing Execution System, it will strengthen quality management and enhance our capacity to deliver accessible and affordable medicines. We are also repurposing existing facilities to leverage technology for better customer service. This investment marks a significant step in driving long-term future growth at Biocon Limited.

## Biosimilars

Biocon Biologics has invested over USD 700 million in constructing global-scale manufacturing infrastructure. The Company has large-scale microbial fermentation, mammalian cell culture, protein & antibody purification, aseptic formulation, fill-finish and device assembly capabilities. The manufacturing facilities, located in India and Malaysia, are designed to conform to the most stringent cGMP guidelines and comply with international regulatory standards. These facilities have GMP certifications and approvals from over 25 international regulatory agencies, including U.S. FDA, EMA, Therapeutic Goods Administration (Australia), Health Canada and PMDA (Japan).

### Core Capabilities:

- Manufacturing facilities can produce drug substances, drug products and assemble drug delivery devices.
- Multiple technology platforms, including proprietary microbial and mammalian cell-based platforms.
- Ranked among the Top 15 in global biomanufacturing capacity.
- Asia's largest integrated insulins facility located in Malaysia is a COE for insulin and insulin analogs
- BBL's B3 facility is one of India's largest mAbs manufacturing facilities
- mAbs production capabilities span stainless steel and single-use technologies.

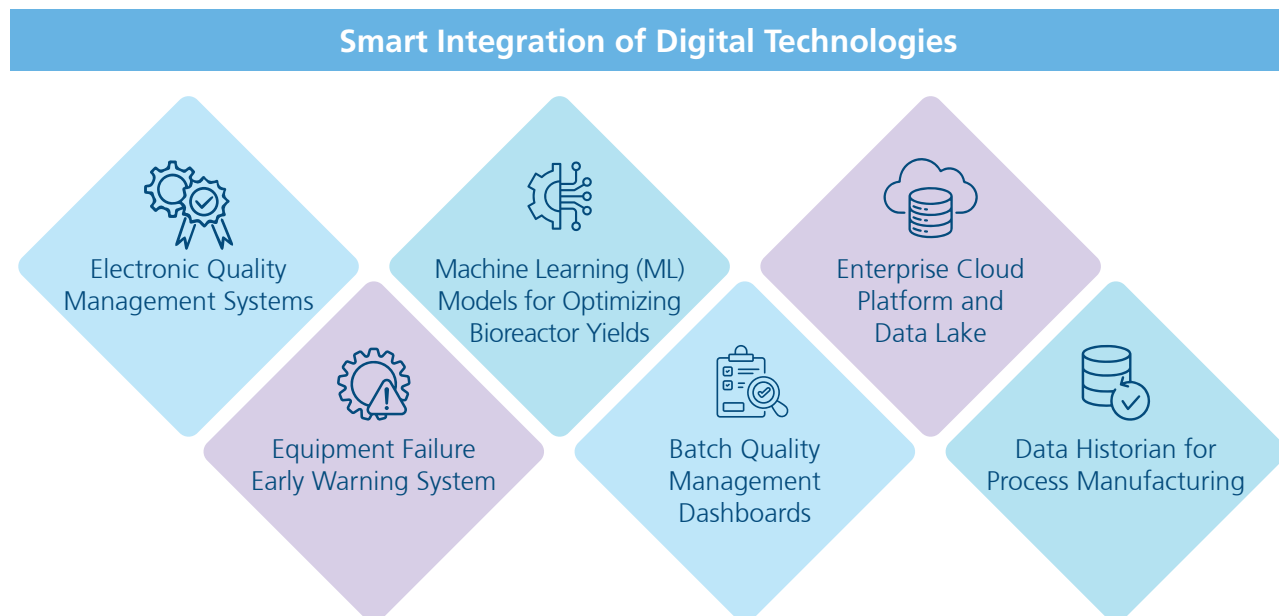
Biocon Biologics has taken a modular approach to capacity expansion. As we progress on our strong growth trajectory, we continue to invest in new capacity as well as upgrade our facilities with new-age technology and capabilities. Our capacity to manufacture drug substance for our mAbs portfolio received a boost when the B3 facility in Bengaluru received EU GMP certifications for producing bTrastuzumab and bBevacizumab in FY23. This facility, which is one of India's largest monoclonal antibodies manufacturing facilities, has been designed to be energy-efficient with green building design features, thus reducing our carbon

footprint. It received an 'Honorable Mention' at the Facility of the Year Award (FOYA) 2021, organized by the International Society for Pharmaceutical Engineering (ISPE).

To cater to the strong global demand for our insulins' portfolio, we are expanding our insulin manufacturing facility in Malaysia, which manufactures rh-Insulin, bGlargine and bAspart for several markets globally, including Malaysia. In FY23, the Malaysia facility received EU GMP compliance certification, continuing to meet the needs of insulin-dependent people with diabetes in the EU.



# Digital Transformation



Biocon Biologics is implementing a robust digital transformation strategy to add speed, reliability and efficiency to its manufacturing operations. These initiatives are aimed at predictive maintenance of process equipment, yield optimization in bioreactors, improved manufacturing capacity utilization and shorter review times to enable product release post manufacturing. We are also enabling tighter adherence to regulatory guidelines by significantly reducing human error, improved adherence to SOPs (standard operating procedures) and easier remote document reviews and approvals. We are also building data pipelines and leveraging cloud technology to create data lakes, which provide deeper insights into the huge volume of data generated by our core business functions. BBL

is also focusing on continuous manufacturing and various process analytical technology (PAT) tools to improve productivity and efficiency.

### Process Improvements at Biocon Biologics\*

BBL's cost-competitive manufacturing capabilities coupled with a relentless focus on process improvement throughout the biosimilars value chain have enabled us to make our products affordable for a larger patient population. We are continuously refining our processes to achieve a competitive edge through the cost of goods and world-class product quality.

We significantly leverage digital systems to enhance the efficiency of our core processes. Some of the

key initiatives undertaken recently include:

- Automated early warning system sends out alerts that allow for timely measures to prevent equipment failure.
- Machine Learning algorithms are used to analyze historical data, identify parameter relationships and optimize operating parameters in bioreactors, leading to improved product yield.

Reduction of waste generated during the manufacturing process is also an important part of process improvements. We implement technologies that reduce the use of raw materials for every unit of product we manufacture. We actively identify opportunities for recycling across each stage of the manufacturing process.

\*Process improvements are also applicable to Biocon Limited.



## Research Services

Syngene operates state-of-the-art manufacturing facilities that produce diverse large and small-molecule drugs, including biologics. The facilities adhere to strict U.S. FDA and EMA standards and provide flexible equipment options for clients. With a proven track record since 2015, Syngene offers end-to-end solutions from GLP-Tox batches to commercial manufacturing. Their experienced team operates 24x7, ensuring safety and regulatory compliance and earning the trust of global customers.

Syngene's biologics manufacturing facility utilizes single-use technology and handles multi-product production campaigns. Equipped with advanced equipment, the facility supports long-term commercial manufacturing and has expertise

in various products, including mAbs, recombinant proteins and microbial and microbiome Live Biotherapeutic Products (LBP).

### Core Capabilities:

- 24/7 operations for optimal resource utilization
- Diverse range of reactors in stainless steel, glass lined and Hastelloy materials
- Wide range of supported chemistries: asymmetry catalysis, halogenation, etc.
- Expertise in handling high potency compounds with strict safety measures
- High vacuum distillations (<10 Torr) and high-temperature processes (up to 140°C)
- Hydrogenator for acidic/basic reactions, capacity up to 4 KL and 26 bar pressure
- Cryogenic reactor: 12 KL capacity, operating from

-90°C to 140°C

- Particle size reduction (<10 microns) using nitrogen and air in a controlled environment
- Batch sizes: 100kg (Bengaluru) to 40 MT per annum (Mangaluru)

### Investing in Future Science

Syngene is investing in future technologies to meet clients' needs in scientific R&D, focusing on promising areas like cell and gene therapies (CGTs). These therapies can potentially treat severe diseases but face obstacles due to high production costs.

Hence, Syngene has recruited experts and established development capabilities to address this challenge to support clients in bringing these modalities to market.

## Manufacturing Quality and Compliance

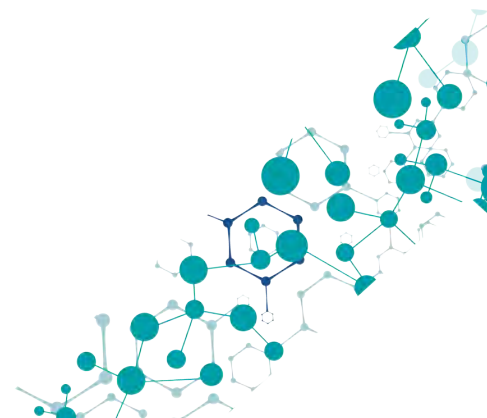
We are dedicated to increasing the quality of our manufacturing process and products through digital technologies, raising awareness, and bringing our systems and processes up to best-in-class regulatory standards. Across the Group, we achieve this through the robust Quality Management Systems (QMS) designed to align with global standards and regulatory bodies.

The QMS includes procedures and protocols that align with internationally recognized practices and processes. These include Good

Manufacturing Practices (GMP), Good Storage Practices (GSP), Good Distribution Practices (GDP), Good Documentation Practices, Good Clinical Practices (GCP) and Good Pharmacovigilance Practices (GVP). This is further fortified by an internal audit program conducted by trained and qualified auditors. The respective Quality Heads of each Company lead quality-related relationships with regulatory bodies and drive commitment towards fully automated quality systems.

The internal audit process enables us to improve our quality standards

and manufacturing processes. It helps us stay ahead of changing regulatory requirements and standards, including those centered around product and manufacturing quality. We have also initiated virtual audits at some of our sites to enable our auditors to conduct real-time inspections.





**This has resulted in international certifications across all three companies. These include:**

- ISO 13485:2016 - Medical Device Quality Management
- ISO 45001 - Occupational Health and Safety Management Systems
- Good Manufacturing Practices - EU, Japan, India
- MHRA (U.K.) - Good Manufacturing Practice (GMP) certification
- Organization for Economic Co-operation and Development (OECD) guidelines
- New Drugs and Clinical Trials Rules, 2019
- ICH Series guidelines

## Quality and Compliance Across the Group

Biocon Limited	Biocon Biologics	Syngene Limited
<p>Over 90 cGMP approvals received from international regulatory agencies for our products and/or facilities, including:</p> <ul style="list-style-type: none"> <li>• U.S. FDA</li> <li>• EMA</li> <li>• UK MHRA</li> <li>• TGA Australia</li> <li>• Cofepris Mexico</li> <li>• Health Canada</li> </ul>	<p>Over 85 cGMP certifications received from international regulatory agencies, including:</p> <ul style="list-style-type: none"> <li>• U.S. FDA</li> <li>• EMA</li> <li>• TGA, Australia</li> <li>• PMDA, Japan</li> <li>• Health Canada</li> </ul>	<p>Syngene has GMP approvals from U.S. FDA, EMA, Japan and India (Schedule M of Cosmetics Act).</p> <p>Implementation of good documentation practices (GDP) aligned with worldwide ALCOA+* requirements. The entire document management process is digitized.</p>
<p>Two API manufacturing facilities in Bengaluru underwent regulatory inspection and received GMP certificate of compliance from EU in September 2022 and February 2023.</p>	<p>B3 mAbs facility in India received EU GMP certification for bBevacizumab and bTrastuzumab.</p>	<p>Laboratory records are stored in electronic notebooks.</p>
	<p>Insulins facility in Malaysia received EU GMP certification.</p>	<p>9 successful U.S. FDA approvals in the past four years.</p>

\*ALCOA+ principles safeguard data integrity in life sciences.



## Embedding a Culture of Quality

At a Group level, a Learning Management System was developed to provide our employees with the necessary quality and compliance-related training.

Biocon Limited	Biocon Biologics	Syngene Limited
<ul style="list-style-type: none"> <li>Over 2,000 well-trained Quality professionals monitor our development and manufacturing processes and ensure compliance with cGMPs.</li> </ul>	<ul style="list-style-type: none"> <li>Center of Excellence (Quality Systems Digital Transformation &amp; Operation Excellence). Enables identification and execution of digital and process solutions.</li> </ul>	<ul style="list-style-type: none"> <li>Anytime Audit Ready Standard</li> <li>~80 audits by regulators and clients on company premises during the year.</li> </ul>
<ul style="list-style-type: none"> <li>Paperless, self-learning enabled through implmentaion of digital solution of LMS.</li> </ul>	<p>Quality principles:</p> <ul style="list-style-type: none"> <li>Patient-Focused: Developing, delivering affordable biologics that meet patients' needs and expectations.</li> <li>Proactive Approach: Preventing defects and errors rather than detecting and fixing them.</li> <li>Continual Improvement: Continually refining quality risk management processes, incorporating best practices.</li> </ul>	<ul style="list-style-type: none"> <li>Lean and Six Sigma methods employed for process improvement and waste elimination. This includes a multi-year training program in Lean and Six Sigma.</li> </ul>
<ul style="list-style-type: none"> <li>Ongoing project to simplify Batch Manufacturing Records (BMRs) and Standard Operating Procedures (SOPs) for major commercial products across sites.</li> </ul>	<p>Deploying digital solutions to:</p> <ul style="list-style-type: none"> <li>Improve quality and compliance.</li> <li>Augment productivity.</li> <li>Enable data integrity.</li> </ul>	



# Intellectual Capital

**The Group nurtures a culture of innovation, strategically invests in research and development and develops robust systems that enable us to digitize and safeguard our intellectual property. By adopting this focused approach, we aim to create innovative solutions that positively impact the lives of a billion people, while creating value for all our stakeholders.**

Our intellectual capital is one of our greatest differentiators, enabling us to bring innovative solutions and drive excellence across the pharmaceutical landscape. We are dedicated to fostering innovation and embracing complexity to propel our discovery, development and manufacturing services forward.

With a **full range of R&D capabilities, we possess the expertise to undertake innovative, Generics and Biosimilars research.** This comprehensive approach allows us to cater to diverse market needs and develop a wide range of therapeutic solutions.

Furthermore, **we have expertise in drug discovery, preclinical and clinical research and CMC.** This enables us to have the **necessary capabilities to successfully navigate the entire value chain,** from concept to commercialization.

Our commitment to intellectual capital extends beyond our organization. We foster research partnerships with academia, collaborating with esteemed institutions to enhance process efficiencies and explore novel approaches such as flexible and

continuous manufacturing. By leveraging the collective knowledge and expertise of academia, we unlock new insights and optimize our operations, delivering innovative solutions that drive the advancement of healthcare.

**We accelerate innovative research for our customers through our Research Services business.** We understand the value of collaboration and leverage our intellectual capital to support our partners in achieving their goals. We empower our customers to expedite their research and development efforts by providing tailored research services, benefiting patients and healthcare providers worldwide.

In addition to innovation, **we lay emphasis on Intellectual Property (IP) protection and information security.** We recognize the importance of safeguarding our research, processes and valuable data. By prioritizing IP protection and information security, we instill trust among our partners and stakeholders, reinforcing our commitment to integrity and maintaining the highest standards of confidentiality.



## Our Differentiators



**Innovation and Complexity in Discovery, Development and Manufacturing**



**R&D Capabilities in Innovative, Generics and Biosimilars Research**



**Expertise Across the Value Chain**



**Research Partnerships with Academia**



**Accelerating Innovative Research for Our Customers**



**Focus on IP Protection and Information Security**

## Our Performance



**7,000+** R&D Staff



- **1,500+** patents held globally
- **2,400** trademarks held globally



**6** R&D Centers



Invested **₹11,194 million** in R&D in FY23



**14%** R&D investments as % of revenue (ex-Syngene)



- **56\*** patents granted (FY23)
- **77\*** trademarks granted (FY23)



Launched **48+** products across API, generic formulations and biosimilars



**05\*** ANDAs approved and **21\*** Cumulative ANDAs/NDAs

\*Information on no. of patents, co-authored patents granted, ANDAs/Cumulative ANDAs, trademarks and new products launched is **"Not Applicable"** for Syngene. Information on no. of ANDAs/Cumulative ANDAs is not applicable for Biocon Biologics.

## Investing in the Foundations of Innovation

As a Group, we have invested significantly in R&D. In FY23, our R&D investment of ₹11,194 million further enabled us to bring innovative therapeutic products to the market. Our R&D program focuses on enabling us to become an integrated biotechnology enterprise of global distinction, aligned with our strategic pillars: Accessibility, Affordability, Availability and Assurance. With six state-of-the-art R&D facilities and a dedicated R&D team of over 7,000 professionals, we drive our strategy forward.

### Our R&D Capabilities

#### Biocon Limited

Dedicated R&D facility in Bengaluru that supports API and Formulation business.

Team of over 500 highly qualified scientists and postgraduates. They are guided by our Scientific Advisory Board of industry experts.

We invest heavily in innovation and R&D to promote good health and reduce inequalities by improving access to healthcare.

#### Biocon Biologics

Utilizes two advanced R&D facilities and two pilot plants each in Bengaluru and Chennai.

Team of 540+ dedicated scientists conducting cutting-edge research in BBL's labs.

State-of-the-art facilities with advanced cell culture bioreactors and chromatography systems.

#### Syngene Limited

Three campuses for research, development and manufacturing.

Workforce of 8,500 employees, ~6,000 are research scientists.

Research is conducted across the value chain from discovery research, development services and manufacturing of small and large molecules.

## Insights into Itolizumab

We are developing the world's first novel anti-CD6 monoclonal antibody, Itolizumab. It specifically targets the CD6-ALCAM pathway and shows promise in treating acute graft-versus-host disease (aGVHD) and systemic lupus erythematosus (SLE) or lupus nephritis (LN). Equillium, our partner in the United States, Canada, Australia and New Zealand, is leading its development for these markets. In 2013, we launched ALZUMAb™

(Itolizumab) in India for psoriasis, marking the second biologic taken from the lab to market after Nimotuzumab. In response to the COVID-19 pandemic, we repurposed ALZUMAb-L (Itolizumab) for the prevention and treatment of cytokine release syndrome (CRS) in moderate to severe acute respiratory distress syndrome (ARDS) patients. This effort has benefited over 40,000 COVID-19 patients in India.

Equillium has also agreed with Ono Pharmaceutical Co. Ltd, granting them the exclusive option to acquire the rights to Itolizumab.





## Elevating our R&D Performance

The current fiscal year witnessed some important milestones that significantly contributed to Biocon's intellectual property and research and development capabilities.

### Research and Development Partnerships

#### Biocon Limited

##### **Our long-standing collaboration with Equillum:**

In partnership with our U.S.-based partner Equillum Inc., we began a clinical investigation of Itolizumab, our high-value, multi-indication drug, in patients with Ulcerative Colitis (UC) in India. This is a Phase 2 randomized, double-blind, parallel-group, placebo and active-controlled (adalimumab), two-treatment period study to evaluate the safety and efficacy of Itolizumab for remission induction in biologics naïve patients with moderate to severely active UC.

##### **The synergistic association with Bicara:**

Our Boston-based associate Bicara Therapeutics' lead candidate BCA101, in combination with Pembrolizumab, was evaluated in front-line systemic patients with unresectable, recurrent, or metastatic head and neck squamous cell carcinoma with very favorable response rates. BCA101 is also being evaluated, as a monotherapy, in patients with advanced or incurable cutaneous squamous cell carcinoma of the lung who have received previous anti-PD-1 therapy.

#### Biocon Biologics

BBL's scientists have extensive experience in interacting with global regulatory authorities such as U.S. FDA, Health Canada, EMA, MHRA, PMDA (Japan) and TGA (Australia), which has paved the way for the approval and commercialization of our first wave of biosimilars. Biocon Biologics regularly engages with key stakeholders globally to advocate policies that will broaden biosimilars access. Our interactions with the U.S. FDA, along with key opinion leaders in academia and industry, have resulted in improving the biosimilar regulatory process.



### Syngene

Our work with Bristol Myers Squibb is the leading example of integrated research collaborations. Our ongoing research collaboration with them was extended through the end of 2030, further expanding the breadth of drug discovery research conducted. This includes chemistry, biology, drug metabolism, pharmacokinetics, translational medicine research, pharmaceutical development, chemical process development and analytical sciences. We celebrated 25 years of collaboration in the year under review. Other examples include the recently agreed biologics manufacturing agreement with Zoetis built on more than 10 years of collaboration and the dedicated facilities that we manage for Amgen.

### Academic Partnerships

Establishing symbiotic relationships with leading universities in India and globally is our priority. These partnerships foster intellectual value and provide potential sources of innovation, benefitting our customers and clients. We are looking to increase our affiliations with universities to develop a connected community that benefits both parties.

### Recent Scientific Publications

Our scientific publications are a testament to our Company's Intellectual Capital. These publications highlight our contribution to scientific

advancement. This year, the Biocon Group authored several scientific publications, demonstrating our commitment to advancing science in the industry and our dedication to developing innovative treatments for patients. They reflect the diligent efforts of our talented workforce across companies, led by our exceptional scientists who have gathered a wealth of information in their pursuit of novel research.



## New Products, Launches and Approvals

Our new product launches and those currently in the pipeline are carefully considered through robust processes identifying their viability, scalability and profitability, as each new product must align with each Company's overall strategy and vision.

Biocon Limited		Biocon Biologics	
<b>13</b>	New Product launches	<b>35+</b>	New Product launches
<b>124</b>	Products in the Pipeline	<b>20</b>	Products in the Portfolio
<b>50</b>	Regulatory Filings	<b>60+</b>	Regulatory Filings
<b>19</b>	Regulatory Approvals	<b>~30</b>	Regulatory Approvals

## New Products and Launches

### Biocon Limited

- Successful API launches of Sitagliptin and Vildagliptin in the EU after expanding brownfield capacity at Bengaluru and Visakhapatnam plants
- Launch of Mycophenolic Acid Delayed-Release tablet, a breakthrough immunosuppressant for preventing organ rejection in adult kidney transplant patients.
- Expansion of generic formulations business beyond the U.S. with approvals for Lenalidomide in the EU, Fingolimod capsules in the UAE and Rosuvastatin Tablets in Singapore
- Partnership with Zentiva to manufacture and supply Liraglutide in 30 European countries for treating Type 2 diabetes and obesity

### Biocon Biologics

- Biocon Biologics had 35+ launches across Emerging and Advanced Markets in FY23.  
Oncology: Launched bTrastuzumab, bPegfilgrastim, and bBevacizumab in 21 countries.  
Diabetes: Launched bGlargine, bAspart, and rh-Insulin in 12 countries.  
Immunology: Launched bAdalimumab in 3 countries.



## Sustainability and Ethics in Our Clinical Trials

The Biocon Group upholds ethical clinical trials through adherence to industry-leading practices and oversight from the Clinical Trial Protocol Review Committee (CTPRC), led by the Chief Medical Officer. The committee includes heads of Medical Affairs, Regulatory Affairs, Research & Development and other relevant members.

As part of our commitment to ethical trials, we obtain written informed consent from all participants and seek approval from independent ethics committees/institutional review boards. Our approach is consistent with the Declaration of Helsinki, the Indian Council of Medical Research Ethical Guidelines and Good Clinical Practices. Moreover, we register all our clinical trials with the government database.

### Sustainable Practices in Clinical Trials

Biocon Biologics' Clinical Development and Medical Affairs (CDMA) team integrates sustainable practices in clinical trials based on the UK's Carbon Reduction Guidelines. These guidelines promote carbon management and practical study design to reduce emissions without burdening researchers. The aim is to reduce carbon emissions from clinical trials through the following pillars of sustainability:

**Modernization:** Using digital tools like electronic health records and remote/wearable devices for targeted interventions, shorter duration and fewer participants.

**Efficient Design:** Employ smart study designs to avoid unnecessary studies and additional data collection, such as relying on existing safety and efficacy trial data for interchangeability claims.

**Reduced Complexity and**

**Duration:** Streamlining trials using a global reference product for biosimilars development and simplifying clinical pharmacokinetic studies.

Additionally, Biocon Biologics aims to improve diversity in clinical trials through inclusive study design protocols, multilingual study tools and digitized data collection systems for wider accessibility.

### Syngene's Approach to Clinical Trials

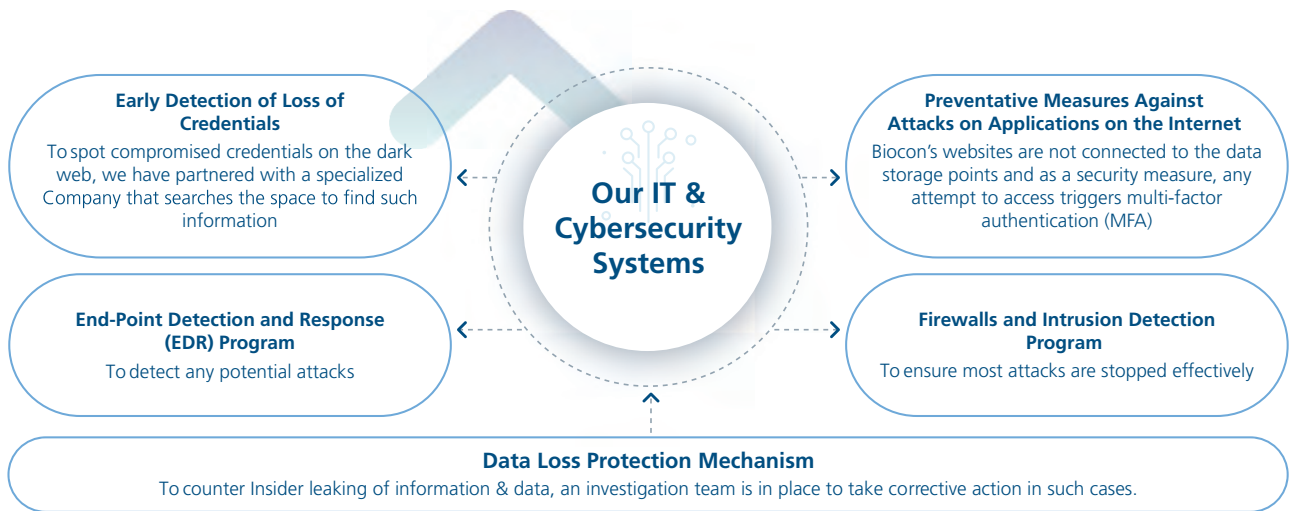
Syngene's clinical operations teams perform comprehensive Clinical Trial Management processes, conducting Phase 1 to Phase 4 clinical trials and patient-based bioavailability (BA) and bioequivalence (BE) studies. Across all processes, Syngene maintains the highest standards of quality, ethics, confidentiality and sustainability.

- **Certifications and Accreditations**
  - Certified and accredited clinical development processes.
  - Certifications: ISO 9001:2008, 14001, OHSAS 18001, AAALAC and GLP.
- **Experienced Team**
  - Team of well-trained professionals with over 150 years of collective project management experience.
- **Ethical Clinical Trials**
  - Syngene maintains ethical standards throughout its clinical trial management processes by ensuring written consent is obtained from all participants.
- **Sustainability Focus**
  - Syngene integrates sustainable practices into its clinical trials, aiming to reduce carbon emissions.
  - The Company follows the UK's Carbon Reduction Guidelines
  - Emphasis on good carbon management and practical study design to reduce carbon footprint.

# Information Security Management and Protection

## Our Ability to Defend, Withstand and Recover

The Group has implemented a comprehensive IT & Cybersecurity program across all three companies with multiple initiatives to protect intellectual property and prevent any breach of sensitive information.



The IT systems of Biocon Limited, Biocon Biologics and Syngene are ISO 27001:2013 certified, ensuring international standards for information security management. Regular vulnerability assessments and penetration testing are conducted to identify and address system weaknesses. Red teaming exercises and compromise assessments are performed annually to exploit gaps and evaluate system security. In case of attacks, an advanced cyber-defense platform powered by artificial intelligence and machine learning is utilized to monitor and detect potential threats.

**ZERO cybersecurity breaches or threats were reported and ZERO consumer complaints were received about data privacy and cybersecurity in FY23.**

Across the Group, we continuously challenge our cyber resilience plans to ensure they align with the latest cyber incidents. Our employees are equipped with information and proactive training on best practices to combat the ever-present risks of viruses and scams. Furthermore,

our robust disaster recovery plans and completed drills for critical applications ensure seamless business continuity.

The Office of the Group Chief Information Security Officer (CISO), which has incorporated a Zero Trust Approach to defend against known and unknown threats, drives these management systems and processes. This is further augmented by partnering with industry leaders who provide

us with intelligence on data leakage across the Internet, cloud services and the dark web. We expect all our partners to deliver solutions that will protect the Group's information by design.

### Privacy Protection

Each Company in the Group values the privacy of all individuals and the confidentiality of the personal information it holds about them. How information is collected, used and protected has been



provided in detail in the Company Privacy policy. In collecting, using, or storing personal data, each employee must comply with the following:

- Data obtained with appropriate consent as required by laws and policies
- Collected data is relevant, adequate and used solely for its intended purpose
- Compliance with relevant published privacy laws in the use of personal data
- Strict confidentiality and security measures in place to protect personal data



## Privacy Protection Initiatives Across the Group

<p><b>Training</b> All employees receive annual training on information security and cybersecurity to raise awareness. Additionally, sessions are organized throughout the year to address important focus areas in this domain.</p>	<p><b>Escalation Matrix</b> The Group follows a Code of Conduct and has established an escalation matrix for staff to promptly report suspicious activities.</p>	<p><b>Digital Data Recording</b> We have implemented secure electronic data recording/ review processes and regularly evaluate data for external IP protection.</p>	<p><b>IP Risk Management</b> Third-party risk is managed through the vendor risk management program and enhanced phishing programs.</p>	<p><b>Privileged Access Management</b> We have invested in a privileged access management system that safeguards against accidental or deliberate misuse of privileged access.</p>
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## Intellectual Property Management

The Biocon Group’s extensive patent portfolio demonstrates our unwavering commitment to innovation and the continuous growth of our product offerings. We prioritize Intellectual Property (IP) strategy and capabilities to drive our expansion and improvement in various areas.

### Patents Across the Group

	Patents	1,193	Trademarks	460
	New patents IN FY23	38	New trademarks	6
	Patents filed in FY23	28	Trademarks filed In FY23	6
	Patents	392	Trademarks	1,984
	New patents In FY23	18	New trademarks	71
	Patent applications Filed in FY23	1	Trademarks filed In FY23	401

# Human Capital

**In today's ever-evolving socio-economic landscape, managing people and investing in human capital has become an integral aspect of business. The increasing emphasis on equal opportunities, diversity and inclusion, well-being, upskilling, digitization and the rise of AI necessitates the preparation of our workforce for the future. The Biocon Group recognizes this and is committed to enabling our people.**

A key aspect of our human capital differentiators is our commitment to create career avenues for women in non-traditional roles, including manufacturing. We recognize the importance of breaking gender stereotypes and providing equal opportunities for professional growth. By encouraging women to pursue diverse career paths, we promote diversity across all levels of our organization, enriching our workforce with varied talent and experience. Furthermore, we offer flexibility to women after returning to work from a maternity break and have implemented programs to facilitate their smooth reintegration into the workplace.

Our commitment to diversity, equity and inclusion is a cornerstone of our human capital differentiators. We **firmly believe that a diverse workforce fuels innovation and drives our success.** We actively work towards creating an inclusive environment that values and respects every individual, ensuring equal opportunities for all.

**We take pride in fostering a culture of pervasive excellence, which is driven by an inclusive and empowering workplace, where every employee is valued**

**for their unique contributions and ideas.** This quest is fueled by what we call the 'good to Great' initiative or g2G, as a part of which we have identified five critical behavioral traits that all employees are expected to demonstrate. Our g2G journey aims to stimulate our people to work with a sense of urgency, leverage the power of collaboration, innovate and think out of the box, deliver on every commitment and do all this with complete and uncompromising integrity. We are an equal-opportunity employer and constantly work to increase fairness and eliminate biases from our processes and systems. We actively embrace diversity and give our employees all the support they need to achieve their full potential.

**Our culture of continuous learning** is another differentiator that propels our human capital forward. We believe in the value of ongoing development and provide our employees with ample opportunities to enhance their skills, expand their knowledge and stay ahead in a rapidly evolving industry. We foster personal and professional growth through training programs, mentorship and knowledge-sharing platforms.

Our comprehensive offerings include an online career portal empowering employees to see and plan their path, a manager development program and an internal job posting program for seamless mobility across Group Companies.

**Health, safety and well-being of our employees are fundamental priorities in our workplaces.** Through our good2Great initiative, we encourage all employees to embrace the Company's core values, which positively impact their behavior and lead them to help strengthen our workplace culture. This makes every employee a contributor to our journey of transitioning from a good to a great organization. Through comprehensive healthcare services and benefits, we ensure the well-being of our employees. Additionally, we offer access to creche facilities and also reimburse education fee for school-going children for all our employees. By prioritizing employee well-being, we create a secure and supportive environment, where our employees can thrive and deliver their best work.

Our Differentiators

Our Performance



**Strong Focus on Diversity, Equity and Inclusion**



**Inclusive and Empowering Workplace**



**Creating Career Avenues for Women in Non-Traditional Roles**



**Culture of Continuous Learning**



**Health, Safety and Well-being as a Priority**



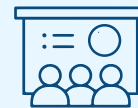
Talented, dedicated workforce of **16,545 employees**



**23%** of the workforce comprise women



**370,000+** Hours of Employee Training and Development



**₹73.69 million** of Investment in Employee Training and Development



**Zero Fatalities** Across our Manufacturing Facilities



**₹20,041 million** Invested in Employee Benefits and Well Being Activities



Great Place to Work **Certified\***



**Zero Tolerance** Towards Any Form of Discrimination

\*Excluding Biocon Limited

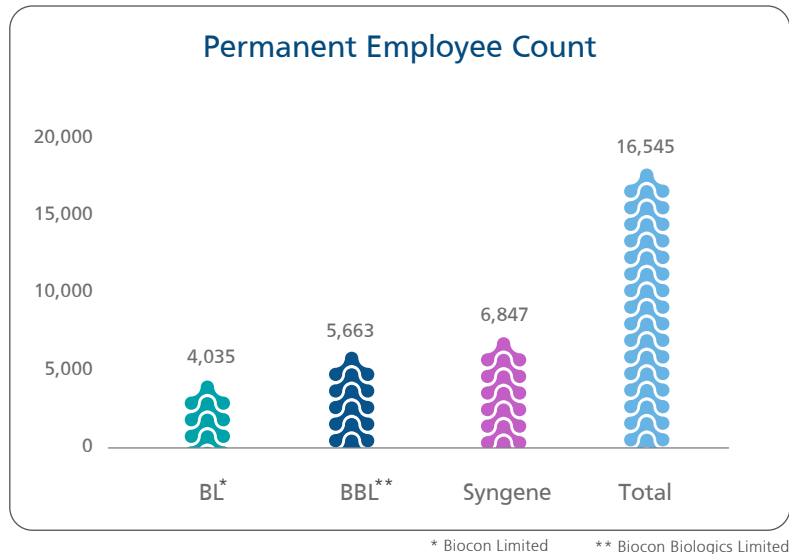
## An Overview of Our Workforce

Our employees are the cornerstone of our success, setting us apart from competitors. They bring diverse perspectives, experiences and skills driving innovation and achieving business goals. We empower our workforce to thrive across all regions.

As a Group, we offer numerous opportunities for internal growth and mobility across various functions for men and women, to help them shape their professional pathways and build meaningful careers while maintaining a healthy work-life balance.

Biocon, including Biocon Biologics, has been recognized as one of the Top 10 best employers in the global biotech and pharma sector by the U.S.-based Science

Magazine. We ranked 8th in FY23 for demonstrating: Innovative leadership, Social responsibility and Employee loyalty.



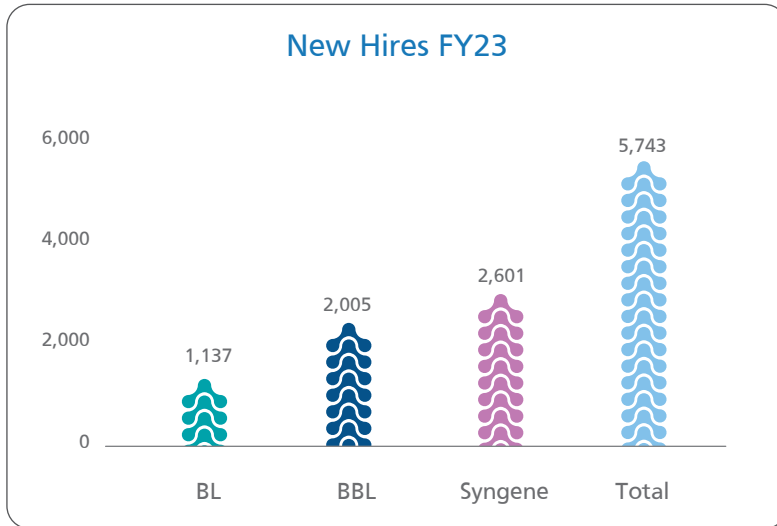
## Attracting and Retaining the Right Talent

Our talent acquisition strategy combines campus placements, lateral hires and strategic engagements with top universities in India, such as IIMs, ISB, BITS Pilani and ICT (Mumbai). We also utilize job portals, social recruiting sites and employee referrals to onboard talented individuals.

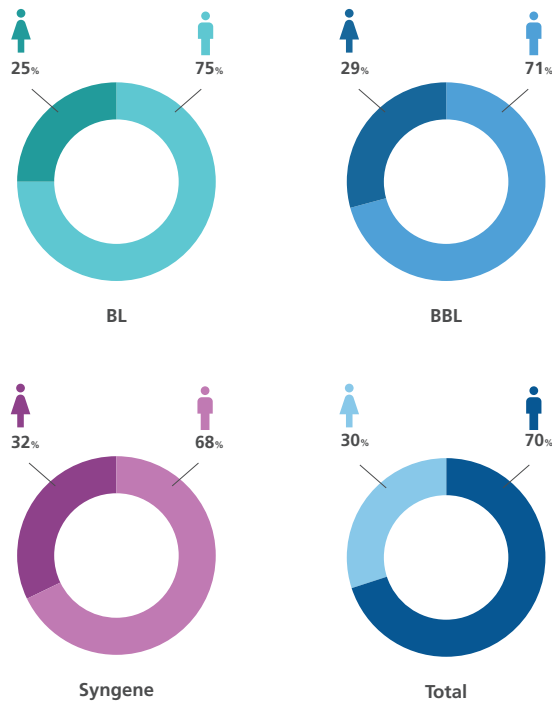
In this fiscal year, 5,743 new hires joined Biocon Limited, Biocon Biologics and Syngene.

Biocon Biologics has introduced the “B-Nurtured program” to hire exceptional talent from India’s top universities and colleges and engage with them early in their careers. This is coupled with a structured internship program that allows students to gain practical experience in the biopharmaceutical industry.

The internal job posting policy of Biocon ensures that all open positions from junior to mid-management levels are first posted internally and then opened up for external sourcing. We offer flexible working hours to all employees across all locations and our employees can work from home once a week under the Work from Home policy.



New Hires FY23 (%)



## Harnessing the Power of Artificial Intelligence

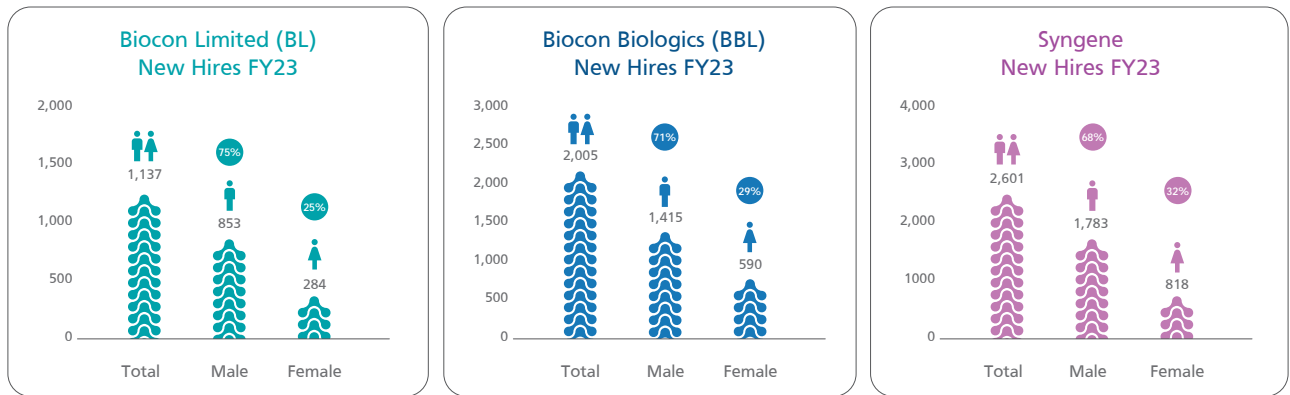
Biocon Limited uses an AI-based system integrated with our cloud-based human resources management platform to streamline the hiring process. This tool assesses the match between job descriptions and candidates' resumes, eliminating bias and accelerating hiring. It also enables candidates to participate in asynchronous video interviews at their convenience.

Hiring managers review the video interviews and invite shortlisted candidates for final rounds.

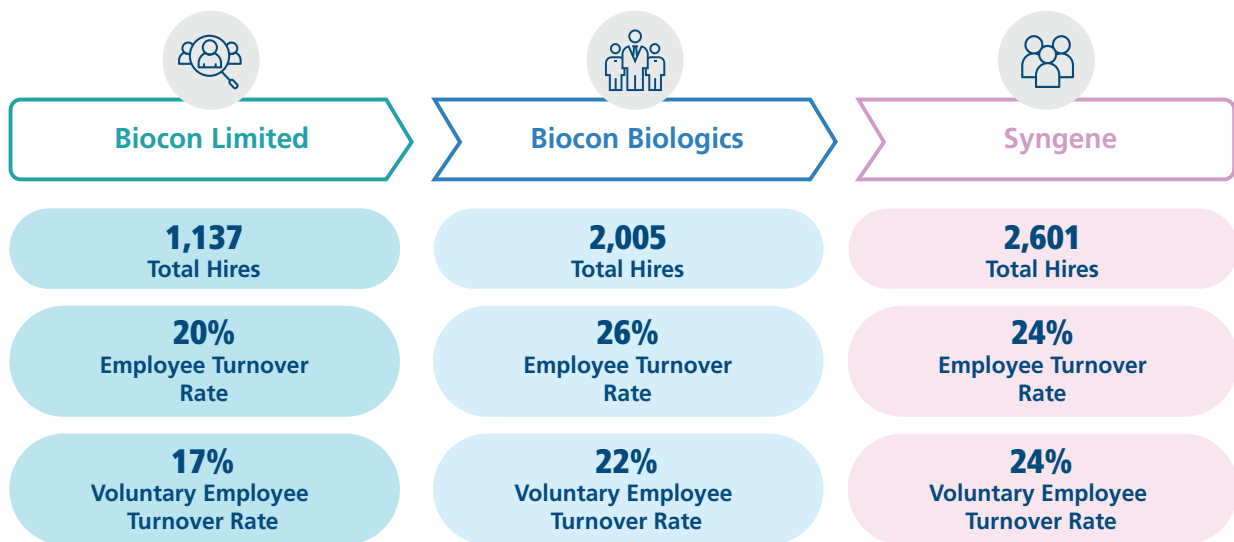
In FY23, we hired a total of 1,137 individuals as full-time employees. Of these, we hired 284 full-time female employees, which stands at 25% out of the total hire, an increase of 27% compared to FY22.







For mid-senior level positions and above, candidates are encouraged to undergo a psychometric assessment administered by an independent third party. Freshers are also assessed using a third-party tool to evaluate their aptitude and academic knowledge, ensuring a competent work force.



We value diversity and actively recruit employees from diverse geographic locations through a referral program that offers bonuses for successful diverse hires. Additionally, we have implemented programs and engagement activities such as Focused Group Discussions (FGDs), one-on-ones, leadership connects and targeted surveys to support employees and gather feedback and fostering employee retention.

### Learning and Development

Training and development across the Group prioritize enhancing employees' skills, preparing them for business requirements and personal growth. Leadership development programs are designed to equip leaders with effective skills and drive results. At the same time, succession planning initiatives aim to identify and develop the next generation of leaders within the organization. These programs and initiatives focus on identifying and developing critical talent across the organization.

	Total Investment in Learning and Development in FY23	Total Training Hours in FY23	Average Employee Training Hours	Average Spend Per Employee Training Hours
<b>Biocon Limited</b>	₹21.75 million	111,459	28 Hours Per Employee	5,436
<b>Biocon Biologics</b>	₹23.41 million	141,099	25 Hours Per Employee	5,321
<b>Syngene</b>	₹28.53 million	125,428	17.49 Hours Per Employee	3,979

## Biocon Limited

At Biocon Limited, a behavioral competency assessment program guides senior management capacity building. We initiated a ten-month development journey based on Biocon's behavioral competencies led by the globally renowned firm Development Dimension International (DDI). For the middle-level managers, we have implemented two programs BioEdge and BioAspire. These are eight to ten-month-long programs for selected participants. ~110 managers were trained throughout FY23. The programs have a retention rate of approximately 95%. Employees also participated in calendarized programs on Lean Six Sigma, data analytics, customer-centricity, investigation skills, crucial conversations and other managerial capability-building programs.

Biocon Limited has partnered with Upside LMS to provide self-paced and microlearning opportunities for employees. Through this partnership, a digital library of over

8,000 online courses aligned with Biocon's values have been made available, focusing on behavioral, functional and soft skills. The courses can be accessed any time via mobile platforms, allowing for flexible learning. The learning portal was launched in November 2022 and aims to invest 16-18 hours per employee per year in their learning journey.

Furthermore, we conducted engagement sessions across Bengaluru to drive the five g2G culture pillars, covering ~ 900 employees. We conducted theatre-based workshops on 'Leading with Growth Mindset' in Bengaluru and Entrepreneurial Mindset in Bengaluru and Visakhapatnam.

### Enhancing the Capabilities of the Executive Leadership Team (ELT)

Biocon Limited invests in developing its Executive Leadership Team (ELT) by improving the skills and capabilities of five selected

members. To achieve this, each member has been assigned a personal coach from DDI, a renowned global firm, to help them enhance their skills in areas relevant to their respective business functions. Regular 360-degree feedback sessions have also been conducted to support this effort.

The development interventions were carefully chosen to align with Biocon's strategic needs and direction. This investment in the ELT's development will enable them to provide greater support for the Company's current and future objectives.

### Enhancing Customer Centricity Through Learning and Development

As part of our efforts to improve customer centricity for the IT and BRM team, we have launched the ECHO Program. The program aims to equip our employees with essential skills to understand better and engage with our customers, ultimately improving their overall

experience.

In February 2022, the ECHO Program completed final reviews of 18 projects in six different areas, which helped to shift the organization's focus towards customer centricity. A report detailing the impact of these reviews revealed significant time and cost savings.

### Developing Manager Capabilities

Biocon Limited has developed a comprehensive training program for managers, focusing on building their capabilities. Hiring managers went through Behavioral Event Interviewing (BEI) skills workshop and mid-management underwent learning interventions to build their skills through situational leadership

and crucial conversations

### Senior Leadership Development Program

**Phase 1 (FY22):** Involved extensive assessments conducted by SHL, an external talent and HR consultancy firm. These assessments formed the basis for creating individual development plans in consultation with managers/mentors.

**Phase 2 (FY23):** Focuses on Biocon's defined leadership competencies and identified learning needs. This immersive year-long journey was conducted with DDI, utilizing a blended learning format combining online and offline tools. The program aimed to build leadership

competency in a contextualized and customized manner, with a strong emphasis on results. Participants were assigned business-critical Action Learning Projects (ALP), which were reviewed by senior management. The key objectives of this phase were to develop strategic ability, foster a collaboration mindset and enhance team management skills.

## Biocon Group CoE - Operational Excellence

**The Group Center of Operational Excellence function has been established to drive a culture of Excellence across the Group. We have rolled out several initiatives to enable continuous improvement and innovation and consistent right-first-time delivery. These initiatives are geared to enhance efficiency, productivity and agility across functions and aims to provide affordable access of world-class biopharmaceuticals to patients globally.**

A Business Excellence model has been formulated with multiple programs such as Lean Six Sigma, Kaizen (IDEA) and 5S to strengthen the culture of business and operational excellence across the Group. In FY23, over 1,896 employees participated in various CoE initiatives.

### Biocon Biologics

At Biocon Biologics, we identify and address Learning and Development (L&D) needs through performance reviews, individual development plans and HR policies. Based on the assessments of the reviews and plans, we conduct

professional, technical, behavioral and managerial skill sessions for every employee.

Transition management programs are in place to support employees during vertical or horizontal

shifts within the organization. The Company also has a specific initiative called the "High Potential Identification and Development Program," which aims to identify and develop the next line of leaders.



All employees receive core training in areas such as POSH (Prevention of Sexual Harassment), ISMS (Information Security Management System), EHS (Environment, Health & Safety), Zero Tolerance, Code of Conduct, Pharmacovigilance, Non-conscious Bias & Data Integrity .

The Company identifies learning and development needs by conducting skill gap analyses using the Performance Management System (PMS), individual development plans,

HR policy guidelines, business goals and insights from leaders. Based on the assessments, the Company offers professional skill training, technical skill training, behavioral development programs, managerial development programs and transition management programs.

Biocon Biologics regularly conducts internal assessments and gap analyses, enabling employees to map their learning journeys and plan for cross-skilling, re-skilling and upskilling.

### First-Time Managers Program

Our First Time Managers (FTM) program won the Leap Vault Chief Learning Officers (CLO) Awards 2022 for “Best Blended Learning Program (Biopharma)”. In November 2022, the FTM Program, which witnessed the participation & certification of 83 First-time Managers, highlighted the 4-phase blended learning approach over a period of 6 months. The program resulted in improved skills, better annual performance of participants and higher retention in their teams.

## Syngene

Syngene offers a range of programs to support the learning and development of its employees. These programs are offered at all employment levels, from recent graduates to senior leaders at the firm.

### The Emerging Leaders Development Program

- Identifies and nurtures emerging leaders, facilitating their transition to leadership positions by offering targeted programs for newly promoted and junior managers to enhance their skills.
- The program utilizes personalized development plans using the 70-20-10 approach.
- It includes mandatory modules, technical training and personal growth opportunities.
- Employees are empowered across their professional journey, covering various aspects.

For recent graduates joining the Company, the Syngene Training Academy (STA) offers a comprehensive six-month induction program to help them understand Syngene's goals, vision and core values and develop the necessary technical skills of an industrial scientist.

The Company is also focused on nurturing science. Syngene's Science and Technology Council provides employees with opportunities to enhance their scientific skills through certification programs facilitated by in-house scientists and external experts.

### Programs Aimed at Upgrading Skills

Emerging Leaders Development Program (296 participants)

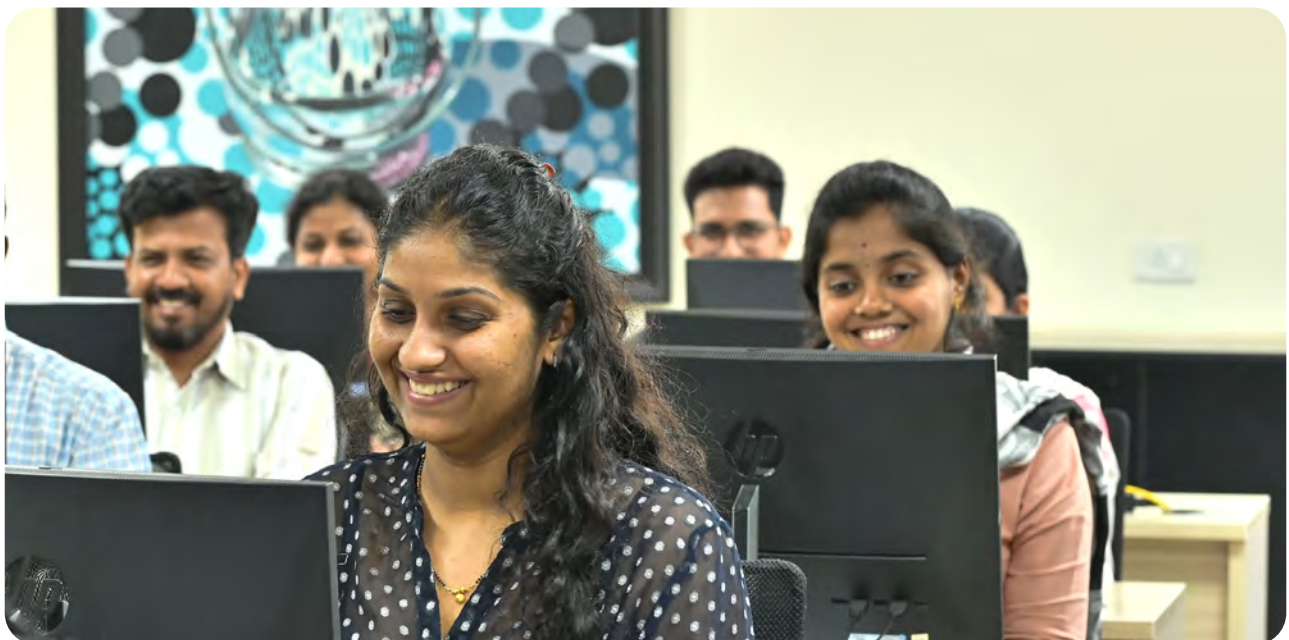
First-time manager - Springboard (192 participants)

Effective Communication & Presentation Skills (324 participants)

British Council - English Select (1,518 participants)

Train the Trainer on facilitation skills (35 participants)

MS Offerings (174 participants)





## Our Approach Towards Employee Engagement

Our approach to employee engagement is built around the concept of “People Centricity,” wherein we understand that employees are the most valuable asset and are committed to taking proactive measures to ensure their well-being and growth. This focused engagement strategy has effectively reduced attrition demonstrating the positive impact of our commitment to employee satisfaction and development.

### Biocon Limited

At Biocon Limited, employee engagement is done in a holistic and structured manner through the platform “VEngage.” Each of the platform’s seven components has been designed to encompass all aspects of an employee’s wellness, from physical and mental well-being to environmental awareness and awards. work-from-home arrangements and creche facilities.

For returning mothers, we offer various work-life balance initiatives, including flexible working hours, part-time options,

### Pillars of Employee Engagement: The Seven Components of VEngage

<b>Health &amp; Wellness</b>	BioCare, BioPulse, Gym, Creche Facility, Annual Health Checkup, Medical Insurance, Occupational Health Center (OHC)
<b>Emotional Well-being</b>	Unlimited Access to Counsellor via Chat, Email, Calls and Sessions on Emotional Wellbeing
<b>Value Added Services</b>	Awareness Session on General Health and Lifestyle Choices
<b>Employee Interest Group</b>	Biocon Adventure and Sports Club (BASC), Involvement in Social Responsibility, Photography Club
<b>Employee Onboarding &amp; Support</b>	Pre-Employment Medical Check (PEMC), Induction, Creche, Meet & Greet Leaders Connect Sessions
<b>Awards &amp; Events</b>	Service Awards, Rewards and Recognition
<b>Environmental Well-being</b>	Interventions on Occupational Hazards, Health and Safety Guidelines, Healthy Work Environment, Awareness and Training Sessions, Safety Awareness Sessions, National Safety Week

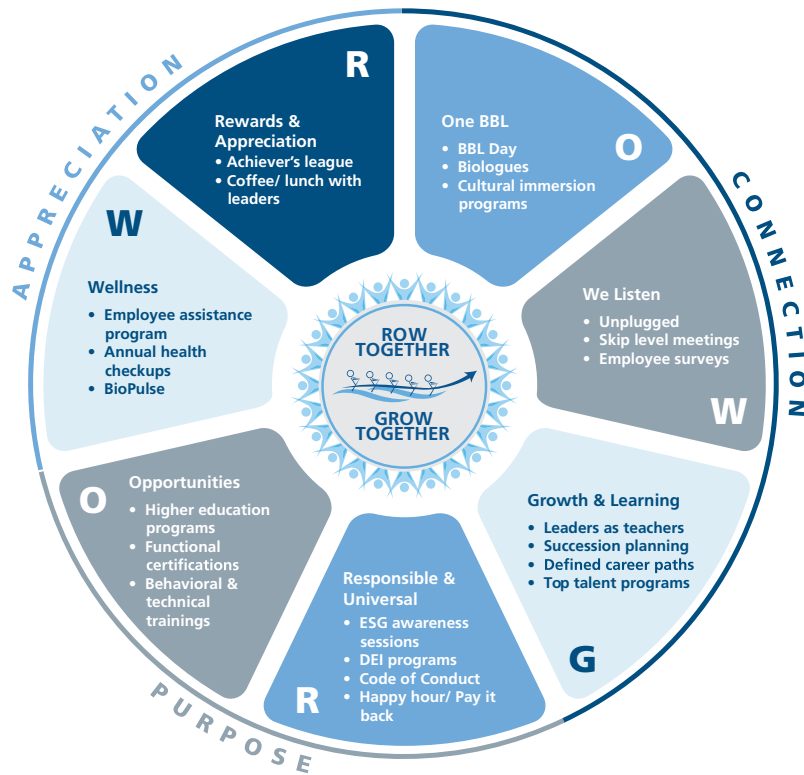
## Biocon Biologics

Biocon Biologics follows the “ROW Together GROW Together” (RTGT) approach for positive employee experiences. This comprehensive framework focuses on capacitation, rewards, growth and

employee engagement. The three tenets of RTGT are Purpose-driven, Connection and Appreciation, which aid in identifying and nurturing aspirations. Adopting

this framework, we have developed the following broad programs for our employees:

## Employee Engagement



## Syngene

Syngene prioritizes employee engagement to foster a supportive and motivated workforce, with several initiatives implemented to achieve this goal. An induction program familiarizes new employees with the Company's culture, values and business practices. A robust communication system also ensures that employees are well-informed about policy updates

and organizational initiatives. To enhance employee alignment and understanding, leadership town halls are conducted where senior leaders share their vision, strategy and goals. This lets employees see the connection between their work and the Company's overall success. Quarterly Company-wide engagement events further

promote employee interaction and include team-building exercises to foster unity.

Recognizing employee contributions is also a priority at Syngene. Various rewards and recognition programs are conducted throughout the year, including employee appreciation days, performance-based bonuses and awards for exceptional achievements.

## Diversity, Equity and Inclusion

### Biocon Limited

Biocon Limited is dedicated to creating a diverse and inclusive workplace. To achieve this, the Company has implemented several initiatives. These include comprehensive recruitment and retention strategies, training programs and policies that foster an environment of value and appreciation for all employees. To address any issues or gaps, focused group discussions on diversity and inclusion are conducted.

In FY23, we created diverse networks across the organization like the Women's Network group, Millennial Network and Neo Parents Group. To further promote diversity and create an inclusive workplace, we conducted Gender Intelligence Workshops for employees across functions. To enhance diversity, a designated shift (Shift A: 6am - 2pm) has been allocated for women.. Women employees from the shop floor

had the opportunity to engage in a dialogue with Kiran Mazumdar-Shaw, our Executive Chairperson. The exchange of ideas, experiences and advice during these dialogues provided valuable guidance to our women employees. We also conducted Gender sensitization roadshows to address queries and organized several awareness sessions and workshops for our staff on occupational safety & health in the workplace.

**Gender Pay Gap:** At Biocon, we are committed to ensure merit-based compensation without gender discrimination. In FY23, Biocon Limited has reported an overall negative gender pay gap of 4%, where women employees, on an average, are paid more than their male counterparts, improving from the FY22 levels of negative 3%.

### Creating Opportunities & Supportive Spaces for Women

We are committed to expanding the presence of women in manufacturing and on the shop floor and have recruited female employees in manufacturing roles across our sites. We also take immense pride in welcoming ex-military women officers who have taken on leadership roles in core functions. An exclusive lounge for women called Aayna, has been set up, which provides them an environment to relax and network with their peers. We also launched The "SheAspires" video series featuring some of our first graduate women hires for the shop floor.



## Biocon Biologics

Biocon Biologics has focused on creating programs supporting women’s growth and success in manufacturing roles. Our efforts have included recruiting talented women, providing relevant training programs and offering mentorship opportunities to foster a positive and inclusive work environment.

Other measures include actively engaging with industry leaders and external organizations in the diversity and inclusion space and allocating a shift (Shift A from 6am - 2pm) for women. Through these initiatives, the percentage of women in the workforce stands at 24% in FY23.

Details of the critical initiatives of the fiscal year are presented below:

- **Career 2.0 Back2Work:** Launched in June 2022 to assist women returning from a professional sabbatical.
- **Mentorship:** Women in a Mentoring program: 32 mentees from different departments and locations enrolled. 26 female leaders registered as mentors for First Time Managers.
- **Interactions with the Chairperson:** Over 60 young women from the manufacturing shop floor engaged in a dialogue with the Executive Chairperson, Kiran Mazumdar-Shaw.



### #SheInspires - Celebrating Women in STEM

Biocon Biologics is proud to launch its initiative “SheInspires” as a tribute to every woman who has taken up a STEM-based career. This initiative celebrates the achievements and contributions of women in STEM and serves as an inspiration to others who may be considering a career in this field.

The “SheInspires” video series features some of our accomplished women employees who have managed various challenges to build a successful career. Through their journeys and on-ground engagement sessions with women leaders, we highlight the importance of women in STEM and aim to inspire the next generation.

The “SheInspires” corporate brand campaign won a Silver Award at the 13th India PR and Corporate Communications Awards (IPRCCA).



## Syngene

Syngene actively promotes gender diversity and equal opportunities. As of FY23, 28% of the workforce is female (32% of new hires in FY23 are women),

reflecting our commitment to inclusivity and professional growth for all employees. In addition to promoting gender diversity, the company is committed

to ensuring that employees with disabilities are not disadvantaged. To this end, Syngene conducted an accessibility audit of all our facilities a few years ago.

## Performance Management and Career Progression

Biocon Limited's performance management system flows from organizational priorities, which cascade down to department scorecards. The scorecards support individual business functions to identify, prioritize and track their strategic importance in alignment with organizational goals. The department scorecards, ESG and diversity goals further shape the individual goals, which are then put through a year-end assessment. To promote transparency and integrity in system we ensured every employee has access to respective department score card and their individual scores. Also we have introduced quarterly promotions for people moving via

internal job postings.

Our in-house career portal, MyCareer, supplements opportunities for internal growth, career progression and career pathing. The portal analyzes the career paths for each employee up to mid-level and suggests the best roles for them. We have strengthened our internal job posting policy to enhance internal mobility and talent growth.

Biocon Biologics also recognizes the importance of providing regular feedback and coaching to its employees on their development and performance. The performance management

system that has been established includes regular performance reviews, goal setting and feedback sessions to support employees in achieving their career aspirations while contributing to the Company's success. Employees across all functions and levels can discuss their performance and professional and personal goals with their managers.

Follow-up on these conversations is maintained through Performance Conversation Documents to track progress towards set objectives.

## Digitization of Human Resource Management

Digital tools and technology are becoming increasingly important in managing human resources across the Group. One such tool is the Biocon Compensation Planning Module (BCPM), which plans, approves and executes increments through a digital platform, which is accessible to everyone in the Company and is easy to use.

Another tool that is being implemented is the Workforce Planning Module. This provides a consolidated view of workforce plans versus actuals through a single window accessible to various stakeholders. This allows all stakeholders to be on the same page regarding the organization's workforce planning, making it easier to identify areas of

improvement and make necessary changes.

Finally, the Background Verification process has been automated and aligned with key stakeholders. The process is now paperless and helps to advance the process initiation timeline.



## Employee Health and Safety

<b>Biocon Limited</b>	0 Safety Related Incidents*	0 Fatalities	0 LTIFR <sup>26</sup>	*Recordable injuries which resulted in the loss of time, includes both employees and contractors.  <sup>26</sup> Lost Time Injury Frequency Rate
<b>Biocon Biologics</b>	12 Safety Related Incidents*	0 Fatalities	0 LTIFR	
<b>Syngene</b>	3 Safety Related Incidents*	0 Fatalities	0.08 LTIFR	

The health and safety of our employees is a core priority of our operations, in policies and procedures codified in our Group-wide Environment, Occupational Health, Safety and Sustainability (EHSS) policy.

Our EHSS heads across Companies manage and drive the policy, supported by heads of sustainability, process safety and industrial hygiene. We have robust monitoring mechanisms to ensure continued safe and hygienic workplace practices backed by KPIs, compliance trackers and process safety risk registers. Furthermore, regular reviews, re-assessments and audits on our EHS performance are conducted. We train our employees regularly, run awareness programs and monitor and improve initiatives.

All sites across the Group are **ISO 45001:2018 Occupational Health and Safety Management System**. External auditors carry out audits for ISO 450001 certification once a year.

### Biocon Limited & Biocon Biologics

Biocon Limited and Biocon Biologics are committed to creating a safety culture by adopting safe practices. Our “Zero Tolerance Program” reflects this commitment and we continuously implement it with unwavering focus. Site and department heads undertake Gemba walks with a safety lens to reinforce this effort.

We prioritize safety and preparedness by marking important occasions and conducting campaigns throughout the year, such as National Safety Month, Fire Safety Week and Road Safety Week. These initiatives help raise awareness and ensure our employees are

well-prepared for potential risks. Regular training sessions led by internal and external safety experts also equip our workforce with necessary mitigation and emergency response procedures. Our comprehensive electrical and fire safety programs include lock-out and tag-out (LOTO) procedures, arc flash assessments and hazardous area classifications. We have implemented various fire protection systems, including fire hydrants, Dry Sprinkler Powder Aerosol (DSPA) systems, fire extinguishers and auto modular fire extinguishing systems. We also carry out internal and external safety audits and risk

assessments, with actionable steps implemented under the supervision of our EHS lead. As part of the assessment, we conduct walk-through surveys and measure various factors such as noise levels, illumination, indoor air quality and volatile organic compounds (VOC) to locate potential hazards in the workplace. The health of our employees and contract workers is a top priority and we provide them with a full annual health check-up. This helps us identify potential health issues and raise awareness about occupational illnesses, ensuring a healthy and safe work environment.

## Overview of Safety-Related Training

Induction Training	Technical Induction Training
<ul style="list-style-type: none"> <li>• EHSS policy</li> <li>• Impact and risk assessment</li> <li>• Class of fires and usage of fire extinguishers</li> <li>• Personal Protective Equipment (PPEs)</li> <li>• On-site emergency plan &amp; emergency procedure and response</li> <li>• Work permit requirements</li> <li>• Safety Data Sheet (SDS)</li> <li>• Accident and dangerous occurrences reporting system</li> <li>• Safety rules followed inside the premises (Dos and Don'ts)</li> <li>• Waste disposal procedure</li> </ul>	<ul style="list-style-type: none"> <li>• Specific job safety precautions for various operations</li> <li>• On-site emergency plan</li> <li>• Procedure for emergency shutdown</li> <li>• Chemical safety</li> <li>• Case history of past accidents</li> <li>• Guidelines for safe working at the laboratory (if applicable)</li> <li>• Basics of operation of emergency safety equipment</li> <li>• EHSS Management Systems</li> <li>• Process safety (HAZOP, FMEA, etc.)</li> <li>• Selection of Personal Protective Equipment (PPEs)</li> </ul>

### Syngene

Workplace safety is a top priority at Syngene and the Company's safety policy is built on the idea that every incident is preventable. A Safety Committee, composed of a representative from each operating unit and supporting function, as well as an occupational health practitioner, has been formed to drive the implementation of safety improvements. Each campus has an occupational health facility and each site is managed by certified health professionals who provide a first-level response to workplace incidents.

- **Kavach:** Our five-year safety campaign focuses on engaging employees in safe behavior at work. It

comprises four workstreams: Workplace Safety, Infrastructure and Projects Safety, Laboratory Safety and Process Management Safety. Employees' skills and practical experience, supported by safety specialists, drive Kavach. Phase I was completed in 2021-22.

- **SynZero:** Launched in December 2021, SynZero is our online incident management and reporting platform. It encourages employees to report unsafe situations, behaviors, or near-miss occurrences. The Safety team conducts thorough reviews and root cause analyzes,

implementing Corrective Action and Preventive Action plans (CAPAs) to ensure timely improvements.

- **Switch On:** This personal risk awareness initiative, launched in 2020-21, emphasizes the importance of awareness of safety concerns in one's surroundings. Through the use of behavioral science and decision-making tools, employees are encouraged to adopt safe behaviors. The program includes Risk Thinking cards with safety-related questions to assess focus and alertness before undertaking any activity.

## Human Rights

The Group has a zero-tolerance approach to child labor, forced labor, discrimination or violation of human rights. Human rights, including labor rights, are upheld across all activities, business relationships and supplier agreements. We maintain this through our Human Right Policies, mandatory training programs and code of conduct.

Biocon Limited, Biocon Biologics and Syngene, each have a stand-alone Human Rights Policy. All three policies extend to all contractual employees, trainees, volunteers, consultants and board members. The policies have been drafted in alignment with the ten principles outlined by the UN Global Compact (UNGC). Specific focus areas include:

- Child Labor and Forced/ Compulsory Labor
- Diversity, Equal Opportunity and Non-Discrimination
- Environment, Health and Safety
- Wage, Working Hours and Benefits
- Data Privacy
- Disciplinary Practices
- Corporate Social Responsibility
- Management Systems

Our Code of Conduct prohibits discrimination of any kind, on grounds of race, color, religion, age, gender, sexual orientation, nationality, disability, political opinion and other factors. The Code of Conduct further shapes ancillary policies that strengthen our ethical practices, for example, Business Partner/Supplier Code

of Conduct, Whistleblower and Integrity Policy, Employment Policy, etc. In compliance with mandates, we have a dedicated Grievance Redressal Policy and procedure mentioned in our Human Rights Policies and other supporting policies. An independent internal auditor has completed an assessment to ensure compliance with policies on child labor, forced/compulsory labor, sexual harassment, discrimination at the workplace and wages across all Group companies.

**There have been no grievances concerning human rights in FY23.**



# Natural Capital

**A healthy planet is crucial for thriving societies and we prioritize protecting and nurturing natural capital. Just as we care for communities and stakeholders through affordable healthcare, we care about the environment in equal measure. We actively work to reduce resource consumption, recycle and reuse materials and water and promote sustainable development.**

Our commitment to environmental sustainability and its preservation enables us to undertake differentiated approaches to realize the same. We recognize the importance of preserving our planet for future generations and actively work towards minimizing our ecological footprint across all our operations.

**Applying the principles of the 3Rs (reduce, reuse, recycle)** is a key aspect of our environmental strategy. We strive to reduce waste generation, replace non-sustainable resources with more environmentally friendly alternatives and promote recycling initiatives. By implementing these practices, we aim to minimize our impact on the environment and contribute to a circular economy.

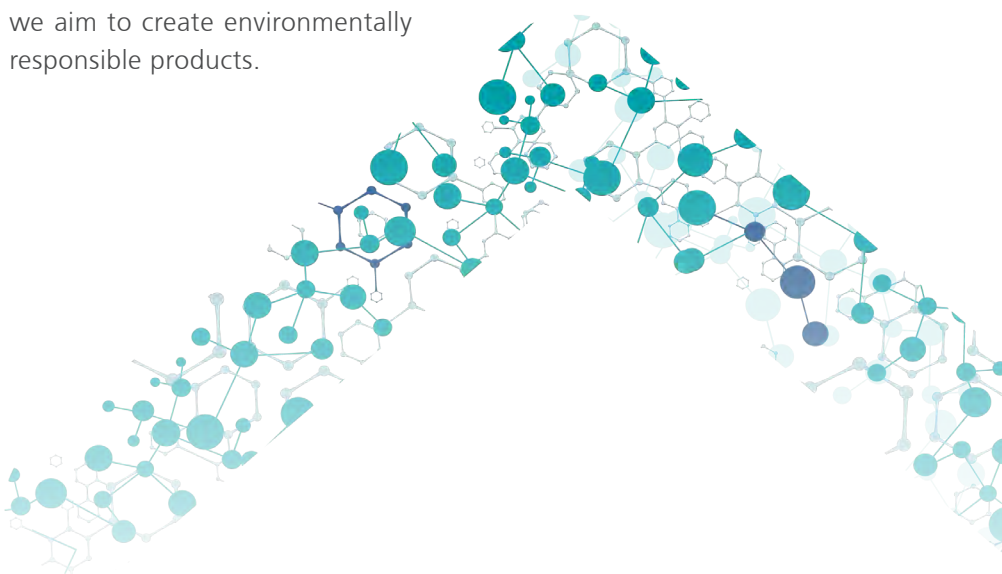
**Decarbonization and utilizing renewable energy sources** are vital to our natural capital differentiators. We are dedicated to reducing carbon emissions and

transitioning to cleaner energy sources. We aim to mitigate our greenhouse gas emissions and promote a sustainable future by embracing renewable energy solutions, such as solar and wind power.

**Throughout the product lifecycle, we are committed to reducing our environmental impact.** From sourcing raw materials to manufacturing, distribution and end-of-life management, we prioritize sustainable practices. By implementing eco-friendly processes, optimizing energy and water consumption and minimizing waste generation, we aim to create environmentally responsible products.

**Digitization plays a crucial role in improving resource efficiency within our organization.**

Digitizing our processes enhances operational efficiency, reduces paper consumption and streamlines resource utilization. This digitization drive allows us to minimize waste, optimize energy consumption, and improve overall resource management, contributing to our natural capital differentiators.



## Our Differentiators



**Applying the 3Rs (Reduce, Reuse, Recycle) Across Our Operations**



**Focus on Decarbonization and Renewable Energy**



**Reducing Environmental Impact Across the Product Lifecycle**



**Digitization of Processes to Improve Resource Efficiency**

## Our Performance



**ISO 14001** Certification available for all the Facilities\*



**34,245 tCO<sub>2</sub>e GHG Scope 1 and Scope 2** emissions were Offset



**121,025 tCO<sub>2</sub>e of GHG** emissions avoided during FY23



**0.12 million m<sup>3</sup>** of freshwater reduction



**57%** share of renewable power in total energy consumption

\*Two out of Three Syngene sites have ISO 14001 certification



## Environmental Management and Governance

**Our Environment, Occupational Health, Safety & Sustainability (EHSS) policy\* is the cornerstone of our efforts, providing a comprehensive framework to manage our environmental impact and continuously improve our sustainability practices. The policy is enforced across the Group and governs compliance with all statutory requirements, protection of the environment, prevention of pollution, creation of a safe and healthy work environment and prevention of injuries at the workplace for our employees and contract workers. The principles of the EHSS policy are also extended to our business value chain, where we are continuously exploring opportunities to build a network of responsible business partners who are committed to environmental stewardship across the product life cycle-from responsible sourcing to responsible sales and distribution.**

The CSR and ESG Board Committee maintains oversight on the effective implementation of the EHSS policy, with support from the EHSS Head and a team of 142 EHS specialists at Biocon and 21 EHS specialists at Biocon Biologics. At Syngene, the Executive Committee implements and reviews the policy, with oversight from the Board's Stakeholders Relationship and ESG Committee.

Our operations and sites across Biocon, Biocon Biologics and Syngene exhibit best-in-class environment management systems conforming to ISO 14001:2015 Standards. The EHS management systems at Biocon have been galvanized by implementing the P-D-C-A approach - Plan, Do, Check and Act. The PDCA approach further ensures that we apply the precautionary principle in all operations, effectively implement emergency management systems,

quickly respond to incidents and conduct continuous reviews and evaluations of compliance and performance.

Moving beyond compliance, we aim to instill a culture of environmental stewardship in all we do, from design and manufacturing to community involvement. Last year we launched the 'EHS Learning Series,' a knowledge platform to provide ideas on various issues, including environmental management, led by eminent subject matter experts. Our employees attended several specialized EHS training sessions during the year. These sessions were led by reputable external agencies. To ensure the effective implementation of our environmental policy, we organize detailed training programs focused on environmental protection by preventing pollution at all levels of operations for all employees and contract workers.

Additionally, we have identified a comprehensive set of environmental KPIs, which we track annually to evaluate environmental performance and alignment with internal targets. This allows us to track irregularities and take corrective actions to improve our environmental performance. Biocon Limited has also developed and implemented an EHS management tool called "iEHS" to digitize our EHS management systems to support these efforts and further streamline the monitoring and review mechanism.

We conduct regular internal and external audits of our environmental systems, initiatives and processes to test their robustness and effectiveness.

\*<https://www.biocon.com/docs/EHSS-Policy.pdf>

The following audits were conducted across the Group in FY23.

	Biocon Limited	Biocon Biologics	Syngene
Internal EHS audits	60	34	2
External EHS audits	9	12	6

Bolstered EHS Management System			
Plan	Do	Check	Act
<ul style="list-style-type: none"> <li>• Implementation of and alignment with EHSS policy</li> <li>• Development of EHS goals and strategic objectives</li> <li>• Undertaking risk planning and assessment</li> <li>• Ensuring leadership commitment</li> </ul>	<ul style="list-style-type: none"> <li>• Carrying out EHSS-related training</li> <li>• Integrating EHSS procedures in our business processes</li> <li>• Ensuring operational control</li> <li>• Developing emergency management systems</li> </ul>	<ul style="list-style-type: none"> <li>• Conducting audits bi-annually</li> <li>• Carrying out compliance evaluation assessments</li> <li>• Ensuring management reviews are conducted</li> </ul>	<ul style="list-style-type: none"> <li>• Incident management</li> <li>• Creation of action plans</li> <li>• Continual improvement</li> </ul>

## Biocon Biologics - Raising Green Debt Capital

In line with our commitment to ESG principles, Biocon Biologics raised a significant debt of USD 1.2 billion in the fiscal year 2023. This debt is classified as a Sustainability Linked Loan (SLL) and is tied to specific targets related to key ESG indicators. These indicators include improving access to biosimilars, promoting diversity and inclusion in the workforce, increasing the utilization of renewable energy sources and reducing freshwater consumption. The funds from this loan will be used to partially finance the acquisition of Viartis’ global biosimilars business and associated expenses. This SLL is the largest among pharmaceutical and biomanufacturing companies in the Asia-Pacific region, demonstrating our unwavering commitment to our ESG objectives.

### Climate-Related Incentives

At Biocon Limited, we incentivize our management and employees for climate-related efforts. These incentives undergo careful review by a working committee and evaluation by the steering committee led by the Managing Director and CEO. Regular performance updates and planned

actions are presented to the ESG and CSR Committees and the Risk Committee.

We have implemented a department scorecard system within our variable incentive structure to align employee performance with Company goals and sustainability objectives. This scorecard includes sustainability

objectives and assigns a minimum weightage of 5% to relevant ESG goals in departments such as Production, R&D, Quality, Supply Chain Management, Central Engineering and EHS. This ensures that climate-related achievements, such as energy savings and GHG reduction projects, contribute to the performance payout.

Recognizing the importance of employee engagement in these efforts, we have established regular reward and recognition programs within each business unit. These programs celebrate innovative projects impacting emission reduction, energy efficiency and environmental excellence. Our Annual Day

event features a comprehensive reward and recognition program, where top management honors outstanding climate protection and sustainability initiatives across the organization.

By incorporating climate-related incentives, promoting idea generation and implementing

robust reward and recognition programs, we engage and motivate our employees to contribute to our environmental goals. These initiatives drive positive change, enhance our environmental performance and strengthen our commitment to sustainability at Biocon Limited.

## Task Force on Climate-Related Financial Disclosures

Biocon Limited is fully committed to following the guidelines of the Task Force on Climate-Related Financial Disclosures (TCFD) launched in 2017. The TCFD aims to enhance organizational transparency regarding climate-related risks and opportunities. By providing clear information, stakeholders can make informed decisions on capital deployment.

At Biocon Limited, we recognize the importance of climate-related risks and comprehensive reporting. By aligning with TCFD recommendations, we demonstrate our commitment to transparently communicating our climate-related practices and potential impacts. This supports stakeholder decision-making and contributes to our organization's resilience and sustainability.

### Scenario Analysis

In FY23, Biocon Limited conducted a comprehensive scenario analysis to assess the potential impacts of climate change on our operations, excluding that of Biocon Biologics and Syngene. From the IPCC 6th Assessment Report (AR6), we specifically focused on two Representative Concentration Pathway (RCP) scenarios, namely RCP 2.6. Through this analysis, we have identified a potential opportunity for increased revenue from tenders and national contracts as decarbonization commitments become mandatory under RCP 2.6. This aligns with our commitment to becoming a sustainability leader within the industry.

Conversely, our analysis also reveals that we may face increased operating costs due to necessary adaptations and potential disruptions to our operations from more frequent severe weather events. There will also be impacts on the safety and well-being of our employees, including excessive heat and other climate-related health concerns.

These findings clarify our long-term strategy and we are dedicated to proactively addressing upcoming challenges. We will implement strategies to manage and mitigate the associated risks while ensuring the safety and welfare of our employees.

### Identification of Climate Risks and Opportunities

At Biocon Limited, we have thoroughly assessed climate-related risks and opportunities, categorizing them into Physical and Transition Risks.

**Physical Risks:** One of the primary physical risks we have identified is the potential increase in temperature and extreme weather events, such as floods and heavy rainfall. These factors can impact our natural draft cooling systems, increasing energy consumption. Additionally, equipment damage and potential harm to the well-being of our employees are concerns associated with these risks.

**Transition Risks:** In terms of transition risks, we have identified several focus areas, including technology, market, reputational and policy and legal risks.

- **Technological risks:** Potential disruptions in processes during the integration of new technologies into our operations.
- **Market risks:** Potential disruptions in our value chain due to shifts in market dynamics and evolving customer preferences.
- **Reputational risks:** Changing consumer preferences for climate-friendly products can lead to reputational loss if expectations are unmet.
- **Policy and legal risks:** Increasing environmental regulations require greater information disclosure and compliance commitments.

## Our Climate Strategy and Transition Plan

At Biocon, our Climate Strategy and Transition Plan is driven by core enablers, ensuring a holistic approach to business while addressing climate change. Our plan encompasses key aspects, enabling us to mitigate climate impact and adapt to changing conditions.

### Our Enablers:

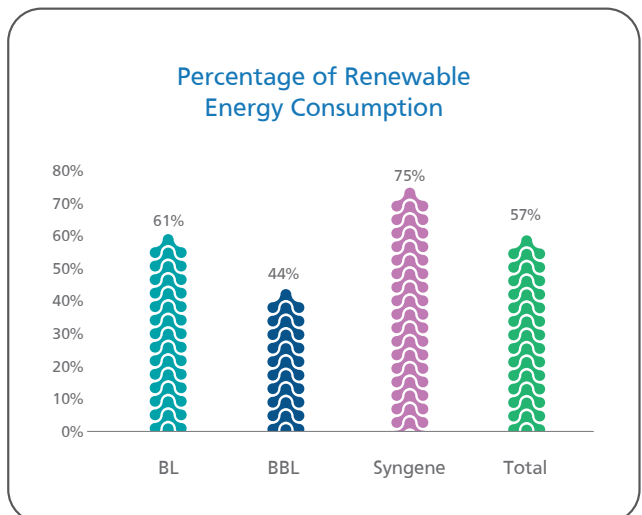
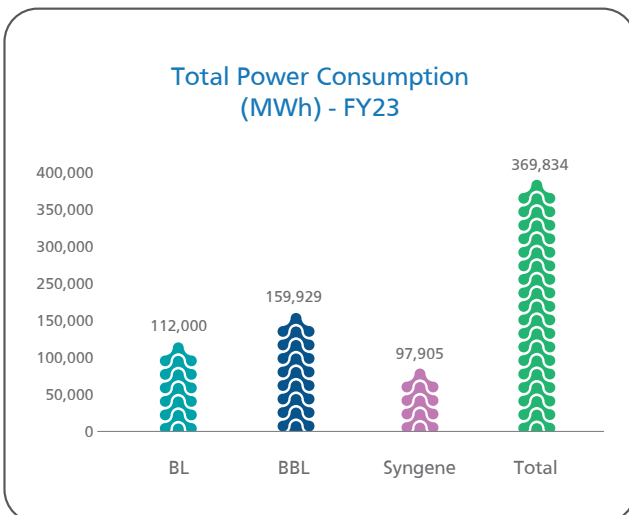
- Governance:** EHS Policy, EHS management system
- Risk management:** Climate change and environmental risk
- ESG disclosures:** CDP, DJSI, BRSR

### Key Focus Areas:

- Transition to more renewable energy
- Green Chemistry
- Energy audits
- Water management
- Digitalization to reduce the resources
- Waste Management
- Green fuel (Biomass Briquettes) for boilers

## Energy Efficiency and Management

At Biocon, we recognize the importance of reducing our carbon footprint and transitioning to cleaner energy sources. Our direct energy consumption heavily relies on grid power, diesel and natural gas. For FY23, our total power consumption is 369,834 MWh with 57% of the energy sourced from renewable sources. At our Bengaluru facilities, the green power consumption stood at ~80%.



We actively pursue environment-friendly alternatives to minimize our impact and prioritize sustainability. Each company within the Group adopts a customized approach to energy management tailored to its specific business models and processes. This ensures efficient reduction of energy consumption and cost savings, aligning with our commitment to financial sustainability.

All new facilities integrate green building design features to optimize resource use. Across some of our sites, we have also introduced electric bicycles, e-vehicles and battery-operated forklifts.

Biocon Limited has implemented various energy efficiency initiatives, including efficient air compressors, water chillers, cooling pumps and steam generation using economizer boilers. The Company utilizes efficient motors for air compressors and Effluent Treatment Plants (ETP). Advanced technologies such as automation, intelligent systems and AI are also deployed to enhance efficiency and conserve energy. Additionally, Biocon Limited is transitioning towards greater biomass utilization, replacing coal with a more sustainable energy source.

Biocon Biologics leverages a similar approach to energy management by installing energy-

efficient lighting, motion sensors that cut-off power when not in use and intelligent temperature control systems. Furthermore, aerodynamic fans have been installed, leading to 30% energy savings. This combines automation and intelligent systems to optimize energy usage at sites and offices.

Syngene has increased the energy efficiency of operations by improving the productivity of the nitrogen plant, regulating optimum pressure set points to meet operational requirements and upgrading old chillers with energy-efficient magnetic chillers with variable speed drives.

### Energy Offset Across the Group

<b>Biocon Limited</b>	163,614 MWh energy offset achieved	67,618 metric tons of CO <sub>2</sub> emissions avoided due to energy saving initiatives
<b>Biocon Biologics</b>	70,450 MWh energy offset achieved	50,724 metric tons of CO <sub>2</sub> emissions avoided due to energy saving initiatives
<b>Syngene</b>	3,750 MWh energy offset achieved	2,683 metric tons of CO <sub>2</sub> emissions avoided due to energy saving initiatives

#### Deep Dive into our Decarbonization Efforts

The Group maintains a strong commitment to increasing the use of renewable energy sources in its operations. Biocon Limited, Biocon Biologics and

Syngene have made substantial progress. All three companies have successfully incorporated onsite solar installations and procured wind energy to meet a significant portion of their energy requirements. These efforts align

with our sustainability goals and contribute to our climate mitigation endeavors. In FY23, Biocon Limited reduced its carbon footprint by 8,132 tons by fulfilling 61% of its energy needs from renewable sources.



Biocon Biologics procured over 82 million units of renewable power, resulting in a carbon footprint reduction of about 52,607 tons. At Syngene, through implementation of various green power projects, 75% of energy requirements were addressed from renewable sources, thereby avoiding 52,834 metric tons of CO<sub>2</sub> emission.

### The Biocon Group Increases Renewable Capacity

We have partnered with a renewable energy Company and established a large-scale captive solar power plant in North Karnataka, spanning over 60 acres with an installed capacity of 14 MW. With this, we have established a total of 48 MW of renewable

energy plants, amounting to 17 Wind Turbines and 56,000 Solar Panels covering a total area of 86 acres and offsetting a total of 108,000 tCO<sub>2</sub>.

As a result, we are one of the first pharmaceutical companies to operate on a hybrid renewable energy model (wind+solar), setting an example for the industry.

### Biocon Limited Adopts Use of Agro-waste for Steam Needs

Biocon Limited has taken a step towards promoting the use of 'green' technology by switching to agro-waste biomass for its steam requirements at the Bengaluru facility. This comes in the form of 30 TPH biomass-based 'Green

Steam Boiler Plant' which is being commissioned in Bengaluru.

Using agro-residues in the plant prevents methane emission, a gas with a much higher global warming potential than CO<sub>2</sub>, that would have been produced if the residues were left to decay. Using biomass as the primary fuel, the **30 TPH** biomass boiler plant at Biocon Limited is expected to reduce over **40,000 tonnes** of CO<sub>2</sub> equivalent emissions every year. This achievement has propelled the company towards adopting greener fuels for sustainable processes and is a significant milestone in Biocon Limited's commitment to environmental stewardship.

## 14 MW Captive Solar Power Plant at Raichur, North Karnataka



### Biocon Biologics Increases Rooftop Solar Capacity

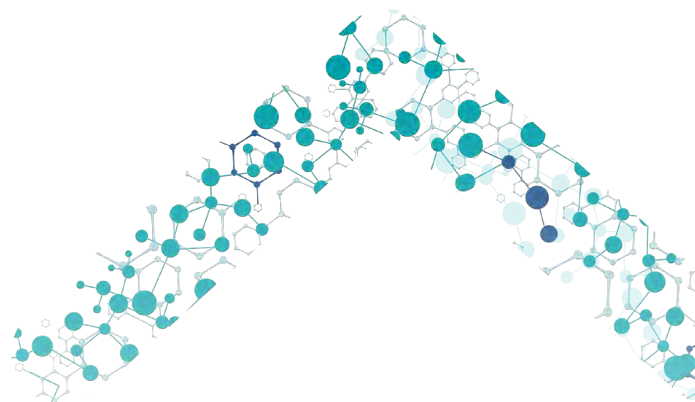
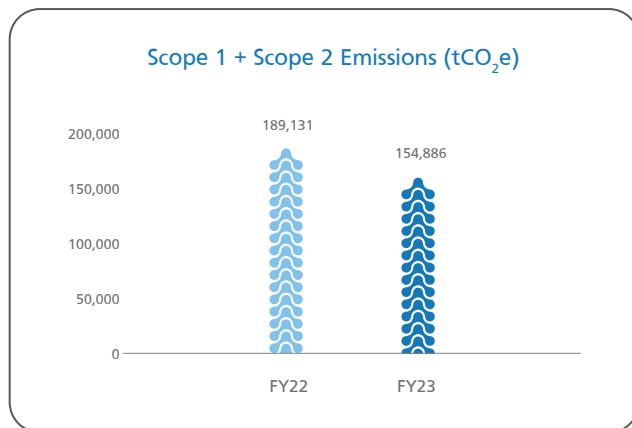
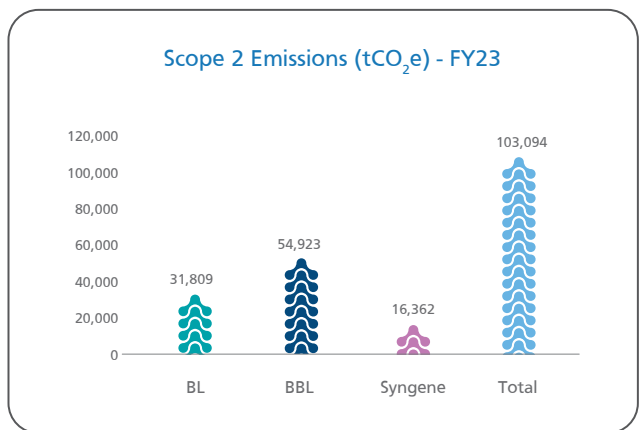
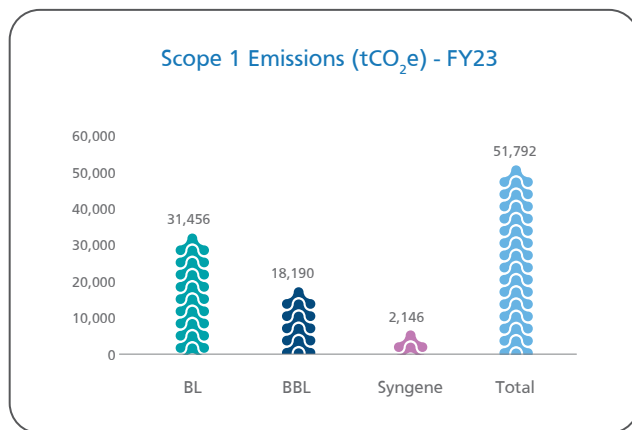
Biocon Biologics has taken a significant step towards reducing its dependency on conventional sources of energy by

commissioning solar rooftops in its Malaysia facility for FY24.

Malaysia is an important manufacturing site for the Company due to its insulin

production capabilities, and as a result, the commissioning of solar rooftops will help maintain a balance between manufacturing requirements and decarbonization.

As a Group, we have prioritized reducing our carbon footprint and greenhouse gas (GHG) emissions to combat climate change. We have taken decisive steps to manage and decrease our Scope 1 and Scope 2 emissions across Biocon Limited, Biocon Biologics and Syngene. We have done this through strategic procurement of green energy and continuous improvements to our energy management systems, which enable us to improve production process efficiency and lower GHG emissions.



## Biocon Limited - Scope 3 Emissions

At Biocon Limited, we are taking concrete steps towards decarbonizing our operations and improving our climate performance. Our GHG Inventory is periodically updated to identify emission hotspots, prioritize the emission reduction strategies and allocate the necessary investments for implementing them.

In FY23, our Scope 3 emissions inventory was prepared by tracking four of our significant upstream activities i.e. Purchased Goods and services, Business travel, Employee commuting and Waste from operations.

The GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard was followed and the quantification was done using the average spend-based method.

Our mapped Scope 3 emissions are 114,086 tCO<sub>2</sub>e.

## Going Beyond Business as Usual - Sustainable Mass Rail Transit System

Bengaluru is one of India's fastest-growing metropolitan cities. While this positively impacts the local and national economy, road traffic congestion and the resulting pollution have been on the rise.

As a result, the Biocon Foundation signed an MoU with the Bangalore Metro Rail Corporation Limited (BMRCL) in October 2020, to fund the construction of a metro station at Hebbagodi, Anekal, Bengaluru to contribute to the city's efforts to reduce the pollution levels and more significantly, aid in easing the traffic congestion. The investment amount is ₹100 million.

The Biocon Hebbagodi metro station is a part of the new 18.8 km line being developed under the Bangalore Metro Rail Project. Supporting this project that would serve outlying rural areas, improving mobility towards and within the city aligns with the Biocon Group's commitment to environmental sustainability.

## Air Quality

Across the Group, we strive to maintain air emission levels below the limits set by regional pollution control boards and monitor nitrogen oxide (NOx) and sulfur oxide (SOx) levels every quarter to ensure compliance. Our Bengaluru facilities have state-of-the-art Continuous Ambient Air Quality Monitoring Stations (CAAQMS) for real-time monitoring of air quality parameters.

Biocon Biologics has set up an Ambient Air Quality Monitoring System (AAQMS) at Biocon's Special Economic Zone Area to capture air

quality data within a 5km radius of our facility. This data is automatically uploaded to the Karnataka State Pollution Control Board's (KSPCB) website in real time. Additionally, indoor air quality is also regularly checked at sites and offices every six months as part of our industrial hygiene program. This program involves assessing air's physical, chemical and biological properties inside facilities. Biocon Biologics also uses an EVM (Environmental Monitor) to measure various factors, including particulate sampling, volatile organic compounds, dust and average temperature.

At Syngene, process emissions pass through air pollution control equipment (Scrubbers). The Pollution Control Board has set a permissible limit of acid mist and the Company's values are well within these standards. Air quality values are also measured and within the maximum permissible limit as per (NAAQS).

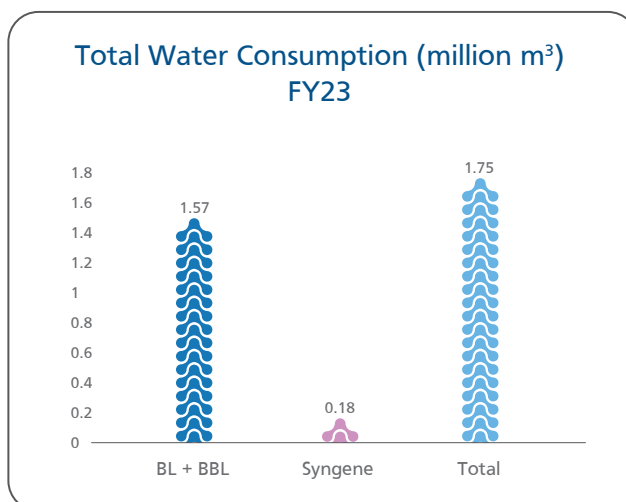
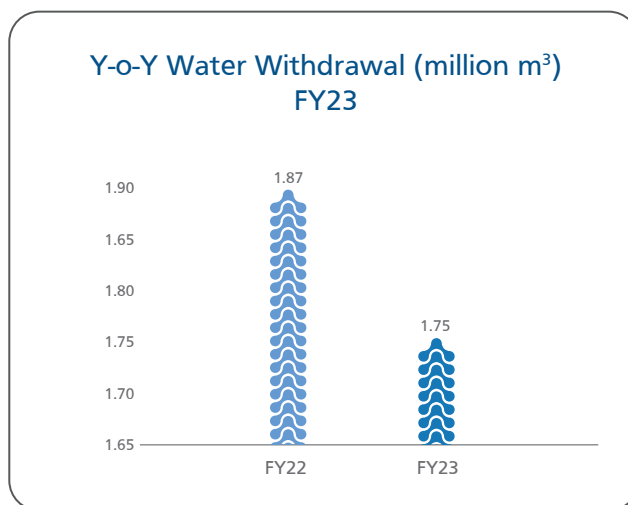
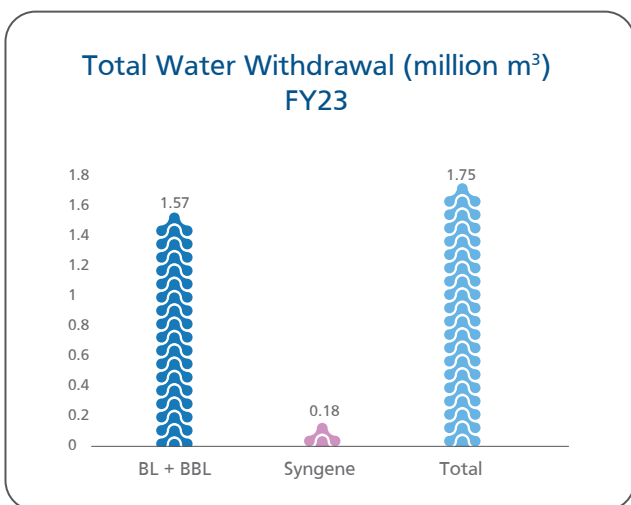
Additionally, we also implemented the following initiatives across all three companies.

- Diesel generators are used only during power interruptions.

- We have partially replaced coal with biomass to reduce air pollution further.
- Scrubbers have been installed at wastewater collection and ETP storage tanks to avoid atmospheric emissions.
- Multistage scrubbers are also installed at our Visakhapatnam facility to prevent pollutants from entering the atmosphere.
- Auto-sampling systems are provided for reactors to avoid VOC emissions.
- Dry Vacuum pumps are provided for reducing solvent emissions into the atmosphere at our Hyderabad facility.
- High-efficiency dust collectors are provided in powder handling areas to avoid dust emissions across all facilities.

## Water Management

Across the Group, we are working towards reducing our water consumption from freshwater sources such as groundwater and third-party water sources. Our efforts in this regard have resulted in a reduction of **0.12 million m<sup>3</sup>** of withdrawal compared to FY22.





We leverage our 12,000 Kilo Litre/Day (KLD) installed capacity of ZLD effluent treatment plants, which use hi-tech advanced Membrane Bioreactor (MBR) technology to enhance the quality of our wastewater stream, leading to reduction in the freshwater consumption in our manufacturing operations.

We leverage third-party conventional effluent treatment plants, Vertical Thin Film Dryer (VTDF), Agitated Thin Film Driers (ATFD) and reverse osmosis units to treat wastewater and reuse

it within our plant premises in Bengaluru, Hyderabad and Mangaluru.

Biocon Biologics has implemented the Scaleban®, a patented technology that eliminates the use of costly conventional technologies to achieve water conservation and zero liquid discharge objectives. To further enhance our conservation efforts, we have partnered with external agencies to evaluate our operations and identify opportunities for improving water recycling and conservation measures.

Similarly, Syngene has dedicated specialist effluent treatment plants to process wastewater from their laboratories and manufacturing facilities for reuse in utilities and landscaping. Furthermore, Syngene is also committed to designing new facilities with lower water consumption using water treatment plants and generating less water rejection. As a result of these initiatives, **we have been able to recycle and reuse 100% of our treated wastewater** in various processes and utilities at Biocon Limited, Biocon Biologics and Syngene.

## Water Risk Assessment at Biocon Limited and Biocon Biologics

The WRI Aqueduct tool, developed by the World Resources Institute (WRI) is a valuable resource for businesses seeking to evaluate their exposure to water-related risks.

Biocon Limited and Biocon Biologics conducted a thorough water risk assessment and scenario analysis using the tool to optimize our water management and gain insights into how water risks could affect us. This allowed us to identify potential water-related risks across our operations and local supply chain vendors by examining water stress, flood, drought and water demands. As part of this assessment, we also evaluated water supply, wastewater management and regulated and total water use for our direct operations. Based on our internal risk criteria, we have determined that all our sites pose a low risk regarding water-related concerns.

### Other Initiatives that have enabled effective water management:

- Concerted efforts to reduce water consumption led to saving 400 KLD of water in the Bengaluru and Visakhapatnam facilities.
- Recycling 1,500 KL of rainwater for cooling towers at the Hyderabad facility.
- Construction of a 30 KL capacity Sewage Treatment Plant (STP) to reuse 100% domestic wastewater in Hyderabad.
- Implementation of spray balls for reactor cleaning to minimize water consumption.
- Using Scaleban® technology in the Multiple Effect Evaporators (MEE) cooling tower to reduce steam and power consumption in Hyderabad.
- Recycling of 550m<sup>3</sup> of waste-water for cooling towers at Malaysia facility.
- Installation of high-pressure water jet pumps to reduce water usage.
- Using aerators to regulate and reduce water flow from taps in toilets and other areas.
- Integrating a water management system to utilize reverse osmosis reject water for cooling towers.



## Waste Management

The Companies adhere to standard operating procedures (SOPs) for properly handling hazardous and non-hazardous waste. These guidelines ensure effective waste management, including tracking, categorization, segregation and safe disposal through authorized waste handlers and recyclers. Compliance with central and state regulations is prioritized. All three Companies employ an environmentally responsible approach, utilizing State Pollution Control Board (SPCB) authorized recyclers for recyclable waste and in-house incineration for non-recyclable waste. Further, Electric waste pickup vehicles are part of the solid waste management initiative at the Bengaluru SEZ facility.

The procedures and their implementation are subject to audit, which plays a crucial role in identifying areas for improvement in waste management at the companies' laboratories and manufacturing plants.

### Responsible Waste Management

Biocon Limited & Biocon Biologics	78% of the waste generated is recycled
Syngene	91% of the waste generated is recycled

### Waste-to-Wealth Biocon Limited raises ₹10 million from waste recycling

At Biocon Park, we raised INR 10 million in FY23 from solid waste recycling initiatives through circular economy channels. Almost 5 tons of Multi-Layered Plastic (MLP) packaging was recycled under the Extended Producer Responsibility (EPR). This further demonstrates our commitment to driving sustainability across the business and creating a new avenue to boost revenue through responsible waste management.

### Biocon Limited and Biocon Biologics Waste Management Initiatives

- Purpose-built waste storage facility efficiently manages incinerable and recyclable hazardous waste.
- ETP sludge is sent for composting and co-processing instead of going to landfills.
- Non-hazardous waste materials are diverted for recycling at the Visakhapatnam facility.
- Wastepaper is reused through a partnership with Karnataka Khadi Gramodyog Samyukta Sangh. This year, over 2.5 tonnes of wastepaper turned into 1,000 stationary products such as bags and files.
- Digitalization efforts have reduced paper waste by 80%.
- LDPE (low-density polyethylene) covers are used to collect ETP waste.
- Container optimization reduces plastic and chemical use in shipping.
- 1,952 tons of Fermentation waste was diverted to cement factories as fuel, reducing landfill waste.
- Solvents used in manufacturing are recycled to reduce the need for fresh solvents.

## Syngene Waste Management Initiatives

- A dedicated 4,000 sq. ft. waste management facility handles non-hazardous, hazardous and biomedical waste at the Bengaluru campus.
- Reduce, Reuse and Recycle approach followed along with an integrated inventory management system.
- Plastic waste at Syngene is given to authorized recycling partners, while e-waste and hazardous waste are disposed of through authorized waste handling partners.
- Phasing out single-use plastics is in progress.
- Safe waste segregation through leakproof containers based on compatibility and hazardous waste categorization.

## Product Stewardship

At Biocon Limited, we focus on pollution prevention by mitigating chemical hazards throughout the value chain. Green Chemistry technology plays a vital role in reducing the use of hazardous chemicals and promoting the adoption of environmentally friendly alternatives. This comprehensive approach ensures sustainable manufacturing and minimizes harmful substances at every production stage. Our efforts include transitioning from solvent to water-based reactions, utilizing greener solvents, enhancing solvent recovery capabilities and optimizing material incorporation processes. By adopting green chemical development processes, we aim to reduce our environmental footprint and develop products with sustainability in mind.

- Biotransformation through reducing solvent usage by implementing biotransformation-based

processes.

- Switched to water-based reactions from solvent-based reactions.
- Created manufacturing processes with reduced synthetic conversions, shortened routes and maximized atom economy
- Substituted precious metal catalysts with a non-precious metal catalyst.
- Reduced or replaced hazardous solvents with green solvents or Class-5 solvents.
- Reduce, Recycle, Reuse and Recovery of the Materials/ solvents.
- Lowering process mass intensity (PMI) & E- factor.
- Lowering waste generation.

During FY23, Biocon made a deliberate shift towards sea-based freight transportation, resulting in significant environmental benefits. This transition is estimated to reduce our annual CO<sub>2</sub> emissions by approximately

200 tons. Additionally, we have prioritized engaging localized vendors to procure raw materials. This strategic decision has reduced the distance these materials cover, substantially decreasing approximately 450 tons of CO<sub>2</sub> emissions

### Life Cycle Assessments\*

During FY23, we conducted a Life Cycle Assessment (LCA) for some key products using SimaPRO and expert insights. SimaPRO is a widely used software based on the robust science of LCA, the leading method to measure product sustainability. It is used by leading businesses worldwide to evaluate and improve their sustainability efforts. The assessment methodology was performed using a Cradle to Gate approach and the subsequent results obtained are used to analyze and understand the potential environmental impacts of the products.

\*Please refer to BRSR



## Biodiversity

### Biodiversity Commitment

At Biocon, we are committed to protecting and conserving biodiversity in alignment with our strategy towards environmental sustainability in addition to adhering to compliance requirements.

As articulated in our EHSS policy as well as our policy on Corporate Social Responsibility and Environmental, Social & Governance (CSR and ESG Policy) which are endorsed by our Board, we acknowledge our responsibility towards the environment and strive to accentuate our environment consciousness within our own premises as well as in the communities that we operate in.

To comprehend the impact of our products on biodiversity, we employ Life Cycle Assessments (LCAs). These assessments enable us to evaluate various stages of a product's life cycle, ranging from extraction and manufacturing to

use and disposal. By conducting LCAs, we can effectively minimize the negative impacts on biodiversity, as this aids us in understanding sustainable sourcing practices, implementing eco-friendly manufacturing processes, promoting recycling and responsible disposal methods, and exploring alternative materials that have a reduced impact on biodiversity.

Additionally, to effectively manage biodiversity risks, we utilize our risk identification and mitigation tools. This involves assessing biodiversity-related risks, implementing targeted actions, and collaborating with stakeholders to protect and conserve biodiversity.

Furthermore, through the Biocon Foundation, we have not only successfully rejuvenated the Hebbagodi lake in the vicinity of our Bengaluru facility without impacting its biodiversity, but

have also further augmented it to create a biodiversity hotspot brimming with plants, insects, birds and aquatic life. Indigenous species consisting of canopy trees, heterogeneous and aromatic plants and medicinal shrubs today create a natural perimeter around this lake. We do not contribute to any deforestation and continue to improve green cover using focused afforestation techniques. In addition to our ongoing efforts towards decarbonization and sustainable use of resources, we continue to partner with several stakeholders, be it the local authorities or NGOs, to drive positive impact on the environment

### Impact Assessment

As part of our efforts to preserve biodiversity, a thorough Biodiversity Impact Assessment was conducted at the Biocon Campus in Bengaluru to analyze

flora and fauna present. The assessment covered a total of 27.5 acres, which included the campus and an extra 9.53 acres of the surrounding greenbelt. This assessment aimed at discovering the distribution pattern of plant species and assess the current state of fauna variety and its IUCN Red List status. The findings of this assessment will provide valuable insights into the most effective methods for preserving these vital natural resources.

To accomplish this, the primary assessment approach was to use the Quadrant approach with Random Sampling Technique to identify the location and characteristics of plant species. Essential features such as frequency, abundance, density, dominance, relative

density, relative frequency, relative dominance and the Important Value Index (IVI) were also computed using phytosociological analysis.

According to the evaluation results, there are 2,069 flora species on campus. The investigation determined each species' common name, botanical name, family, taxonomy and IUCN Red List status. The flora diversity includes evergreen, deciduous, leguminous shrubs and blooming plants among the floral life forms. According to the ICUN Red List Status, 33 species on campus are of Least Concern, six are Threatened, four are Vulnerable, seven are Endangered and two are Critically Endangered.

The campus also has diverse flora and fauna, with over 175 bird, animal and butterfly species. According to the ICUN Red List Status, 15 species are classified as Least Concern, Vulnerable and Threatened.

The assessment has given us insight into the characteristics and location of each species of flora and wildlife, allowing us to identify the best way to preserve them. We can thus contribute to the rehabilitation of these species. Furthermore, by preserving Biodiversity and flora in particular, we can improve carbon sequestration, maintain a healthy ecological habitat and enhance soil quality and land stability, to name a few.

## Programs and Initiatives

### Rejuvenation of Lakes

*Investment = ₹15 million | Positively influenced 1,00,000 lives*

After successfully restoring the 35-acre Hebbagodi Lake from 2017 to 2022, we have now initiated the restoration of Yarandahalli Lake in Bommasandra, Anekal District, Karnataka, India.

The lake's water quality had deteriorated due to sewage and untreated effluents from nearby areas. With approval from the City Municipal Council, the Biocon Foundation began rejuvenation efforts, engaging local

communities through community meetings to gain their support.

The rejuvenation process follows natural principles, including de-weeding, de-watering, sludge removal, bund strengthening, inlets and outlets reconditioning, silt trap construction and native tree plantation. Water quality audits, similar to those conducted at Hebbagodi Lake, will track our progress. We allocated over ₹15 million in FY23 to support this process.

### Afforestation through Miyawaki

*Investment = ₹3.5 million | Positively influenced 25,000 lives*

The Biocon Foundation is committed to increasing urban green cover by supporting projects that utilize the Miyawaki method.

This Japanese afforestation technique, pioneered by botanist Akira Miyawaki, creates dense and native mini forests within 15 to 20 years. In collaboration with Ramakrishna Mission, we established our first urban forest in Mangaluru, spanning 8,700 sq ft and planted with 500 native

## Hebbagodi Lake, Bengaluru



saplings from over 40 varieties.

This green space opened to the public in October 2020 is a prime example of our success. Encouraged by this, we partnered with Vana Charitable Trust for the initiative's second phase. Our next Miyawaki project is located near the Karnataka Polytechnic Junction in Mangaluru, transforming a previously used construction and demolition waste dumping site into a 20,000 sq ft mini urban forest with 2,000 saplings.

### Restoration of Heritage Park

*Investment = ₹1 million | Positively influenced 1,00,000 lives*

Continuing with our restoration efforts of the historical Minsk Square, a main central traffic island located in the heart of Bengaluru, we have added green cover of 1,800 sq. mtr in FY22.

The landscaping architecture approach involved a balance of hardscape and softscape elements such as electrical works, drainage installations, LED light installation,

planting of 65 trees and more than 6,100 shrubs of different varieties.

As the landscaping phase of the restoration process has been completed, we maintain the square in its restored form to ensure that the green space remains part of the city's green cover.



# Social and Relationship Capital

**With a global presence and diverse therapeutic offerings, we prioritize making a positive impact through our business practices and products. We aim to contribute to society's well-being through philanthropy and curated access initiatives. We value our business associates' partnership and work towards aligning their operations with global standards.**

At the Biocon Group, we aim to create a positive societal impact through affordable healthcare solutions. We understand that access to quality healthcare is essential, particularly for patients in Low- and Middle-Income Countries (LMICs). Therefore, we develop and implement **diversified social impact interventions**.

We are **committed to prioritizing access and affordability for our products targeted at chronic diseases**. We recognize these conditions' burden on patients and their families, especially in resource-constrained settings. By ensuring that our therapies are accessible and affordable, we aim to alleviate the financial strain and improve the quality of life for patients in LMICs.

**Forging strategic partnerships and alliances** with organizations

that share our vision amplifies the impact of our work. Through these partnerships, we work collectively to improve healthcare penetration, ensuring that our lifesaving treatments reach those who need them. Further, by aligning with United Nations Global Compact (UNGC) principles, we demonstrate our commitment to critical sustainability areas of human rights, labour, environment and anti-corruption.

**Investing in Information and Communication Technology (ICT)-enabled process innovations is a key aspect of our business strategy.** We believe technology can revolutionize healthcare delivery, particularly in remote or underserved areas. By developing technology-enabled solutions, we strive to enhance access to healthcare services, regardless of geographical limitations. Through

digital platforms and telemedicine initiatives, we empower patients to connect with healthcare professionals, receive timely diagnoses and access necessary treatments from the comfort of their communities.

We also ensure that our **supply chain strategy is responsible and aligned with our mission**. We understand that affordability is closely tied to the efficient utilization of resources and cost optimization. By optimizing our supply chain processes, we ensure that our therapies are manufactured and delivered most efficiently and sustainably as possible. This approach not only helps us maintain competitive pricing but also minimizes waste, reduces our environmental impact and enhances the affordability of our products.



Our Differentiators

Our Performance



**Diversified Social Impact Interventions**



**Prioritizing Access and Affordability of Products**



**Strategic Partnerships and Alliances**



**Investing in ICT Enabled Process Innovations**



**Responsible Supply Chain Strategy**



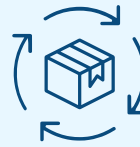
**₹262.2 million** CSR Spending in FY23 through the Biocon Foundation



More than **510,000** Beneficiaries across 6 States in India



**3** New Strategic Partnerships (with respect to CSR)



**5,500+** Total Suppliers



**₹65,831 million** Total Spend on Suppliers



Committed to the **UNGC**

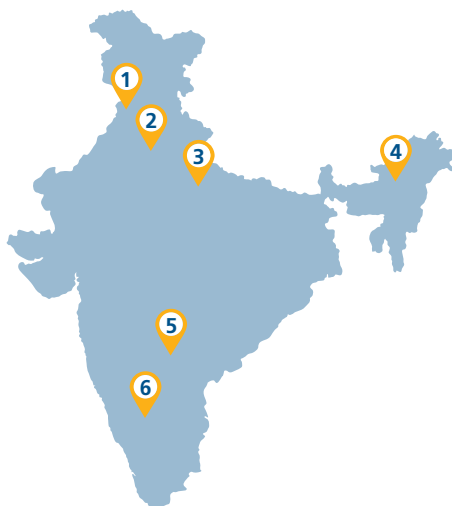
## Strategic Focus and Prioritization of Social Initiatives

We strive to contribute to the communities we operate in meaningfully. More than 2,80,000 people have benefitted from our various interventions focused on enhancing access to quality healthcare, access to quality education, rural development and women empowerment.

### CSR Governance Structure

Thematic Area	Enhancing Access to Quality Healthcare	Access to Quality Education	Rural Development	Women Empowerment
Investment in ₹ (million) in FY23	34.8	97.3	8.6	4.1
Beneficiaries impacted (in FY23)	1,11,000+	1,63,000+	7,500+	3,200+
Initiatives	eLAJ Smart Clinics Specialist Clinics Community Outreach CHAMPS Oral Cancer Screening Mental Health-Initiatives Pharmacovigilance	Biocon Academy IISc Medical School & Hospital Experiential Learning-Program Biocon Chair Har Ghar Tiranga IISc: Research Grants-Program	School Infrastructure Solar Street Lights Children's Park	Women in STEM Parihar - Women and Children's safety initiative

### Our CSR Initiatives Making Impact in Six States



- 1 Punjab**  
1 District
- 2 Delhi**  
1 District
- 3 Uttar Pradesh**  
1 District
- 4 Assam**  
1 District
- 5 Telangana**  
1 District
- 6 Karnataka**  
8 Districts

## Ensuring Collective Well-being through Biocon Foundation and Biocon Academy

The Biocon Foundation and Biocon Academy spearhead our community initiatives in India, serving as the CSR and social impact arms of Biocon Limited, Biocon Biologics Limited, and Syngene. The Foundation is guided by CSR committees of each

entity and is composed of Board members from each company to enable greater strategic alignment and operational efficiency while conducting CSR and social activities. In compliance with The Companies Act, 2013, all companies allocate at least 2%

of their average net profit from the immediate three preceding financial years towards CSR activities. Through initiatives that foster social and economic inclusion, we seek to drive transformational and sustainable change in society.

### The Board

- Establish the CSR Committee
- Approve the CSR Policy
- Approve the annual CSR Budget and Annual Action Plan (AAP)
- Make disclosures in the Directors' report as specified in the Act and comply with any applicable statutory requirements.

### The CSR Committee

- Formulate the CSR policy
- Ensure fair and transparent selection and recommendation of activities
- Recommend CSR budget and AAP to the Board
- Review and monitor all CSR activities
- Submit quarterly report to the Board

### Biocon Foundation / Biocon Academy

- Identify CSR projects
- Execute CSR projects
- Periodically monitor progress and update the CSR Committee on the status
- Build fruitful collaborations where partnerships are required.
- Submit a quarterly report/ annual utilization certificate to the CSR Committee.



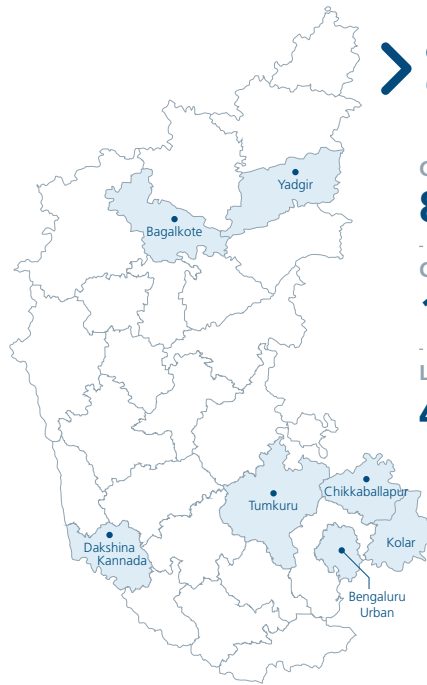
## Enhancing Access to Quality Healthcare

The Foundation seeks to address the critical gaps in healthcare service delivery in the country by enabling last-mile reach of preventive and primary provisions. Our healthcare programs are strategically delivered at three levels: Primordial (CHAMPS, IEC at schools), Preventive (Education, Community-based Noncommunicable Diseases (NCD) screening,) and Secondary (eLAJ Smart Clinics outpatient care, Health Camps).

### eLAJ Smart Clinic Services

*Investment = ₹22 million | Positively Influenced 70,000+ Lives*

The Foundation's flagship program, the eLAJ Smart Clinic platform, was developed in 2015 and deployed to transform Primary Health Centers (PHCs) into advanced clinics. The in-house developed program offers digitized consultations, advanced diagnostics, and NCDs screening. With the comprehensive Electronic Medical Report (EMR) and longitudinal patient data on the eLAJ dashboard, physicians can ensure a continuum of care and effectively manage NCDs. Free consultations, lab investigations, and counseling for lifestyle changes and medication adherence are also available.



### eLAJ Smart Clinic Presence

Consultations till date

**800,000+**

Consultations in FY23

**100,000+**

Lab tests recorded in FY23

**45,000+**

Note: Map not to scale.

### Specialist Clinics\*

*Positively Influenced 3,600+ Lives*

These are monthly community-based interventions at the Biocon Foundation clinics at Huskur, Hennagara, and Austin Town in Bengaluru that focus on health promotion, detection and prevention of NCDs, and health education. They diagnose and address NCDs through:

- Robust diagnostic facilities for accurate screening of diabetes, hypertension, and cardiovascular diseases.
- Psycho-social counseling to empower patients in making positive lifestyle changes and improving self-management.

- Regular follow-ups by community health workers through home visits to ensure continuity of care and address risk factors.
- Treatment protocols aligned with WHO guidelines to deliver effective and evidence-based interventions.

\*This is part of Biocon Foundation eLAJ clinics and spends are part of consolidated eLAJ spends



## Community Outreach through Medical Camps\*:

*Positively Influenced 9,000+ Lives*

Screening camps were organized at select Small and Medium enterprises and Health & Wellness centers in Anekal taluk in Karnataka. 370 women were screened for cervical cancer, and 6% were referred to post-visual inspection.

While 1,100 women were screened for breast cancer using the palpation technique called clinical breast examination (CBE), ~8.2% of the screened participants were referred for regular follow-up. Information Education Communication (IEC) sessions were conducted for 800 women

on the techniques and importance of self-breast examination.

Camps were conducted to provide health check-ups for more than 2,300 students across 21 Government schools. 29.6% of students were detected and treated for anemia. Awareness sessions were conducted on Personal, Hand, and Menstrual Hygiene for 1,400 students, and 650 menstrepedia books (menstrual hygiene guides for girls aged 9 and above in the form of comics) were distributed.

## Child Health Activists Mentoring and Promoting Health in Society (CHAMPS)\*\*

*Positively influenced 1,000+ lives*

Conceptualized by Dr. Devi Shetty, Chairperson & Executive Director of Narayana Health, this program began in 2019 as a pilot and involved children as agents of change in raising awareness towards lifestyle diseases. Post-COVID, the program was restarted, and in FY23, the Foundation team taught 110 eighth and ninth-grade students about hypertension. The team trained them to read blood pressure monitors and encouraged health-seeking behavior using engaging visuals. The success of this creative project can be attributed to the long-standing partnership of the Foundation with Agastya International Foundation.

## Capturing and Understanding the Impact of eLAJ

Through a third-party consultant, the Biocon Foundation conducted a detailed impact assessment study to understand the positive value created by the eLAJ Smart clinics in the project's geographic locations. The key insights and findings of the study are listed below:

- 81% of the patients stated that Biocon Foundation clinics were their first choice of a healthcare facility.
- 76% of the patients reported having received awareness about their health conditions and 71% of the patients reported having received treatment.
- 85% of the patients reported a high satisfaction level pertaining to the services and treatment provided at the clinics.
- 88% of the patients reported being able to prevent diseases due to the presence of the Biocon Foundation Geriatric clinics.
- 85% of patients reported that the doctor was aware of their medical details as Electronic Medical Records were used across all clinics.
- Overall there has been a significant change in the attitude of the community, in terms of willingness to undergo diagnosis and seek medical help.

\*This is part of Biocon Foundation eLAJ clinics and spends are part of consolidated eLAJ spends

\*\*This is part of eLAJ community outreach and spends form part of eLAJ expense.

## Oral Health

*Investment = ₹4.40 million | Positively influenced 27,700+ lives*

Started in 2011, the oral cancer screening program aims to strengthen the current government health initiatives. It has been successfully implemented in various resource-constrained settings in partnership with the State Governments of Karnataka, Rajasthan, Assam, and Nagaland. Currently, the program operates in the states of UP, Punjab, Karnataka, and Assam.

In collaboration with renowned national oncologists, the Biocon Foundation constituted an **Oral Cancer Task Force in 2018** to develop a strategy to downstage oral cancer in India over the next decade. In partnership with the KLE Society's Institute of Dental

Sciences (KLESIDS), the Foundation has developed a mobile phone-based health technology platform (mHealth) as a screening tool. This helps capture and analyze intra-oral images of patients to recognize early symptoms and signs of oral cancer in high-risk groups in resource-constrained areas. The platform allows for examination without reliance on extensive resources.

In FY23, over 9,000 individuals have been screened for oral cancer, of whom 19.4% were provisionally detected as lesion positive and referred forward. 18,700+ patients were screened at dental treatment camps, of which about 19% were identified and treated for common dental problems.

## Mental Health Initiatives

*Investment = ₹2.5 million*

The Foundation, together with the National Institute of Mental Health and Neurosciences (NIMHANS), Bengaluru, a world-renowned center for mental health and allied fields, aims to work on programs promoting public mental health and building mental health resilience in the urban population. These programs are in the pilot stage with tools being tested, and we hope to positively impact the conversation on this critical issue through our efforts.

## Bengaluru Urban Mental Health Initiative (BUMHI)

This program focuses on creating and executing strategies tailored to the urban population to enhance self-care and informal community care of mental health. Last year, the Foundation launched a Self-Care Mental Health Kit, which helps users understand skills essential for good mental health and signs of common mental health conditions and teaches skills to provide mental health first aid. In FY23, we invested 2.5 million to help take this kit to the masses through community-based organizations (CBOs). We aim to have at least a fully trained CBO in every ward and slum in the east zone in Bengaluru.

## School Health Initiative – Technology Deaddiction Program

Technology addiction among adolescents is an emerging behavioral addiction of great concern that the Foundation attempts to tackle through this program. This is done through partnering with the National Institute of Mental Health and Neurosciences (NIMHANS) to address issues related to technology addiction among school-going adolescents. A teacher training module is also in progress to equip teachers with sensitizing students and leading interventions.

## Antimicrobial Resistance Tracker

Investment = ₹5.8 million

Biocon Foundation has partnered with Indraprastha Institute of Information Technology IIIT-Delhi to create an mHealth application compliant with the Ayushman Bharat Digital Mission (ABDM). The app aims to provide interpretable statistics on Antimicrobial Resistance (AMR), enabling tracking and trend analysis in

clinical and population settings. By facilitating the monitoring of AMR, the intervention will enhance awareness among healthcare professionals and the public regarding the trends in antimicrobial resistance. The application leverages AI-based models to identify and predict trends in AMR.

- The application will be based on the first multi-centric (20 sites) evidence across India learned by our AI models in

collaboration with ICMR.

- The application will include AI-based approaches developed in IIIT's lab to track and predict the emergence of AMR.
- The interoperable AMR will incorporate frameworks from the ABDM such as consent manager, laboratory investigation, and diagnostic report for integration into the National Health Stack.

## Our Approach to Improving Insulin Access in LMICs

Access to insulins is a serious challenge in LMICs, where 'three out of four' adults with diabetes live. An estimated 94% of the global increase in diabetes by 2045 will occur in Low- and Middle-Income Countries (LMICs), by when the worldwide diabetes population is expected to be over 780 million, according to a 2022 report by the Access to Medicine Foundation (ATMF).

The introduction of biosimilar insulins provides an option to reduce diabetes treatment costs, improve accessibility to new insulin treatment options, and expand the number of insulin brands available to people with diabetes in LMICs.

Biocon Biologics is supporting diabetes patients in the Philippines through an uninterrupted supply of insulin and regular monitoring of glucose readings.

We are providing insulin free of cost to 500 underprivileged patients with Type 1 diabetes, as well as training over 400 healthcare professionals in India on managing the condition.

The ATMF has recognized Biocon Biologics' efforts to address this challenge of insulin inequity through our affordable yet high-quality biosimilar insulins.

## Access to Quality Education

The Foundation has a targeted approach to promoting quality education and includes programs for students at different stages

in their academic journey. By investing in education, research, and capacity-building training for educators, the Foundation promotes inclusive education

for all, creating opportunities for nurturing future leaders in STEM that ultimately drive positive change in society.

## Biocon Academy

*Investment = ₹48.3 million | Positively influenced 120+ lives*

The Academy's vision is to become a recognized center for advanced learning in Biosciences that will provide the required proficiency for enhanced career prospects for Biotechnology and Engineering graduates.

The Biocon Academy was founded in 2013 and spearheaded the Biocon Group's CSR initiatives in technical and professional education. Our short-term certificate programs aim to bridge the skill gap between academia and industry by providing aspiring biotechnologists with skill development and employability-enhancement opportunities.

Our unique four-pillar training model: Application-Oriented Training, Live-Experiential Learning, Hands-on Experience, and Campus-to-Corporate, employs a combination of educational partnerships, subject matter expert-led experiential learning, hands-on laboratory experience, and professional skill development programs to address different aspects of a student's theoretical and practical needs. The Academy ensures our programs are accessible, especially for deserving talent. It offers 50 to 75% scholarships for course fees to students from Biocon's CSR funds and partners with banks to offer concessional educational loans to needy students. We also provide placement assistance to



students in the pharmaceutical and biopharma industry.

- During FY23, 120 students successfully graduated from the Academy.
- Educational Partners: KGI California, BITS Pilani, JSS AHER Mysore, and Ramaiah College, Bengaluru
- Placement Record: 100%

They are working with some of the best biotech companies, including Cipla, Dr. Reddy's Labs, Intas, Baxter, GVK Bio, Zydus, Novozymes, Lupin, and IQVIA, amongst many others.

In addition to the courses designed for the students, we provide industry training to its faculty members on biopharmaceutical technologies through tie-ups with organizations including BioZEEN, ThermoFisher, Merck, NH (Narayana Hrudayalaya), JSS Hospital, and Sartorius.

## Experiential Learning Program

*Investment = ₹6.1 million | Positively influenced 13,200+ lives*

The Foundation has been working to provide academic support to government schools in rural areas through curriculum development, learner-centered pedagogies, and self-directed learning materials. The Foundation is investing in programs such as Mobile Science Labs (MSL), Lab on a Bike (LOB), at-home learning activities, digital summer camps, science fairs, and career guidance classes in government schools in Anekal, Bengaluru, Chikkaballapur, and Shamirpet in Hyderabad to bridge the resource gaps in these schools. The program currently reaches more than 50 schools, empowering its students and building teachers' capacity to engage their classes better. This year additionally, an interschool science quiz was organized in Anekal, with the participation of 50 Government schools. Cash prizes were awarded to the top three schools in addition to consolation prizes. We plan to curate and conduct more interactive and engaging sessions for the students in the coming years.

### Indian Institute of Science (IISc) Postgraduate Medical School & Hospital, Bengaluru

*Investment = ₹40 million*

The Biocon Foundation recently signed a Memorandum of Understanding (MoU) with the Indian Institute of Science (IISc) to fund the construction of the Biocon-Syngene General Medicine wing of the Postgraduate Medical School & Hospital. The building is in progress and is expected to be operational by early 2025. The wing will be spread over six floors with 147 beds. The hospital will serve as a not-for-profit, multi-specialty hospital while offering an integrated dual degree MD-PhD program in clinical research and development in new treatments and healthcare solutions.

### Biocon Chair

*Investment = ₹1.2 million | Positively influenced 230+ lives*

The Foundation has also entered an MoU with the Institute of Bioinformatics and Applied Biotechnology (IBAB) to sponsor the Biocon Chair. The Chair will enable faculty to strengthen research programs and provide quality education and training to students in biosciences through the academic grant. Dr. H S Subramanya, Director of IBAB, is the current occupant of this Chair. In FY23, more than 200 students were trained in biosciences by the Chair.

### Har Ghar Tiranga

*Positively influenced 150,000 lives*

The Foundation showed support for the nationwide 'Har Ghar Tiranga' campaign, launched

by the Government of India, which urged all Indians to fly the national flag at their homes between August 13 and 15, 2022. The campaign was part of the 'Azadi ka Amrit Mahotsav' which marks the 75th anniversary of the country's Independence Day. Over 30,000 national flags were distributed by the Foundation to the surrounding communities of the Group's offices in and around Electronic City, Bengaluru. In addition to this, the 'Flag Code of India' was also provided to the community members. The flags were given to students from 60 schools, residents of 15 villages, and Biocon Group employees. This initiative was aimed to raise awareness about the national flag and its significance among the communities the Foundation had worked with for many years, inspiring them to exhibit the tricolor with pride in their homes.

### Rural Development

Along with our partners in rural India and other like-minded organizations, we continue to engage and work with local communities to address their needs and challenges. Our efforts are based on insights we gather through baseline studies and Focus Group discussions with the communities and the inputs from our network across various geographies. We believe that our prerogative is to ensure our nation's rural communities are well-equipped to keep pace with the

changing traditions, technology, and economic requirements.

### Rural Infrastructure Development (Chikkaballapur, Dakshina Kannada and Uttara Kannada)

*Investment = ₹8.5 million | Positively influenced 7,500+ lives*

Biocon Foundation has worked consistently to augment school infrastructure in rural areas to create better learning experiences for students. In the current

financial year, the construction of 11 classrooms is in progress across eight schools in Chikkaballapur, Dakshina Kannada, and Uttara Kannada. A children's park with play equipment is under construction in Jokatte panchayat, Dakshina Kannada. It will benefit the children & elderly of more than 350 displaced families living near the Mangalore Special Economic Zone. To aid environmentally friendly means for lighting across Kalavar and Bala villages in Dakshina Kannada, 20 solar streetlights have been installed.





## Women Empowerment

The Foundation actively contributes to fostering equality and creating opportunities for women through different channels. These efforts not only uplift women but also promote a more inclusive and progressive society.

### Scholarship & Mentorship for Women in STEM

*Investment = ₹3 million | Positively influenced 25 lives*

As a progressive and inclusive organization, we recognize the importance of a diverse workforce and understand the positive impact of creating a nurturing ecosystem that encourages more women to enroll in STEM programs and begin a STEM career.

In collaboration with the Research and Innovation Circle of Hyderabad (RICH), the Foundation has committed to sponsor and support the 'Scholarship and Mentoring for Women in STEM Education and Careers Program'. In FY23, the first year of the program, 25 women in Tier 2 & 3 institutions were awarded scholarships. They will receive experiential learning through internships in reputed R&D institutions, mentoring and invitations to participate in seminars and industry visits.

### Women and Children's safety initiative

*Investment = ₹1 million | Positively influenced 3,200+ lives*

Parihar is an initiative of the

Bangalore City Police with a mission to provide relief and consolation to women who are victims of domestic and gender-based abuse and violence. The Biocon Foundation has been extending financial support for the functioning of this critical service, since September 2019. Based out of the office of the Police Commissioner, Parihar supports women in need through family counseling centers, Vanita Sahayavani (Women Helpline), Makkala Sahayavani (Child Helpline) and Vanita Sahayavani Santwana Centres.

## Employee Volunteering

Biocon Group employees actively contribute to generating social wealth and value and are committed to positively impacting communities and the environment. We provide meaningful social engagement opportunities through employee

volunteering programs, such as the Miyawaki plantation drive, Har Ghar Tiranga campaign, inter-school science quiz competition, science fair, health camp, and Women in STEM & Lab on Bike (LOB) program launches. Our employees also dedicate their time

to mentoring undergraduate and postgraduate Women in STEM program students. In FY23, our employees continued to dedicate their time to volunteering and community service.

## Synergizing for Success: An Insight into Our Partnerships

### Biocon Limited

Biocon Limited has a semi-exclusive partnership with Zentiva for the manufacturing and supply of Liraglutide across 30 European countries. The partnership combines our research and development capabilities with Zentiva's extensive European network, expanding the brand's presence in the European market.

We also have a long-term strategic partnership with Farmanguinhos in Brazil for the supply and tech transfer of a finished dosage formulation immunosuppressant product. The collaboration with Farmanguinhos expands access to life-saving medicines in Brazil.

Our partnership with Tabuk Pharmaceuticals Manufacturing Company, a subsidiary of Astra Industrial Group, helps improve the reach and commercialization of generic products in the Middle East and North Africa.

### Biocon Biologics

Strategic global partnerships have allowed us to share risks, lower costs, maximize our efficiencies, expedite development and expand our reach. Our long-standing and successful global partnership with Viatriis to co-develop a range of biosimilar antibodies and insulin analogs culminated in our acquisition of the global biosimilars business of our partner. This will bring together the complementary capabilities and strengths of both partners. Biocon Biologics emerges as a unique, fully integrated global biosimilars player.

Biocon Biologics has signed a strategic out-licensing agreement with Yoshindo for exclusive commercialization rights for two of its pipeline biosimilar assets, bUstekinumab and bDenosumab, in Japan.

BBL continues to partner with strong regional players in key Emerging Markets to ensure our products reach patients.

The partnership with Serum India Life Sciences (SILS) gives BBL access to 100 million doses of vaccines annually, along with distribution rights, allowing it to straddle both infectious and non-communicable diseases.

### Syngene

Syngene signed a 10-year strategic partnership with Zoetis. The partnership involves manufacturing the drug substance for Librela® (bedinvetmab). Librela® is an injectable monoclonal antibody that alleviates pain in dogs with osteoarthritis. The commercial manufacturing contract is valued at up to USD 500 million. The contract's value is subject to regulatory approvals and market demand.



## Stability and Efficiency in our Supply Chain

Across the Group, responsible sourcing is a top priority, enabling us to fulfill our commitments to patients, people, and environmental and social equity. We procure raw materials from approved vendors, both local and international. To enhance sustainability, we have transitioned from animal-origin to a recombinant supply base for select products, including insulins. We focus on utilizing non-petrochemical-based “green solvents” and implementing e-sourcing for top solvents. In FY23, Biocon Limited introduced a vendor management portal as part of our paperless initiative. The Vendor Portal Project facilitates real-time SAP data integration, creates a repository

for vendor documentation, and streamlines processes. We ensure that our critical vendors adhere to environmental compliance standards and conduct regular audits to assess their business and quality performance.

This year, we conducted 28 GMP audits and closed 10 CAPA actions. We promote sustainable practices through training sessions with suppliers and logistics providers. We track factors impacting pricing and supply chain, conducting periodic reviews based on metrics like on-time-in-full (OTIF) and quality complaints. Our OTIF rate this year is 98%. We also utilize third-party vendor evaluation by agencies like Dun & Bradstreet as needed.

We actively diversify suppliers and establish alternate vendors to mitigate supply chain risks. Partnerships and long-term agreements with alternate partners reduce reliance on single sources. The company expands its Generics business in the US and strengthens the end-to-end value chain. Future capabilities, including cold-chain transportation, are being enhanced. In the European Union, we have achieved end-to-end product distribution capability. These measures secure supply chains and ensure a consistent and sustainable product supply.

## Supply Chain Management: Key Initiatives in FY23

- Qualified 12 new local vendors locally to de-risk single source dependency
- Incorporated ESG criteria to vendor evaluation criteria
- Introduced vendor managed inventory, and supply schedule planning to avoid stock-out situation
- Audited and qualified multiple sites of critical vendors according to geographical risk as part of de-risking single site dependency
- Maintained paperless operations as all supporting documents like quotations/ mail trails are attached to PO in SAP.
- Fully digitized payment process as invoice forwarding is moved through the system

## Contract Manufacturing Organization

Our strategic partnerships with Contract Manufacturing Organization (CMO) have driven operational efficiency and enabled us to focus on our core competencies in research and development. Collaborating with multiple formulation companies, we ensure affordable product supply globally. Leveraging the

CMO's expertise, technology, and processes, we optimize production capabilities and scale operations to meet market demand. Stringent quality measures and regulatory adherence maintain the integrity and safety of our medications.

Biocon has expanded its partnership in North America

with steady contracts for local manufacturing and alliance with the US Department of Defense, increasing our production capacities and capabilities across the continent. Our Non-Potent Oral Solid Dosage CMO has been extensive in the market with a vast spread maintaining a steady supply chain.

## ESG Integration within our Value Chain

Last year, Biocon Limited published our Supplier Code of Conduct (CoC) with guidelines on behavioral and ethical standards that we expect value chain partners to adhere to. Currently, 100% of our suppliers have acknowledged and signed

up to the code. Our Supplier CoC outlines our expectations and guidelines concerning responsible sourcing. It also mandates our value chain partners commit to fair treatment and professional and ethical behavior, and safe and

sustainable business practices. The following ESG aspects have been incorporated into our Supplier CoC:

- |   |   |  |
|---|---|--|
| <ul style="list-style-type: none"> <li>• Ethics and Business Integrity</li> </ul> | <ul style="list-style-type: none"> <li>• Environmental Compliance &amp; Sustainability</li> </ul> | <ul style="list-style-type: none"> <li>• Management Systems</li> </ul> |
| <ul style="list-style-type: none"> <li>• Labor and Human Rights</li> </ul>        | <ul style="list-style-type: none"> <li>• Quality</li> </ul>                                       | <ul style="list-style-type: none"> <li>• Health and Safety</li> </ul>  |

Biocon Biologics also has a standalone Supplier Code of Conduct and 100% of suppliers have acknowledged this. Currently, Biocon Biologics procures approximately more than 80% from vendors who adhere to ESG norms and publicly report on the same.

Syngene also has its own Supplier Code of Conduct which requires

compliance from the entire supply chain.

Furthermore, in order to ensure seamless ESG integration within our value chain, we conducted awareness training sessions for all our vendors. These training sessions provided our partners with critical information on applicable laws and regulations, Company policies and procedures and

behavioral and ethical standards to be maintained. We also undertake a review of these parameters while onboarding our vendors. As a result of our continuous efforts and process improvements, this year we significantly improved our EcoVadis Sustainable Procurement score to 60 from 40 last year.

## Supplier Assessment

At Biocon Limited, our suppliers are assessed across six categories: EHS&S Policy, EHS Compliance with Legal Requirements, Environmental Management, Social, Governance and Risk Management. The supplier assessment process includes the following:

- Roll out of ESG Questionnaire
- ESG Assessment
- Performance Review and CAPA Tracking

Suppliers' questionnaire responses are scored against a checklist, determining their overall rating on a scale of 0 to 100.

### Rating Categories for Supplier Assessment

Stewards Score > 70	Implementers Score is between 40-70	Beginners Score ≤40
who have successfully integrated sustainability into their overall business practices.	who have sustainability embedded in their business strategy.	who have identified sustainability issues but have yet to adopt formal methods to address them.

### 10 suppliers were assessed in FY23. Results: 9 Beginners & 1 Steward

Post the review, gaps are communicated to the suppliers and CAPAs are tracked.

### Supplier Development Program

Based on the gaps identified through our assessment, we carried out customized programs to assist our suppliers in bridging those issues. 17 individuals from our suppliers were given this training this year. We recognize that some of these may take time to effectively remediate and therefore ensure periodic business sessions and communication with them are in place to accelerate the improvement of their ESG performance.



#### Customized Programs

Customized programs are implemented to assist suppliers in bridging the identified gaps



#### Performance Tracking

Suppliers are expected to consistently track and improve their performance



#### Alignment with ESG Values

Suppliers are directed to align their operations and supply chain with Biocon's ESG Values



#### Regular Business Sessions

Regular business sessions and communication are in place to accelerate the improvement of suppliers' ESG performance



#### Onsite Capacity-Building Sessions

Detailed onsite capacity-building sessions are conducted for suppliers. Topics covered include GHG calculations, water management, waste and energy management, circular economy and Ecovadis



## Local Sourcing

At the Group level, we prioritize engaging and developing local small and medium enterprises to drive economic growth in our areas of operation. This reduces our carbon footprint from transportation, fosters trust within

local communities and, ensures business continuity even during global crises like the COVID-19 pandemic and geopolitical conflicts. In FY23, Biocon Biologics focused on procuring certain materials from the domestic

market with an aim to increase local sourcing. Syngene's local sourcing stands at approximately 50% and, we continue to expand our vendor base in India post -COVID-19.

## Transparency and Traceability

Biocon Limited engages with a broad network of suppliers worldwide to ensure supply chain resilience. Supply chain teams collaborate with key stakeholders to anticipate and respond to complex and interconnected risks

that threaten the continuity of business operations. We focus on product safety and integrity throughout our logistics channels and implement measures to ensure the traceability of our products while strengthening compliance

with the Customs-Trade Partnership Against Terrorism (C-TPAT) and Drug Supply Chain Security Act (DSCSA).



## Pharmacovigilance

Our pharmacovigilance system ensures that any adverse events/ side effects and/or product quality complaints associated with any of our products are identified, collected, and analyzed by experts, and appropriately disseminated.

A dedicated pharmacovigilance team in each company tracks

and reports complaints received via a purpose-built web portal. The group includes clinical pharmacologists with in-depth knowledge of diverse therapeutic areas and several years of experience in pharmacovigilance and safety management. We also have toll-free numbers publicized on the web portal for

patients or other stakeholders to report complaints. All reports are investigated to ensure that timely action is taken where necessary.

Our Pharmacovigilance team has ensured that all reported adverse events are investigated and reported to the respective authorities to ensure compliance.

## Enhancing Customer Experience

**Biocon Limited:** Biocon recently launched BioConnect, an API customer portal to connect closely with customers and enhance their overall experience. With this platform, customers can browse through the wide portfolio of over 50 APIs offered by the company, enabling them to make informed decisions based on their specific needs. The portal also provides a seamless communication channel between customers and Biocon's team, ensuring a personalized experience. They can make inquiries, post their requirements and connect with the entire team dedicated to assisting with their needs. This will serve as a relevant and valuable medium for customers to access information, interact and receive support, thereby strengthening their relationship with Biocon.

## Stakeholder Communication

**The Biocon Group recognizes the importance of stakeholder engagement in building a strong reputation for the brand. It values the feedback from diverse stakeholders that helps in shaping the narrative for the Company's brand communication. The Company's public relations efforts are focused on building trust and transparency with its customers, partners, investors, analysts, journalists, HCPs, employees and other members of the society and community at large**

Central to our communications strategy is the role of our Global Communications (GCT) and Investor Relations teams, which are responsible for managing reputational risk and building the Company's trust with the stakeholders. The GCT comprises experts from public relations, digital and social media, advertising and brand communication, crisis management and marketing communications. It serves as the

brand custodian for Biocon and helps build public perception for the Company.

GCT follows a robust process and works closely with internal stakeholders to collect information, identify key topics and develop brand stories with a compelling narrative. The team of experts uses effective key messages during content development to ensure a consistent brand voice

that reflects the Company's core purpose and its value proposition. In addition to effective content development, the team ensures adherence to brand guidelines for a consistent visual identity, thereby augmenting brand recognition. Biocon Groups' GCT is ranked amongst the Top 10 Corporate Communications teams of India over the last several years, including FY23.

GCT and Investor Relations consistently work together with diverse stakeholders, in order to create a positive impact and contribute to a healthier and more sustainable future.

Hence, all Brand Campaigns are shared through various communication platforms with internal and external stakeholders. By actively involving everyone, we strive to create shared value and foster long-term relationships based on trust, transparency, and collaboration.

The Company communicates regularly with its stakeholders through various channels, such as letters, emails, personal meetings, social media campaigns, media

stories, press releases and investor relations updates.

Through a two-way communication pathway, we are able to nurture a strong organizational culture built on empathy and mutual respect.

GCT & Investor Relations teams demonstrate the impact we are making on patients and healthcare systems, engages communities, and informs and connects various stakeholder groups with each other and the organization.

The Company also takes note of feedback and responds promptly to any concerns or issues that might arise. They are continuously working together with our stakeholders to create a

positive impact and contribute to a healthier and more sustainable future.



**Global Communications and Investor Relations teams consistently work together with diverse stakeholders, in order to create a positive impact and contribute to a healthier and more sustainable future.**



### Industry Associations

We actively participate as members of the following industry associations. We play a strong role in public policy advocacy through regular engagement with them.

S. No.	Name of the Trade and Industry Chambers/Associations
1	Federation of Indian Export Organization (FIEO)
2	Service Export Promotion Council (SEPC)
3	Export Promotion Council EOU'S and SEZ's (EPCES)
4	Bangalore Commerce & Industry Chambers (BCIC)
5	Confederation of Indian Industry (CII)
6	Hyderabad Management Association (HMA)
7	The Federation of Telangana Chambers of Commerce and Industry (FTCCI)
8	Bulk Drug Manufacturers Association (BDMA)
9	Federation of Indian Chamber of Commerce and Industry (FICCI)
10	USIBC Global Board of Directors
11	Association of Biotechnology Led Enterprises (ABLE)
12	The Association for Accessible Medicines (AAM)

## Channels and Platforms:

To ensure effective communication with our stakeholders, we utilize a range of channels and platforms. These include but are not limited to:

### Annual/ Integrated Reports:

We have been reporting on our operational and financial performance through Biocon's Annual Report for many years. Starting this financial year, Biocon is publishing an Integrated Annual Report that provides a combined overview of the Company's annual financial and non-financial performance. It illustrates how the Biocon Group is fulfilling its social responsibilities through business and social contribution to various community services related activities to gain the trust of its stakeholders. This is helping the Company build a strong foundation for sustained value creation.

**Website:** In addition to [www.biocon.com](http://www.biocon.com), Biocon Biologics has an interim website [www.bioconbiologics.com](http://www.bioconbiologics.com), which has been developed recently with important content sections.

A brand new website to portray the journey of Biocon Biologics is under development. Once ready, it will be a central hub for stakeholders to access information about the company. It will address the diverse needs of a wide array of stakeholders, including patients, potential employees, journalists, investors, researchers, HCPs, customers, partners and the general public.

**Social Media:** Biocon maintains active social media profiles across platforms, such as LinkedIn, Twitter, Instagram, YouTube and Facebook. These channels are used to share business updates, news on latest developments, and to engage with stakeholders by fostering dialogue and addressing their queries or concerns.

**Stakeholder Meetings:** The Company conducts regular stakeholder meetings and forums to provide a platform for direct

interaction and dialogue with key stakeholders, like the Quarterly Earnings Calls, Analyst Meetings, AGMs, Media Interviews, Press Meets, KOL engagement etc. These meetings allow for open discussions, feedback collection, and also serve to address public concerns or expectations.

### Surveys and Feedback Mechanisms:

Biocon implements surveys and collects feedback from diverse stakeholders, including its people. This enables the company to assess stakeholder satisfaction, identify areas for improvement, and align its strategies accordingly.

### Industry Events and Conferences:

Participation in various conferences and industry events allows the company to showcase its value proposition and build thought leadership position for Brand Biocon.

**Engagement:** These platforms facilitate knowledge sharing, networking and collaboration with diverse range of stakeholders, including healthcare professionals, researchers, policymakers, and industry experts.

**Community Service:** Biocon actively engages with its communities through its CSR arm Biocon Foundation. Various initiatives such as health camps, screening services, educational programs, etc., are held on a regular basis. These activities build relationships, foster goodwill and demonstrate the Company's commitment to the well-being of the society.



Stakeholder Group	Communication Channels Used <i>(need based)</i>	Frequency of Communication <i>(need based)</i>	Broad Inclusions <i>(topics communicated)</i>
<p><b>Group A</b> Customers/Partners Healthcare KOLs Suppliers/ Vendors Regulators/ Govt Agencies</p> <p><b>Group B</b> Industry Associations/ Trade Groups Media Journalists Investors</p> <p><b>Group C</b> Public at Large</p>	<p>Emails, Newsletters Publications Product Literature Personal Meetings Websites Webinars Virtual Events Regulatory Submissions Public Consultations Sector Specific Conferences/ Seminars</p> <p>Press Releases Media Relations Media Interviews Press Conferences Stock Exchange Filings Notifications Investor Meetings Analyst Calls Shareholder Meetings</p> <p>Social Media Channels Feedback Surveys</p>	<p>Daily/ weekly/ Monthly/ Quarterly/ Annually</p>	<p><b>Updates on</b> Business &amp; Financial Performance Sales &amp; Marketing Product Portfolio &amp; Launches Market Trends &amp; Competitive Landscape Supply Chain Management Research &amp; Development Clinical Trials Intellectual Property Regulatory, Compliance &amp; Legal Matters Pharmacovigilance Risk Management Supplier Qualification &amp; Audits Corporate News Patient Stories Policy &amp; Advocacy Industry Best Practices Sustainability &amp; Corporate Social Responsibility (CSR)</p>





# Awards & Recognitions



## Biocon (including Biocon Biologics) Awards

- Chosen as one of the 'Most Preferred Workplaces in Manufacturing 2022' by Team Marksmen.
- Best Women Employer Award' received from Economic Times in association with Femina.
- Biocon Group Global Communications Team has been consistently ranked among the Top 10 Corporate Communications Teams of India, including in FY23.
- Ranked amongst Top 25 Brands with best In-House Communications Professionals by e4M.
- Shelnspires brand campaign won the silver award for the best use of digital for internal communication in a corporate at Velocity Awards.
- Recognized by UN WEP as a winner in the 'India - Transparency and Reporting' category.
- Recognized by UN Women in multiple categories for embracing Women's Empowerment Principles.
- Featured in Avatar's '2022 Exemplars of Inclusion' in the Most Inclusive Companies Index & Best Companies for Women in India.

## JobsforHer Recognition

### DEI & Biowin HR team wins DivHERsity Awards in 7 categories:

- Top 5 Most Innovative Practices Women Leadership Development
- Top 20 Companies in DivHERsity (Large Enterprises)
- Top 20 DivHERsity Champions (Large Enterprises) Roshni Ravindranathan
- Top 20 Most Innovative Practices DivHERsity Policies
- Top 20 Most Innovative Practices Women L&D Programs
- Top 20 Most Innovative Practices Women Returnee Programs
- Top 20 Most Innovative Practices DivHERsity Programs



## Biocon Limited

- Secured the Best Sustainability Practices in Procurement Award from Institute of Supply Chain
- Management (ISCM) & System Applications and Products in Data Processing (SAP) Forums
- Won the Procurement Team of the year for 2023 from UBS Forums
- Ranked among the Top 30 sustainable companies in India by BW Businessworld in 2023



## Biocon Biologics Limited

- Honored with an 'Appreciation Award' at the Biosimilars Workshop 2023 organized by the Institute of Chemical Technology (ICT).
- Won ASSOCHAM's 2nd IP Excellence Award 2022 for Best IP Portfolio (Life Sciences).
- Featured on the 2022 Asia IP ELITE list by IAM for world-class IP management and value creation in Asia-Pacific.
- Won Indian Drug Manufacturers' Association's (IDMA) Best Biotech Patents Award 2022.
- FTM (First Time Manager) Training Program won the Leap Vault Chief Learning Officers (CLO) Awards 2022 for "Best Blended Learning Program (Biopharma)."
- Recognized as a Company with Great Managers at the Great Manager Awards (GMA) 2022.
- Won "Unnatha Suraksha Puraskar" award from the National Safety Council, Karnataka Chapter
- Won State Level Safety Award for "Implementation of Best Safety Practices" from the Government of Karnataka (Karnataka State Safety Institute, Department of Factories and Boilers)



## Syngene International

- Won 'The Brandon Hall Group HCM Excellence Bronze Award' in Leadership Development 2022
- Under the Best Advancement in Compliance Training and Innovative Leadership Program categories.
- Won the CMO Leadership Awards 2022 for top performance across six categories – Capabilities, Compatibility, Expertise, Quality, Reliability and Service – presented by Life Science Leader and Outsourced Pharma Magazine.

## All Entities

- Members of the United Nations Global Compact



# UNGC Alignment

Biocon is proud to announce its commitment to the UNGC principles. By becoming a signatory, we affirm our dedication to upholding human rights, labor, environment and anti-corruption tenets. As a responsible corporate citizen, we strive to integrate these principles into our business strategies, operations and culture. Through this commitment, we aim to contribute to a more sustainable and inclusive future, working harmoniously with the UNGC's global network of businesses and organizations.

Principle	Statement	Report Chapter	Page No
<b>Human Rights</b>			
Principle 1	Business should support and respect the protection of internationally proclaimed human rights	Human Capital	136
Principle 2	Make sure that they are not complicit in human rights abuses.	Human Capital	136
<b>Labor Rights</b>			
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Human Capital	NA
Principle 4	Eliminate all forms of forced and compulsory labor	Human Capital	136
Principle 5	Abolish child labor	Human Capital	136
Principle 6	Eliminate discrimination in respect of employment and occupation	Human Capital	131, 136
<b>Environment</b>			
Principle 7	Businesses should support a precautionary approach to environmental challenges	Natural Capital	137-139
Principle 8	Undertake initiatives to promote greater environmental responsibility	Natural Capital	137-139
Principle 9	Encourage the development and diffusion of environmentally-friendly technologies	Manufacturing Capital; Intellectual Capital; Natural Capital	104-108; 116-117; 143-150
<b>Anti-Corruption</b>			
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	Governance, Ethics and Compliance	73-74

# TCFD Alignment\*

TCFD Pillar	TCFD Recommended Disclosures	Report Chapter	Page No	CDP Alignment
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## Governance

Disclose the Company's governance around climate-related risks and opportunities.	Describe the board's oversight of climate-related risks and opportunities.	ESG Strategy: ESG Governance Framework	55-58	C1.1a; C1.1b;C1.1d C1.2 ;C1.3,C1.3a
	Describe management's role in assessing and managing climate-related risks and opportunities.		55-58	

## Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the Company's businesses, strategy and financial planning where such information is material.	Describe the climate-related risks and opportunities the Company has identified over the short, medium and long-term.	Natural Capital: Task Force on Climate-Related Financial Disclosures	141-142	C2.1; C2.1a; C2.1b;C2.2; C2.2a;C.2.3;C 2.3a
	Describe the impact of climate-related risks and opportunities on the Company's businesses, strategy and financial planning		141-142	
	Describe the resilience of the Company's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.		141-142	

\* The TCFD Assessment was carried out only for Biocon Limited.



**Risk Management**

Disclose how the Company identifies, assesses and manages climate-related risks.	Describe the Company's processes for identifying and assessing climate-related risks	Risk Management in Action	75-81	C2.3; C2.3a; C2.4; C2.4a; C3.1; C3.2; C3.2a; C3.4;C.5;C3.5a
	Describe the Company's processes for managing climate-related risks		75-81	
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the Company's overall risk management.		75-81	

**Metrics and Targets**

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Disclose the metrics used by the Company to assess climate-related risks and opportunities in line with its strategy and risk management process.	Natural Capital	138, 142-144	C4.1; C4.1a; C.2; C4.2a;C.4; C.4a ;C4.3b;C.4.5 ;C.5a;C6.1; C6.2;C6.3; C6.5;C6.5a;C6.7; C6.7a;C6.10; C7.1;C7.1a;C7.2; C7.3;C7.3b; C7.5;C7.6;C8.1; C8.2; C8.2a; C8.2b;C10; C11.3;C9.1
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.		145-146	
	Describe the targets used by the Company to manage climate-related risks and opportunities and performance against targets.		142-150	

# Corporate Information

## BOARD OF DIRECTORS

### Executive Chairperson

Kiran Mazumdar-Shaw

### Managing Director and CEO

Siddharth Mittal

### Non-Executive, Non-Independent Directors

Prof. Ravi Rasendra Mazumdar  
Eric Vivek Mazumdar

### Independent Directors

Meleveetil Damodaran – Lead Independent Director  
Bobby Kanubhai Parikh  
Dr. Vijay Kumar Kuchroo  
Naina Lal Kidwai  
Peter John Bains

## BOARD COMMITTEES

### Audit Committee

Bobby Kanubhai Parikh, Chairperson  
Meleveetil Damodaran  
Peter John Bains

### Risk Management Committee

Bobby Kanubhai Parikh, Chairperson  
Meleveetil Damodaran  
Kiran Mazumdar-Shaw  
Siddharth Mittal  
Eric Vivek Mazumdar  
Peter John Bains

### Nomination and Remuneration Committee

Naina Lal Kidwai, Chairperson  
Dr. Vijay Kumar Kuchroo  
Prof. Ravi Rasendra Mazumdar

### Corporate Social Responsibility and ESG Committee

Naina Lal Kidwai, Chairperson  
Dr. Vijay Kumar Kuchroo  
Prof. Ravi Rasendra Mazumdar  
Siddharth Mittal  
Eric Vivek Mazumdar

### Stakeholders Relationship Committee

Prof. Ravi Rasendra Mazumdar, Chairperson  
Bobby Kanubhai Parikh  
Dr. Vijay Kumar Kuchroo  
Peter John Bains

## Chief Financial Officer

Indranil Sen

## Company Secretary and Compliance Officer

Mayank Verma

## Statutory Auditors

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

## Secretarial Auditors

M/s. V Sreedharan & Associates  
Company Secretaries  
Plot No 293 # 201, 2<sup>nd</sup> Floor,  
10<sup>th</sup> Main Road, 3<sup>rd</sup> block, Jayanagar,  
Bengaluru - 560011

## Cost Auditors

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

## Registered Office

Biocon Limited  
20<sup>th</sup> KM, Hosur Road, Electronic City,  
Bengaluru, Karnataka, 560 100, India

## Registrar and Share Transfer Agents ('RTA')

KFin Technologies Limited  
(formerly known as KFin Technologies Private Limited)  
(Unit: Biocon Limited)  
Selenium, Tower – B,  
Plot No. 31 & 32, Financial District,  
Nanakramguda, Hyderabad - 500032, India  
E-mail: Suresh.d@Kfintech.com

# Financial Reports

## Statutory Reports

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Management Discussion Analysis	217
Corporate Governance Report	244
*Business Responsibility & Sustainability Report (BRSR)	

## Financial Statements

Standalone Financial Statements	273
Consolidated Financial Statements	347

## Supplementary Data Book\*

BRSR	
GRI Index	
ESG Data Book	

\*A Supplementary Data Book is being released with the Integrated Annual Report that includes BRSR, GRI Index & ESG Data Book

# Board's Report

Dear Shareholders,

We are pleased to present the Forty-Fifth (45<sup>th</sup>) Annual Report on the business and operations along with the audited standalone and consolidated financial statements and the Auditor's Report of the Company, for the financial year ended March 31, 2023.

## Financial Highlights

Particulars	In ₹ mn (except EPS)			
	Standalone		Consolidated	
	FY23	FY22	FY23	FY22
Total Income	22,643	19,254	115,501	83,967
Expenses	21,559	17,857	101,946	70,956
Share of loss of joint venture and associate, net	-	-	(1,670)	(2,069)
<b>Profit before tax and exceptional items</b>	<b>1,084</b>	<b>1,397</b>	<b>11,885</b>	<b>10,942</b>
Exceptional items, net	28,628	-	(2,914)	(1,111)
<b>Profit before tax</b>	<b>29,712</b>	<b>1,397</b>	<b>8,971</b>	<b>9,831</b>
Income tax	1,288	536	2,541	2,115
Non-controlling interest	-	-	1,803	1,232
<b>Profit for the year</b>	<b>28,484</b>	<b>861</b>	<b>4,627</b>	<b>6,484</b>
Other comprehensive income, net	9	80	1,138	967
<b>Total comprehensive income</b>	<b>28,493</b>	<b>941</b>	<b>5,765</b>	<b>7,451</b>
Earnings per Share (EPS) after exceptional items	23.87	0.72	3.88	5.44

### Standalone and Consolidated Financial Statements

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

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

### State of Affairs

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

- During the year, our consolidated revenues registered a growth of 38% to ₹ 115,501 mn from ₹ 83,967 mn in

FY22. From a segment perspective, Biologics recorded an annual growth of 61% and Research services grew by 23% while Generics registered a growth of 13%.

- Core operating margins (EBITDA margins net of licensing, forex and R&D) increased to 34% compared to 32% in FY22 mainly due to higher contribution from Biologics and Research.
- Profit for the year including non-controlling interest stood at ₹ 6,430 mn compared to ₹ 7,716 mn for FY22.
- The effective tax rate (ETR) for the year before the exceptional item was 15% (22% in FY22). ETR is down by 7% due to lower tax led by tax holidays in Biosimilar business.

### Exceptional items (Consolidated):

- During the year, Group obtained services of professional experts (like advisory, legal counsel, valuation experts etc.) for the acquisition of Viartis biosimilar business and proposed merger of Covidshield Technologies Private Limited. The Group recorded ₹ 2,374 mn as an expense under Exceptional items in the financial statements.

Consequential tax impact of ₹ 231 mn is included within tax expense during the year ended March 31, 2023.

- Pursuant to acquisition of Viatris biosimilar business, the Group re-assessed the value of certain licensed products for development and commercialisation and recorded an impairment of certain intangible assets amounting to ₹ 470 mn. The impairment has been recognised as an exceptional item in the financial statements. Consequential tax impact of ₹62 mn is included within tax expense during the year ended March 31, 2023.

#### Corporate Events:

- Biocon Limited has sold 15.39% shares held in Syngene International Limited (Syngene), subsidiary company, in the market in tranches to meet its funding commitment to Biocon Biologics Limited (BBL) pursuant to the acquisition of biosimilars assets of Viatris Inc. by BBL.
- The Company has issued Commercial Papers (CP) of ₹ 22,500 million on November 23, 2022, to SBI Mutual Fund and ICICI Prudential Mutual Fund which was redeemed at its maturity date i.e., February 22, 2023.
- BBL has allotted equity shares to Biocon Limited and Biocon Pharma Limited, subsidiary of Biocon Limited, for an amount of ~USD 650 million on rights issue basis during November 2022.
- Biocon Biologics Limited completed the acquisition of the global biosimilars business of Viatris Inc. through (i) Purchase of 100% stake in Biosimilar NewCo Limited ('BNCL'); and (ii) Subscription to 100% stake in Biosimilar Collaborations Ireland Limited ('BCIL')
- The Company has raised funds by issuance and allotment of Non-Convertible Debentures aggregating to ₹ 10,700 million to Kotak Special Situations on February 21, 2023.
- The Company has raised funds by issuance and allotment of Non-Convertible Debentures aggregating to ₹ 5,000 million to ESOF III Investment Fund and Edelweiss Alternative Asset Advisors Limited on May 19, 2023. The Company further invested the said funds for acquisition of Optionally Convertible Debentures (OCDs) issued by BBL.

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

- Revenue from operations for FY23 stood at ₹ 19,929 mn compared to ₹ 17,382 mn for FY22. Other income for FY23 amounted to ₹ 2,714 mn as against ₹ 1,872 mn in FY22.

- Core operating margins (EBITDA margins net of licensing, impact of forex, R&D and dividend from subsidiaries) was 14% compared to 17% in the previous financial year, primarily due to price erosion in Generics business.
- Profit before tax and exceptional items stood at ₹ 1,084 mn compared to ₹ 1,397 mn in FY22. Decrease in standalone profit is mainly due to price erosion in our base business products specifically statins.
- Effective tax rate (ETR) for the year was 27% (excluding Minimum Alternate Tax (MAT) charge on adoption of new tax regime and dividend income with nil tax charge) against 38% in FY22. ETR is down in FY23 mainly due to adoption of new tax regime under section 115BAA of the Income Tax Act, 1961.
- Effective April 1, 2022, the Company decided to elect its option to adopt the new tax regime notified u/s 115BAA of the Income Tax Act, 1961 and consequently, has written off MAT balance of ₹ 1,071 mn in its financial statements for the year ended March 31, 2023, which can no longer be carried forward.
- Profit for the year stood at ₹ 28,484 mn compared to ₹ 861 mn for FY22. This includes MAT write off of ₹ 1,071 mn and exceptional gain of ₹ 28,628 mn on Syngene stake sale as mentioned below.

#### Exceptional items (Standalone):

- During the year, the Company sold 6,17,89,164 equity shares of ₹ 10 each of Syngene in the open market. The gain arising from sale of aforesaid equity shares amounting to ₹ 28,628 mn has been recorded as exceptional item in the Standalone Financial Statements.

#### Subsidiaries, Associates and Joint Ventures

The Company has 26 subsidiaries, 1 joint venture and 2 associates as on March 31, 2023. A report on the performance and financial position of each subsidiary and joint venture is outlined in AOC-1 which is annexed to this report as *Annexure - 1*.

In accordance with the provisions of Section 136 of the Companies Act, 2013, and the amendments thereto, read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the audited financial statements, including the consolidated financial statements and related information of the Company and financial statements of the subsidiary companies will be available on our website [www.biocon.com](http://www.biocon.com).



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

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

### **Syngene International Limited, India**

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

During the year ended March 31, 2023, Syngene (consolidated) registered total revenue growth of 23% to ₹ 32,638 mn (FY22 - ₹ 26,570 mn). EBITDA margin for the year was 31% with the operating margin at ₹ 10,053 mn (FY22 - ₹ 8,490 mn), registering a growth of 18%.

### **Syngene USA Inc., USA**

Syngene USA Inc. is a wholly owned subsidiary of Syngene, incorporated on August 24, 2017, with its registered office in the State of Delaware, United States of America (USA). It provides sales and business support services to the operations of Syngene in USA. During FY23, Syngene USA Inc., posted total revenue of ₹ 453 mn and reported a net profit of ₹ 28 mn against a total revenue of ₹ 280 mn and net profit of ₹ 19 mn in FY22.

### **Syngene Scientific Solutions Limited, India**

Syngene Scientific Solutions Limited ('SSSL') is a wholly owned subsidiary of Syngene, incorporated on August 10, 2022, with its registered office in the State of Karnataka, India. SSSL shall be engaged in Contract Research and Manufacturing Services (CRAMS) and Clinical research services. During FY23, there was no revenue generated as SSSL was yet to start its operations.

### **Syngene Manufacturing Solutions Limited, India**

Syngene Manufacturing Solutions Limited ('SMSL') is a wholly owned subsidiary of Syngene, incorporated on August 26,

2022, with its registered office in the State of Karnataka, India. SMSL shall be engaged in the business of manufacturing of pharmaceutical, biopharmaceutical and biological products of any kind. During the FY23, there was no revenue generated as SMSL was yet to start its operations.

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

Biocon Biologics Limited ('BBL'), was incorporated on June 08, 2016, in India with the objective of building a biologics focused business with strong R&D and global scale manufacturing capabilities.

BBL, a subsidiary of Biocon Ltd., is a unique, fully integrated, leading global biosimilars company committed to transforming healthcare and patient lives by enabling affordable access to high quality biologics worldwide. It is leveraging cutting-edge science, innovative tech platforms, global scale manufacturing capabilities and world class quality systems to lower the cost of lifesaving biologics and improve health outcomes.

BBL recently acquired the global biosimilars business of its longstanding strategic partner Viatris, which is a historic milestone in its value creation journey. Biocon Biologics has commercialized eight biosimilars in several key Emerging Markets as well as Advanced Markets like U.S., EU, Australia, Canada and Japan.

The Company has a pipeline of 20 biosimilar assets across diabetology, oncology, immunology, and other non-communicable diseases. It has a proven track record of success and has achieved several 'firsts' in the biosimilars industry. BBL is also committed to environmental, social and governance (ESG) goals in-line with global norms such as the UN Sustainable Development Goals (SDGs) and remains focused on managing ESG performance and improving outcomes.

During the year, BBL completed its multi-billion-dollar acquisition of the global biosimilars business of its partner Viatris Inc on November 29, 2022 after obtaining all applicable approvals from relevant global regulators including the U.S. Federal Trade Commission, the Competition Commission of India and the Reserve Bank of India, and its investors. The acquisition created a unique, fully integrated, leading global biosimilars enterprise with direct commercialization capabilities in both Advanced Markets and several key Emerging Markets. As a part of the transaction, BBL has issued Compulsorily Convertible Preference Shares (CCPS) in the Company valued at USD 1 billion and made an upfront cash payment of USD 2 billion to Viatris. In consideration of this issuance of securities, the BBL purchased 100% stake in Biosimilar Newco Limited ("BNCL"), a company incorporated in the United Kingdom; and subscribed to 100%

stake in Biosimilar Collaborations Ireland Limited ("BCIL"), a company incorporated in Ireland, indirectly through Biocon Biologics UK Limited.

During the previous year 2021-22, BBL Board of Directors approved the scheme of Merger by Absorption (the Scheme) of Covidshield Technologies Private Limited ("CTPL"), a wholly owned subsidiary of Serum Institute Life Sciences Private Limited ("SILS"). While BBL had received approval from the National Company Law Tribunal (NCLT) in Karnataka, SILS was awaiting approval from the NCLT in Maharashtra to complete the merger. BBL and SILS entered into new strategic alliance, wherein they have reached an agreement to withdraw from the original equity structure contemplated under their Strategic Alliance announced in September, 2021.

During the year ended March 31, 2023, BBL posted a standalone revenue of ₹ 21,893 mn (FY22 - ₹ 23,728 mn) and a standalone net loss of ₹ 4,453 mn (FY22 - Net profit of ₹ 860 mn).

During the year ended March 31, 2023, BBL posted consolidated revenue growth of 61% to ₹ 55,958 mn (FY22 - ₹ 34,747 mn) and a consolidated net profit of ₹ 1,335 mn (FY22 - ₹ 3,825 mn).

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

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

During the year, BBUK reported a total revenue of ₹ 19,754 mn and net profit of ₹ 4,190 mn in FY23 against a total revenue of ₹ 16,034 mn and profit of ₹ 2,524 mn in FY22.

### **Biosimilars Newco Limited, United Kingdom**

Biosimilars Newco Limited ('BNCL') is a wholly owned subsidiary of BBL, registered in the United Kingdom, which was acquired from Viatrix on November 29, 2022, as part of acquisition of Viatrix' Biosimilars assets / business.

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

BNCL reported total revenues of ₹ 14,524 mn and net loss of ₹ 3,237 mn in FY23.

### **Biosimilar Collaborations Ireland Limited, Ireland**

Biosimilar Collaborations Ireland Limited ('BCIL') is a wholly owned subsidiary of Biocon Biologics UK Limited, registered in Ireland, which was acquired from Mylan Ireland Limited, an Irish private limited company and wholly owned subsidiary of Viatrix

Inc. on November 29, 2022 as part of acquisition of Viatrix' Biosimilars assets / business.

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

BCIL reported total revenues of ₹ 7,835 mn and net profit of ₹ 1,258 mn in FY23.

### **Biocon Sdn. Bhd., Malaysia**

Biocon Sdn. Bhd. ('BSB') is a wholly owned subsidiary of BUK and is a step-down subsidiary of BBL. BSB was established as the group's first overseas manufacturing facility at Malaysia. BSB is engaged in the manufacturing of insulins and insulin analogues for global markets and is located within BioXcell, a biotechnology park in Iskandar Puteri, Johor. The facility is Asia's largest integrated insulins manufacturing facility with approvals from several global agencies including National Pharmaceutical Regulatory Authority ('NPRA'), Malaysia, cGMP certification from HPRA ('EMA') and cGMP certification from the U.S. Food and Drug Administration ('USFDA'). With over US\$ 350 mn investment, 800 strong workforce, BSB is the single largest biotech facility in Malaysia and holds the commercial and development rights of insulin and insulin analogues.

BSB reported total revenue of ₹ 12,686 mn and net profit of ₹ 1,905 mn in FY23 against total revenue of ₹ 7,869 mn and net loss of ₹ 1,080 mn in FY22.

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

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

BBHMSB did not have any operations during the FY23 and FY22.

### **Biocon Biologics Inc., USA**

Biocon Biologics Inc., USA ('BBIU') is a wholly owned subsidiary of Biocon Biologics UK Limited, registered in the State of Delaware, United States of America (USA). BBIU was established with an objective to undertake all activities relating to pharmaceuticals, biopharmaceuticals and biologics products, i.e. commercialization, etc. in USA and other geographies.

During the year, BBI reported a total revenue of ₹ 382 mn and net profit of ₹ 14 mn in FY23 against loss of ₹ 110 mn in FY22.

### **Biocon Biologics Do Brasil Ltda, Brazil**

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

BBDBL reported total revenues of ₹ 48 mn and net profit of ₹ 1 mn in FY23 against a net loss of ₹ 49 mn in FY22.

### **Biocon Biologics FZ-LLC, UAE**

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

During the year, BBFL reported total revenues of ₹ 261 mn and net profit of ₹ 5 mn in FY23 against a net profit of ₹ 1 mn in FY22.

### **Biocon Biologics Canada Inc., Canada**

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

There was no business or any operations conducted during the year.

### **Biocon Biologics Germany GmbH, Germany**

Biocon Biologics Germany GmbH, a wholly-owned subsidiary of BUK, was incorporated on March 29, 2023, to carry out activities such as commercialisation, sale and distribution etc. related to pharmaceuticals, biopharmaceuticals and biologics products.

There was no business or any operation conducted during the year.

### **Biocon Pharma Limited, India**

Biocon Pharma Limited ('BPL') is a wholly owned subsidiary of the Company with its registered office situated in Bengaluru, Karnataka. The Company was incorporated under the Companies Act, 2013 on October 31, 2014, and is engaged in the development and manufacture of generic formulations for sale in global markets, with a focus on opportunities in the US and EU. BPL has setup its formulations manufacturing facility for oral solid dosages at Bengaluru.

During the year under review, the Board of Directors have approved scheme of amalgamation of Biofusion Therapeutics Limited, wholly owned subsidiary of Biocon Limited with Biocon Pharma Limited. The scheme of amalgamation has been filed with National Company Law Tribunal (NCLT), Bangalore Bench and the same is in process.

During the year under review, BPL has also taken a loan equivalent to ₹ 12,400 mn from Serum Institute Life Sciences Private Limited (Serum) to subscribe to the rights issue of BBL. Further, BPL has acquired 4,33,34,580 shares of BBL on right issue basis on November 16, 2022.

Further, BPL acquired 8,34,402 shares of BBL from Biocon Limited, holding company and repaid the loan equivalent to ₹ 12,400 mn availed from Serum.

During the year ended March 31, 2023, BPL reported a total revenue of ₹ 6,232 mn and a net profit of ₹ 452 mn as against revenue of ₹ 6,314 mn and net profit of ₹ 1,056 mn in FY22. This growth was driven by launch of inhouse developed molecules in US, EU, UK and most-of-the-world markets.

### **Biocon Pharma Inc., USA**

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

BPI registered total revenue of ₹ 5,249 mn and net profit of ₹ 21 mn in FY23 against total revenue of ₹ 4,707 mn and net profit of ₹ 207 mn in FY22.

### **Biocon Pharma UK Limited, UK**

Biocon Pharma UK Limited ('BPUK'), a wholly owned subsidiary of BPL was incorporated in December, 2018 in the United Kingdom. BPUK is engaged in the commercialization of generic formulations in the United Kingdom.

BPUK commenced its commercial operations in FY23 and recorded a total revenue of ₹ 70 mn. During the Financial Year ended March 31, 2023 and March 31, 2022, BPUK reported Nil loss.

### **Biocon Pharma Ireland Limited, Ireland**

Biocon Pharma Ireland Limited ('BPIL'), a wholly owned subsidiary of BPL was incorporated in December, 2018 in Ireland. BPIL is engaged in commercialization of generic formulations in Ireland.

As on March 31, 2023, BPIL has not commenced its commercial operations. During the financial year ended March 31, 2023, BPIL reported a loss of ₹ 3 mn against ₹ 1 mn in FY22.

### **Biocon Pharma Malta Limited (BPML) & Biocon Pharma Malta I Limited (BPMIL)**

BPML is a wholly owned subsidiary of BPL and BPMIL is a wholly owned subsidiary of BPML, which were incorporated on January 25, 2021 in Malta. BPMIL is engaged in commercialization of generic formulations and has commenced its commercial operations as on March 31, 2023.

During the year under review, BPMIL has recorded a total revenue of ₹ 116 mn and reported a profit of ₹ 2 mn against loss of ₹ 1 mn in FY22. During the financial year ended March 31, 2023, BPML has reported loss of ₹ 1 mn similar to FY22.

### **Biocon Biosphere Limited, India**

Biocon Biosphere Limited ('BBSL') is a wholly owned subsidiary of Biocon Limited with its registered office situated in Bengaluru, Karnataka. The Company was incorporated under the Companies Act, 2013 on December 12, 2019 for undertaking similar business to that of Biocon Limited vide a Greenfield facility in Vizag to de-risk fermentation manufacturing at Bengaluru. As on March 31, 2023, BBSL has not commenced commercial operations and has capital work in progress of ₹ 5,988 mn as against ₹ 3,707 mn in FY22.

### **Biofusion Therapeutics Limited, India**

Biofusion Therapeutics Limited ('BTL') is a wholly owned subsidiary of Biocon Limited with its registered office situated in Bengaluru, Karnataka. The Company was incorporated under the Companies Act, 2013 on March 18, 2021, for undertaking Contract Research and Manufacturing Services (CRAMS) and other R & D in the field of pharmaceuticals, including but not restricted to drug discovery, biotechnology pharmaceuticals, medicinal sciences etc.

During the year under review, the Board of Directors at its meeting held on July 27, 2022, approved the transfer of business of Contract Research Services of the Company on a going concern basis by way of slump sale to Syngene International Limited, along with employees, liabilities, approvals, registrations, licenses, agreements relating to the business etc. as per the Business Transfer Agreement, subject to the approval of the shareholders of the Company. Further, the shareholders of BTL at its Extra-Ordinary General Meeting held on July 28, 2022, approved for the sale and transfer of business of Contract Research Services of the Company on a going concern basis by way of slump sale to Syngene International Limited.

During the year under review, the Board of Directors has approved the scheme of amalgamation of Biofusion Therapeutics Limited with Biocon Pharma Limited, wholly owned subsidiary of Biocon Limited. The scheme of amalgamation has been filed with National Company Law Tribunal ('NCLT'), Bangalore Bench and the same is in process.

During the year ended March 31, 2023, Biofusion Therapeutics Limited reported a total revenue of ₹ 565 mn and a net profit of ₹ 259 mn as against total revenue of ₹ 402 mn and a net profit of ₹ 9 mn in FY22.

### **Biocon Academy, India**

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

### **Biocon SA, Switzerland**

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

In the current year, BSA registered a net profit of ₹ 5 mn against a loss of ₹ 1 mn in FY22.

### **Biocon FZ LLC, Dubai**

Biocon FZ LLC is a wholly owned subsidiary of the Company, based in Dubai. Incorporated in June 2015, Biocon FZ LLC was established as a marketing entity for pharmaceutical products to target markets in the Middle East and GCC. During the year ended March 31, 2023, Biocon FZ LLC earned ₹ 204 mn in revenue and reported a net profit of ₹ 12 mn against a revenue of ₹ 419 mn and a net profit of ₹ 2 mn in FY22.

### **Neo Biocon FZ LLC, UAE**

Neo Biocon FZ LLC, UAE ('NB') is a joint venture based in Dubai. Incorporated in 2007, NB was established as a market entity for the pharmaceutical products to target markets in the Middle East and GCC. During the year ended March 31, 2023, Neo Biocon FZ LLC recorded total revenue of ₹ 160 mn as revenue and a net loss of ₹ 75 mn as against a revenue of ₹ 404 mn and a net profit of ₹ 78 mn in FY22. The entity continued to face regulatory challenges.

### **Bicara Therapeutics Inc., USA**

Bicara Therapeutics Inc., USA ('Bicara') was incorporated in December, 2018 in the United States of America as a subsidiary of the Company. Bicara is anchoring the development of

a pipeline of functional antibodies that exploit the recent advances in immuno-oncology. The Group accounts for its investments in Bicara using the equity method as it continues to have significant influence over the investee.

Bicara is currently in R&D phase and during the Financial Year ended March 31, 2023, Bicara recorded Nil revenue (FY22- Nil) and reported a net loss of ₹ 2,910 mn (FY22 – loss of ₹ 2,564 mn). The Group accounted a share of loss of ₹ 1,633 mn (FY22 – loss of ₹ 2,106 mn).

Biocon Limited holds 39% shareholding in Bicara. Hence, Bicara has been classified as an Associate Company of Biocon Limited.

### Hinduja Renewables Two Private Limited

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

### Dividend

In line with the Dividend Distribution Policy of the Company, we recommend a final dividend of ₹ 1.50 per equity share (i.e. 30 % of face value) for the financial year ended March 31, 2023. The dividend, if approved at the ensuing 45<sup>th</sup> Annual General Meeting ('AGM'), will be paid to those members whose names appear in the Register of Members as on close of July 07, 2023. The total dividend payout will be approximately ₹ 1,800 million.

### Dividend Distribution Policy

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

### Transfer to reserves

No amount is proposed to be transferred to reserves for the financial year ended March 31, 2023.

### Share Capital

During the year under review, there has been no change in the share capital of the Company. The share capital of the Company as on March 31, 2023, is as follows:

Particulars	FY23 Amount in ₹
Authorized Equity Share Capital (Equity shares of ₹ 5/- each)	6,250,000,000
Paid up Equity Share Capital (Equity shares of ₹ 5/- each)	6,003,000,000

### Human Resource Development

We, at Biocon, give paramount importance to our employees, who we believe to be our greatest assets. Attracting and retaining the best talents have been the cornerstone of the Human Resource function at Biocon. We strive to create a diverse and inclusive environment that is value driven, collaborating and growth inducing. The total head count as on March 31, 2023 stood at 3,408.

### Management's Discussion and Analysis

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

### Corporate Governance

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

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

### Business Responsibility and Sustainability Reporting

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

The BRSR has replaced the existing Business Responsibility Reporting ('BRR') format w.e.f. the Financial Year 2022-23. SEBI has made BRSR mandatory for the top 1000 (one thousand) listed entities by market capitalization with effect from Financial Year 2022-23. The Company had voluntarily prepared and published its 1<sup>st</sup> BRSR Report for the Financial Year 2021-22.

Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations, the BRSR Report for the year under review, is forming part of the Annual Report.



## Employee Stock Option Plan (ESOP)

The Board of Directors of the Company had formulated the Biocon Employees Stock Option Plan, 2000 (hereinafter referred to as the 'ESOP Plan'), administered by the Biocon India Limited Employees' Welfare Trust ('ESOP Trust') under the instructions and supervision of the Nomination and Remuneration Committee ('NRC'). The Plan is implemented through a trust route in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('SEBI SBEBSE Regulations') with a view of attracting and retaining the best talent, encouraging employees to align individual performances with Company's objectives, and promoting increased participation by them in the growth of the Company.

Subsequently, the Company had also introduced Biocon Restricted Stock Unit Long Term Incentive Plan FY 2020-24 (hereinafter referred to as 'the RSU Plan'), administered by the ESOP Trust under the instructions and supervision of the NRC, which was approved by the shareholders at the 42<sup>nd</sup> Annual General Meeting ('AGM') of the Company held on July 24, 2020. The RSU Plan is designed to drive performance towards achieving the Board approved strategic objectives for the Financial Year 2020-24. The RSU Plan covers key employees who, by virtue of their roles, influence the accomplishment of the strategic objectives.

During the year under review, based on the recommendation of NRC and approval of the Board, the members at the 44<sup>th</sup> AGM of the Company held on July 28, 2022, have approved the amendment in the ESOP Plan and RSU plan to align with the SEBI notification dated August 13, 2021, w.r.t. exercise of options through cashless route. The members have also approved the termination of the ESOP Plan and the cash and shares (existing or future) lying under the ESOP Plan shall be transferred to other share benefit schemes/ plans (existing or future) implemented by the Company under the SEBI SBEBSE Regulations. Further, the termination of the ESOP Plan shall not affect the options already offered and granted under this ESOP Plan to any grantee and such options shall remain in full force. The members have also approved the acquisition of shares through secondary market by the Trust under the RSU Plan.

During the year, a total of 23,86,260 and 5,21,787 shares were transferred from the ESOP Trust to the eligible employees under the Company's prevailing ESOP Plan and RSU Plan, respectively.

As on March 31, 2023, the ESOP Trust cumulatively held 6,612,268 equity shares of the Company under both the ESOP and RSU Plans of the Company.

The applicable disclosures as stipulated under the SEBI SBEBSE Regulations as on March 31, 2023, are appended herewith as

*Annexure 2* to the Board's Report. The details of the Plan forms a part of the notes to accounts of the Financial Statements in this Annual Report. The Company has received a certificate from the Practicing Company Secretary, that the ESOP and RSU schemes have been implemented in accordance with SEBI SBEBSE Regulations and the resolutions passed by the shareholders. The certificate would be placed at the AGM for inspection by the members.

During the year ended March 31, 2023, there has been no other changes in the Company's existing plans and they both are in compliance with SEBI SBEBSE Regulations.

## Deposits

The Company has not accepted any deposit, including from the public, and as such no amount of principal and interest were outstanding as at March 31, 2023.

## Particulars of Loans, Guarantees or Investments

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

## Policy on Directors' Appointment and Remuneration

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

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

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

As on March 31, 2023, the Board comprised of 9 (nine) members, consisting of 2 (two) Executive Directors, 2 (two) Non-

Executive Non-Independent Directors and 5 (five) Independent Directors. Out of the total members, 2 (two) are women Directors. The Board periodically evaluates the need for change in its composition and size.

### Board Diversity

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

### Declaration by Independent Directors

All Independent Directors of the Company have submitted the requisite declarations confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 read with Regulation 16 and 25(8) of the SEBI Listing Regulations. The Independent Directors have also confirmed that they have complied with Schedule IV of the Companies Act, 2013 and the Company's Code of Conduct.

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

In the opinion of the Board, all the Independent Directors have integrity, expertise and experience.

### Board Evaluation

Pursuant to the provisions of Section 134 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations, the annual performance evaluation of the Board, Board level Committees and individual directors was conducted during

the year, in order to ensure that the Board and Board level Committees are functioning effectively and demonstrating good governance. Once in every 3 (three) years, the Board evaluation is done by an external agency. For the current Financial Year 2022-23, the Board had undertaken this exercise through self-evaluation questionnaires.

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

### Directors

As on March 31, 2023, the Board of Directors comprised of 9 (nine) members including 2 (two) women members. The Board has an appropriate mix of Executive Directors, Non-Executive Non-Independent Directors and Independent Directors, which is compliant with the Companies Act, 2013, the SEBI Listing Regulations and is also aligned with the best practices of Corporate Governance.

### Appointment

The Board of Directors at its meeting held on April 28, 2022, based on the recommendation of NRC, had approved the appointment of Naina Lal Kidwai as an Additional Director categorised as Non-Executive and Independent Director of the Company with effect from April 28, 2022. Further, the shareholders at the 44<sup>th</sup> Annual General Meeting ('AGM') held on July 28, 2022 have approved the appointment of Naina Lal Kidwai as an Independent Director of the Company for a period of 3 (three) years till the conclusion of 47<sup>th</sup> AGM proposed to be held in the year 2025.

Further, the Board of Directors at its meeting held on November 14, 2022, based on the recommendation of NRC, had approved the appointment of Peter John Bains as an Additional Director categorised as Non-Executive and Independent Director of the Company. Further, pursuant to the provisions of Sections 108 and 110 of the Companies Act, 2013, Peter John Bains was appointed as an Independent Director of the Company with effect from December 12, 2022, till the conclusion of 48<sup>th</sup> AGM of the Company to be held in the year 2026, by way of shareholder's approval to the Postal Ballot Notice dated December 19, 2022.

### Re-appointment

As per the provisions of the Companies Act, 2013 and Articles of Association of the Company, Prof. Ravi Rasendra Mazumdar is liable to retire by rotation at the ensuing AGM and being eligible, seeks re-appointment. Once he is re-appointed by the members at the ensuing AGM, he will continue as a Non-Executive Director of the Company.

The Board at its meeting held on May 23, 2023, had recommended above re-appointment and separate resolution shall be placed before the members for their approval at the ensuing AGM.

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

### Completion of tenure of Directors

During the year under review, Daniel Bradbury and Mary Harney, Independent Directors of the Company, have completed their second term of tenure with the Company on July 27, 2022. Accordingly, they ceased to be the Directors of the Company with effect from that date. The Board placed on record its

appreciation for the extensive contribution rendered by Daniel Bradbury and Mary Harney during their tenure at Biocon.

### Key Managerial Personnel

The Key Managerial Personnel(s) of the Company as on March 31, 2023, are Kiran Mazumdar-Shaw, Executive Chairperson, Siddharth Mittal, Managing Director & CEO, Indranil Sen, Chief Financial Officer and Mayank Verma, Company Secretary & Compliance Officer.

Kiran Mazumdar-Shaw, Executive Chairperson of the Company, is also the Non-Executive Chairperson of Syngene International Limited ('Syngene') and Executive Chairperson of Biocon Biologics Limited ('BBL'), both being subsidiaries of the Company and is in receipt of remuneration from the respective companies for the Financial Year 2022-23.

### Committees of the Board

Currently, the Company has 5 (five) Board level Committees: Audit Committee ('AC'), Risk Management Committee ('RMC'), Nomination and Remuneration Committee ('NRC'), Stakeholders Relationship Committee ('SRC') and Corporate Social Responsibility and ESG Committee ('CSR & ESG'). The composition of the above committees, as on March 31, 2023, is disclosed as under:

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

C: Chairperson and M: Member.

### Meetings of the Board

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

During the financial year 2022-23, the Board met 4 (four) times on April 28, 2022, July 27, 2022, November 14, 2022 and February 14, 2023. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013. Detailed information regarding the

meetings of the Board is included in the report on Corporate Governance, which forms part of this annual report.

### Related Party Contracts or Arrangements

There were no materially significant related party transactions entered between the Company, Directors, management and their relatives, except for those disclosed in the financial statements. All the contracts/ arrangements/ transactions entered by the Company with the related parties during the Financial Year 2022-23 were in the ordinary course of business and on an arm's length basis, and whenever required the Company has obtained necessary approval as per the related party transaction policy of the Company.

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

The Company formulated the policy on 'Materiality of Related Party transactions and on dealing with Related Party Transactions', and the same is available at the website of the Company at <https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/>. The details of related party disclosures forms part of the notes to the Financial Statements provided in the Annual Report.

### Credit Ratings

ICRA Limited vide its letter dated November 17, 2022 continued to rate the Company 'watch with Developing Implications' on the long-term bank facilities of the Company. The short-term rating was removed from 'watch with developing implications' and reaffirmed rating of 'ICRA A1+' on the banking facilities and Commercial Paper of the Company.

During the year, CRISIL vide its letter dated November 30, 2022 removed 'watch with Developing Implications' and reaffirmed rating of 'CRISIL AA+' rating on the long-term bank facilities of the Company. The rating on the short-term bank facilities has been reaffirmed at 'CRISIL A1+'.

During the year under review, India Ratings and Research (Ind-Ra) has vide letters dated February 07, 2023 assigned its 'IND AA+/ Stable' ratings on Non-convertible Debentures, Term Loans and 'IND A1+' rating on Commercial Paper.

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

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

## AUDITORS

### Statutory Auditors

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

The Auditors' Report on the financial statements of the Company for the financial year ended March 31, 2023, is unmodified i.e. it does not contain any qualification, reservation or adverse remark or disclaimer. The Auditors' Report is enclosed with the

financial statements forming part of the Annual Report.

### Cost Auditors

The Cost Records of the Company are maintained in accordance with the provisions of Section 148(1) of the Companies Act, 2013 as specified by the Central Government. The Cost Audit Report, for the financial year ended March 31, 2022, was filed with the Central Government within the prescribed time. The Board, on recommendation of the Audit Committee, had appointed M/s. Rao & Murthy, Cost Accountants (Firm Registration Number 000065) as the Cost Auditors to conduct the audit of Company's cost records for the financial year ended March 31, 2023. The Cost Auditors will submit their report for the Financial Year 2022-23 on or before the due date.

The Board, on recommendation of the Audit Committee, has appointed M/s. Rao & Murthy, Cost Accountants (Firm Registration Number 000065) as the Cost Auditors of the Company to conduct the audit of Company's cost records for the Financial Year 2023-24. The Cost Auditors have confirmed that their appointment is within the limits of Section 141(3) (g) of the Companies Act, 2013 and have also certified that they are free from any disqualifications specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Companies Act, 2013. The Audit Committee has also received a certificate from the Cost Auditors certifying their independence and arm's length relationship with the Company.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, since the remuneration payable to the Cost Auditor is required to be ratified by the members, the Board recommends the same for approval by members at the ensuing AGM.

### Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules thereunder, M/s. V. Sreedharan & Associates, Practicing Company Secretaries were appointed to conduct the secretarial audit of the Company for the Financial Year 2022-23. The Secretarial Audit Report for the Financial Year 2022-23 does not contain any qualification, reservation or adverse remark or disclaimer and is appended herewith as *Annexure 4* to the Boards' Report.

Pursuant to the provisions of Regulation 24A of the SEBI Listing Regulations, Biocon Biologics Limited, a material unlisted subsidiary of the Company undertook the secretarial audit for the Financial Year 2022-23. The Secretarial Audit Report for the Financial Year 2022-23 given by M/s. V. Sreedharan & Associates, Practicing Company Secretaries is appended herewith as *Annexure 4A* of the Boards' Report.

Pursuant to the SEBI circular vide no. CIR/CFD/CMD/1/27/2019 dated February 08, 2019, the Annual Secretarial Compliance

Report for the Financial Year 2022-23, issued by M/s. V. Sreedharan & Associates, Practicing Company Secretaries shall be submitted with the stock exchanges where shares of the Company are listed, within stipulated timeline.

### Reporting of fraud by Auditors

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

### Risk Management Policy / Framework

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

### Internal Financial Control

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

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

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

### Vigil Mechanism

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

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

### Directors' Responsibility Statement

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

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. they have prepared the annual accounts on a going concern basis;
- e. they have laid down internal financial controls based on the internal controls framework established by the Company, which were adequate and are operating effectively; and
- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



## Particulars of Employees

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

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

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

## Corporate Social Responsibility (CSR)

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

## Environmental Sustainability

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

In keeping with the unwavering commitment to ecological balance and sustainability, the Company has supported a people-oriented and environment-friendly transport alternative. Mass rail transit systems lessen the usage of individual vehicles thereby reducing toxic emissions and greenhouse gases. Biocon Foundation signed a memorandum of understanding with Bengaluru Metro Rail Corporation (BMRCL) in 2020 to fund the construction of the proposed Metro Station at Hebbagodi. In the year under consideration, we continued our funding support towards the Biocon-Hebbagodi Metro station. The

station will form part of the new line of 18.82 KM connecting R V Road to Bommasandra, being constructed under Phase II of the Bengaluru Metro Rail Project. The line will be fully elevated with 16 stations. The Metro connectivity would provide a sustainable, safe and faster travel alternative to residents and business commuters from all parts of Bengaluru, reducing traffic congestion on Hosur Road and helping lower the environmental impact from vehicular pollution.

The project is progressing in full swing and is likely to be completed by the year 2023.

## Promoting Education

Biocon Academy is dedicated exclusively to industry-oriented biosciences education which aims to address the skill deficit in the Biopharma sector, by developing high-end talent through advanced learning. The programs offered by the Academy aim to empower the Biotechnology and Engineering graduates with advanced learning, industrial proficiency and job-skills development, the essential building blocks for a promising career in the Biotech industry.

In compliance with the provisions of Section 135 of the Companies Act, 2013, the Board has formed a Corporate Social Responsibility and ESG Committee, which monitors and oversees various CSR initiatives and activities of the Company. As on March 31, 2023, the CSR & ESG Committee comprises of Naina Lal Kidwai (Chairperson), Dr. Vijay Kumar Kuchroo, Prof. Ravi Rasendra Mazumdar, Eric Vivek Mazumdar and Siddharth Mittal.

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

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

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

During the financial year under review, 8 (eight) complaints with allegations of sexual harassment were filed and all 8 (eight) complaints were disposed-off and no complaint is pending for closure as per the timelines of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all dividends which remains unpaid or unclaimed for a period of 7 (seven) years from the date of their transfer to the unpaid dividend account are required to be transferred by the Company to the Investor Education and Protection Fund ('IEPF'), established by the Central Government. Further, as per IEPF Rules, the shares on which dividend has not been paid or claimed by the members for 7 (seven) consecutive years or more shall also be transferred to the demat account of the IEPF Authority. Further, as per Rule 6(8) of IEPF Rules, all benefits such as bonus shares, split, consolidation except right issue, accruing on shares which are transferred to IEPF, shall also be credited to the demat account of the IEPF authority.

During the year ended March 31, 2023, the Company has transferred unpaid and unclaimed dividends of ₹ 1,106,320 for the financial year 2014-15 and 4,867 corresponding equity shares on which dividends were unclaimed for 7 (seven) consecutive years were transferred as per requirements of the IEPF Rules.

## Significant and Material Orders

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

## Statutory Disclosures

None of the Directors of the Company are disqualified as per the provisions of Section 164(1) and (2) of the Companies Act, 2013. The Directors have made necessary disclosures, as required under various provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

## Material Changes and Commitments

No material changes and commitments affecting the financial position of the Company have occurred between March 31, 2023, and the date of this report.

## Change in Nature of Business

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

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

## Annual Return

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

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

In terms of Section 118(10) of the Companies Act, 2013, the Company has complied with the applicable Secretarial Standards i.e. SS-1, SS-2 and SS-4, relating to the 'Meetings of the Board', 'General Meetings' and 'Report of the Board of Directors', respectively, as specified by the Institute of Company Secretaries of India (ICSI) and approved by the Central Government.

## Green Initiative

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

## Acknowledgement

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

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

For and on behalf of the Board

Sd/-

**Kiran Mazumdar-Shaw**

Executive Chairperson

DIN: 00347229

Place: Bengaluru

Date: May 23, 2023

**FORM AOC -1**

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

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

**Part A - Subsidiaries**

Sl. No	Name of the subsidiary	Date since subsidiary was acquired/ incorporated	Reporting Period	Reporting currency	Share capital*	Reserves & Surplus (other equity)*	Total Assets*	Total Liabilities (excl. capital & reserves)*	Investments (excluding in subsidiaries)*	Turnover#	Profit/(loss) before taxation#	Provision for taxation#	Profit/(loss) the year#	Proposed dividend	% of Shareholding by the Company
1	Syngene International Limited, India	November 18, 1993	April - March	INR	4,014	32,175	58,480	22,291	9,185	32,644	6,009	1,279	4,730	502	54.60%
2	Syngene Manufacturing Solutions Limited, India	August 26, 2022	August - March	INR	10	-	10	-	-	-	-	-	-	-	Refer note 6 & 10
3	Syngene Scientific Solutions Limited, India	August 10, 2022	August - March	INR	210	(42)	238	70	-	0	(42)	-	(42)	0	Refer note 6 & 10
4	Biocon Academy, India	December 03, 2013	April - March	INR	1	-	24	23	-	68	-	-	-	-	100.00%
5	Biocon Pharma Limited, India	October 31, 2014	April - March	INR	141	(802)	24,573	25,234	1,980	6,232	452	-	452	-	100.00%
6	Biocon SA, Switzerland	April 21, 2008	April - March	USD	7	5,242	5,301	51	10	5	-	-	5	-	100.00%
7	Biocon Biologics Limited, India	June 08, 2016	April - March	INR	13,217	1,54,639	2,27,499	59,643	463	21,893	(5,251)	(798)	(4,453)	-	92.04%
8	Biocon Biologics UK Limited, UK	March 02, 2016	April - March	USD	87,045	13,898	1,22,237	21,294	29	19,754	4,816	626	4,190	-	Refer note 2
9	Biocon SDN BHD, Malaysia	January 19, 2011	April - March	USD	39,682	(7,620)	41,571	9,509	-	12,686	1,905	-	1,905	-	Refer note 3
10	Biocon Pharma Inc, USA	July 27, 2015	April - March	USD	1,504	460	5,425	3,462	-	5,249	37	16	21	-	Refer note 4
11	Biocon FZ LLC, UAE	June 16, 2015	April - March	AED	3	95	557	459	-	204	12	-	12	-	100.00%
12	Biocon Biologics Healthcare Malaysia Sdn. Bhd., Malaysia	August 10, 2017	April - March	MYR	37	(39)	1	2	-	-	-	-	-	-	Refer note 3
13	Syngene USA Inc, USA	August 24, 2017	April - March	USD	4	81	179	94	-	453	41	13	28	-	Refer note 6
14	Biocon Pharma UK Limited, UK	December 07, 2018	April - March	GBP	190	(102)	124	36	-	70	0	0	0	-	Refer note 4
15	Biocon Pharma Ireland Limited, Ireland	December 14, 2018	April - March	EUR	69	(45)	47	23	-	-	(3)	-	(3)	-	Refer note 4
16	Biocon Biologics Inc, USA	November 12, 2019	April - March	USD	263	(206)	190	133	-	382	14	-	14	-	Refer note 3
17	Biocon Biosphere Limited, India	December 24, 2019	April - March	INR	1	295	6,381	6,085	-	-	(9)	-	(11)	-	100.00%
18	Biocon Biologics FZ LLC, UAE	November 26, 2020	April - March	USD	82	1	136	53	-	261	5	-	5	-	Refer note 3
19	Biocon Biologics Do Brasil Ltda, Brazil	August 17, 2020	April - March	USD	154	(74)	85	6	-	48	1	-	1	-	Refer note 3
20	Biocon Pharma Malta Limited, Malta	January 25, 2021	April - March	EUR	0	(3)	7	10	-	4	(1)	-	(1)	-	Refer note 4
21	Biocon Pharma Malta I Limited, Malta	January 25, 2021	April - March	EUR	0	0	113	112	-	116	2	-	2	-	Refer note 4
22	Biofusion Therapeutics Limited, India	March 18, 2021	April - March	INR	1	270	566	296	-	565	346	87	259	-	Refer note 5
23	Biocon Biologics Germany GmbH, Germany	January 19, 2023	January - March	USD	3	-	3	-	-	-	-	-	-	-	Refer note 3 & 9
24	Biocon Biologics Canada Inc, Canada	March 20, 2023	March - March	USD	0	-	0	-	-	-	-	-	-	-	Refer note 3 & 9
25	Biosimilars NewCo Limited, UK	November 29, 2022	November - March	USD	99,602	(3,237)	2,35,499	1,39,134	-	14,524	(3,326)	(89)	(3,237)	-	Refer note 7 & 8
26	Biosimilar Collaborations Ireland Limited, Ireland	November 29, 2022	November - March	USD	82	49,497	92,812	43,233	-	7,835	1,440	183	1,258	-	Refer note 3 & 7

\* Exchange rate considered in the case of foreign subsidiary - 1 USD = 82.18, 1 GBP = 101.36, 1 EUR = 89.11, 1 AED = 22.38, 1 MYR = 18.62

# Converted at monthly average exchange rates

**Notes**

- Syngene International Limited, India has proposed a final dividend of 12.5% or Re. 1.25 per equity share as on the record date for distribution of final dividend (comprising of regular dividend of 5% or ₹0.5 per equity share and additional special dividend of 7.5% or ₹0.75 per equity share). The proposed dividend is subject to the approval of the shareholders in the Annual General Meeting.
  - Biocon Biologics Limited holds 100% of equity stake in Biocon Biologics UK Limited.
  - Biocon Biologics UK Limited holds 100% of equity stake in:-
    - Biocon Biologics FZ LLC, UAE
    - Biocon Biologics Do Brasil Ltda, Brazil
    - Biocon Biologics Healthcare Malaysia Sdn. Bhd., Malaysia
    - Biocon SDN BHD, Malaysia\*\*
    - Biocon Biologics Inc, USA
  - Biosimilar Collaborations Ireland Limited, Ireland
  - Biocon Biologics Germany GmbH, Germany
  - Biocon Biologics Canada Inc., Canada
- \*\*The reporting currency of Biocon SDN BHD is MYR, however USD is disclosed since it is the functional currency.

4. Biocon Pharma Limited, India holds 100% of equity stake in:-

- Biocon Pharma Inc., USA
- Biocon Pharma UK Limited, UK
- Biocon Pharma Ireland Limited, Ireland
- Biocon Pharma Malta Limited, Malta
- Biocon Pharma Malta Limited holds 100% of equity stake in Biocon Pharma Malta I Limited.
- Syngene International Limited holds 100% of equity stake in Syngene USA Inc.
- Biosimilar Collaborations Ireland Limited and Biosimilars NewCo Limited was acquired by the Group on November 29, 2022.
- Biocon Biologics Limited and Biocon Biologics UK Limited holds 82.5% and 17.5% of equity stake in Biosimilars NewCo Limited, respectively.
- These subsidiaries are newly incorporated and did not have any operation during the year
- Syngene Manufacturing Solutions Limited and Syngene Scientific Solutions Limited was acquired by the Group on August 26, 2022 and August 10, 2022 respectively.

**Part B - Associates & Joint Ventures**

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

S.No	Name of Associate / Joint Venture	Date on which the Associate / Joint Venture was acquired	Latest audited Balance Sheet date	Share of Associate / Joint Venture held by the Company at the year end	Description of how there is significant influence	Reason why the Associate / Joint Venture is not consolidated	Net worth attributable to share holding as per latest audited Balance Sheet	Profit / (Loss) for the year			
				Number of shares	Extent of Holding %						
1	NeoBiocon, UAE	April 29, 2007	March 31, 2023	1,47,000	43	49%	By way of control of more than twenty percent of total share capital	NA	43	(37)	(38)
2	Bicara Therapeutics Inc.	January 09, 2021	March 31, 2023	51,060,144 <sup>^</sup>	1,335	39%	By way of control of more than twenty percent of total share capital	NA	1,335	(1,633)	(1,277)

<sup>^</sup>Includes Preference shares

For and on behalf of the Board

Sd/-

**Kiran Mazumdar-Shaw**

Chairperson

(DIN: 00347229)

Sd/-

**Siddharth Mittal**

Managing Director & CEO

(DIN: 03230757)

Sd/-

**Mayank Verma**

Company Secretary

(Membership No. A18776)

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

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

Sl. No	Particulars	Status of compliance
1.	The Board of Directors in their report shall disclose any material change in the scheme(s) and whether the scheme(s) is / are in compliance with the regulations.	There were no material changes in the scheme except as disclosed in the Board's Report under 'Employee Stock Option Plan' and the schemes are in compliance with the SEBI SBEBSE Regulations.
A	Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.	Yes - Disclosed in Notes to Accounts – Refer note 30 to Standalone Financial Statements for the year ended March 31, 2023
B	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard on Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time	Yes - Disclosed in Notes to Accounts – Refer note 30 to Standalone Financial Statements for the year ended March 31, 2023
C	Details related to ESOS	
	A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including	Refer note 30 to Standalone Financial Statements for the year ended March 31, 2023

### 1. Summary of Status of ESOP:

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

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

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

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



### 3. Option movement during the year 2022-23:

Sl. No	Particulars	Grant VII	Grant VIII	Grant IX	Grant X	RSU
1	Number of options outstanding at the beginning of the period	5,89,000	1,05,000	34,46,204	26,31,874	25,14,976*
2	Number of options granted during the year	-	-	-	-	43,709
3	Number of options forfeited / lapsed during the year	85,250	1,05,000	4,73,752	52,500	3,06,915
4	Number of options vested during the year	4,68,000	-	8,26,875	16,60,500	6,78,482
5	Number of options exercised during the year	4,78,000	-	6,75,535	12,32,725	5,21,787
6	Number of shares arising as a result of exercise of options	4,78,000	-	6,75,535	12,32,725	5,21,787
7	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	-	-	-	-	-
8	Loan repaid by the Trust during the year from exercise price received	-	-	-	-	-
9	Number of options outstanding at the end of the year	25,750	-	22,96,917	13,46,649	17,29,983
10	Number of options exercisable at the end of the year	25,750	-	3,38,417	13,46,649	2,57,218
11	Weighted-average exercise prices of options outstanding at the end of year	79	-	111	154	5
12	Weighted-average fair values of options granted	-	-	-	-	377

\*This includes the number of RSUs granted to few employees during the Financial Year 2022-23.

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

- (a) Options granted to Senior Managerial Personnel during the year under the Biocon Restricted Stock Unit (RSU) Long Term Incentive Plan FY 2020-24, with exercise price in par with the face value i.e. ₹ 5/-: Nil
- (b) Any other employee who received a grant during the year, options amounting to 5% or more of option granted during the year:

Sl. No	Name of the Employee	Designation	No. of options granted
1	Vijaya Kumar S	Head – Operations	75,000
2	Sanjay Varughese Joseph	Vice President	25,000
3	Raghavendra Prafullrao Ratolikar	Vice President	20,000
4	Ajay Sharma	Associate Vice President	20,000
5	Rajesh Umakant Naik	Associate Vice President	20,000
6	Lakshminarayanan S	Site Head- Operations	20,000
7	Rajat Kapoor	General Manager	20,000
8	Saravanan Krishnan	General Manager	15,000

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

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

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

D. Details related to ESPS - Not Applicable

E. Details related to SAR - Not Applicable

F. Details related to GEBS / RBS - Not Applicable

G. Details related to Trust

(i) General information on schemes

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

\*Appointed as the Trustees w.e.f. close of business hours of March 31, 2023.

(ii) Brief details of transactions in shares by the Trust (both ESOP and RSU)

(a) Number of shares held at the beginning of the year i.e. April 1, 2022 – 75,20,315

(b) Number of shares acquired during the year through:

(i) primary issuance – Nil

(ii) secondary acquisition, also as a percentage of paid-up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share – 20,00,000 (0.17% of paid up share capital at weighted average price per share of ₹ 323)

(c) Number of shares transferred to the employees / sold along with the purpose thereof – 29,08,047

(d) Number of shares held at the end of the year i.e. March 31, 2023 – (a +b-c) – 66,12,268

(iii) In case of secondary acquisition of shares by the Trust – During the year under review, the Company has acquired 20,00,000 shares from the secondary market. Details of acquisition are given below:

Sl. No.	Number of Shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
1	Held at the beginning of the year	75,20,315
2	Acquired during the year	20,00,000
3	Sold during the year	-
4	Transferred to the employees during the year	29,08,047
5	Held at the end of the year	66,12,268

For and on behalf of the Board

Place: Bangalore  
Date: May 23, 2023

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

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

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

### A. Conservation of energy

i)	The steps taken or impact on conservation of energy	Power consumption for FY23 was 191 mn units as against 190 mn units in FY22. The unit consumption has increased by 0.6% YOY.
ii)	The steps taken by the company for utilizing alternate source of energy	By using renewable energy for 60.4% of total power requirement and using cleaner fossil fuel for steam generation (Natural gas instead of furnace oil), led to a reduction of CO2 emission by 1,20,950 Tons.
iii)	The Capital investment on energy conservation equipment	Total Investment on energy conservation stands at 122.6 mn.

S. Power and fuel consumption details		FY 23	FY 22
No.			
<b>1</b>	<b>Electricity</b>		
A	Purchased		
	Million Units	191	190
	Total amount (₹ mn)	1,170	1,225
	Rate / Unit (₹)	6.1	6.4
B	Captive generation		
	HSD Quantity, KL	1,513	2,418
	Million Units	4.5	8
	Units / Litre	3.0	3.2
	Cost / Litre (₹)	92.0	49.6
	Generation cost, Rate / Unit (₹)	30.1	14.9
<b>2</b>	<b>Steam</b>		
A	Furnace oil		
	Quantity, KL	-	-
	Total amount (₹ mn)	-	-
	Average rate	-	-
B	Natural gas		
	Quantity, MMBTU	1,86,61,095	2,02,88,626
	Total amount (₹ mn)	1,096	922
	Average rate	58.7	45.4
C	Coal		
	Quantity, TON	6,337	5,596
	Total amount (₹ mn)	42.7	43.8
	Average rate	6,741	7,833

Sl. No	Energy conservation measures	Investment (In ₹ Mn)	Energy saved per Annum	
			Units	Amount (In ₹ Mn)
1	Installed energy efficient Economizers in Boilers for steam generation (Biocon Campus & Biocon Park)	40	39,000 MMBTU	75
2	Installed energy efficient water cooled chillers and centrifugal air compressors	74	3 MN	14
3	Installed energy efficient motors for Air Compressor and ETP (Biocon Park)	6.6	0.11 MN	0.7
4	Installed energy efficient motors for Chilled water and cooling water pumps (Biocon Campus)	1	0.06 MN	0.4
5	Installed Variable Frequency Drives for Chilled water pumps (Biocon Campus)	1	0.11 MN	0.7

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

## B. Technology Absorption

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

### Research and Development

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

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



### Benefits derived as a result of R&D activities

1. Global presence in supply of fermentation based Small Molecules to the Generic Industry in regulated markets.
2. Rich pipeline of Generic Small Molecules catering to varied therapeutic areas.
3. Internationally competitive prices and product quality.
4. The Company has been granted 1,300 patents and around 1,059 trademarks as on date in various jurisdictions.
5. Safe and environment friendly processes.
6. Launch of ANDA products in US & EU.
8. Clinical trial in progress for one of the Novel molecule.

### Future Plan of Action

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

### Expenditure incurred on Research & Development

	In ₹ mn	
	FY23	FY22
a) Capital	450	198
b) Recurring	782	906
Total	1,232	1,104
Less: recharge	-	-
Net R&D Expenses	1,232	1,104

### C. Foreign Exchange Earnings and Outgo

	In ₹ mn	
Foreign exchange earned and used during the year:	FY23	FY22
Gross Earnings	10,121	8,885
Outflow	6,654	6,360
Net foreign exchange earnings	3,467	2,525

For and on behalf of the Board

Place: Bangalore  
Date: May 23, 2023

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

## Annexure 4 - Secretarial Audit Report for the financial year ended March 31, 2023

### Form No. MR-3

#### SECRETARIAL AUDIT REPORT

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

To,  
The Members  
**Biocon Limited**  
20<sup>th</sup> K.M. Hosur Road, Electronic City,  
Bengaluru - 560100

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2023 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bylaws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not Applicable to the Company during the Audit Period**);
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**Not Applicable to the Company during the Audit Period**);
  - h. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not Applicable to the Company during the Audit Period**); and
  - j. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).
- (vi) Other Laws Applicable Specifically to the Company namely:
  - a. Drugs and Cosmetics Act, 1940
  - b. Bio Medical Waste (Management & Handling) Rules, 1998
  - c. ICH Guidelines (this is the base on which US FDA/ EU Guidelines etc. are created on)
  - d. UCPMP (Currently voluntary – however proposed to be made mandatory)

- e. National Biodiversity Act, 2002
- f. Drugs & Magical Remedies (Objectionable Advertisements) Rules, 1955
- g. Narcotic Drugs and Psychotropic Substance Act
- h. Drugs (Control) Act, 1950

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

- a. Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.
- b. Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

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

We report that:

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

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

As per the minutes of the meetings duly recorded and signed by the Chairperson, the decisions of the Board were unanimous, and hence, and therefore no dissenting views were required to be captured and recorded as part of the minutes.

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

3 of this report.

We further report that:

1. Mr. Amitava Saha and Mr. Murali Krishnan K N were appointed as the Trustees of 'Biocon India Limited Employees Welfare Trust' a trust formed to implement the Share based Employee benefit schemes of the Company w.e.f July 20, 2015.
2. Further, Mr. Amitava Saha was appointed as the Chief Executive Officer (CEO) in Biocon Biosphere Limited and Mr. Murali Krishnan K N was appointed as a Director of Biocon Biosphere Limited, Biofusion Therapeutics Limited and Biocon Pharma Limited, all of which are subsidiaries of the Company.
3. However, in order to realign the trust deed as per the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, they resigned as the trustees of the Trust w.e.f the close of the business hours on March 31, 2023 and new trustees were appointed in their place. Subsequently, the deed was amended to that effect.

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

- a. The Company has raised funds by issuance and allotment of Unlisted, Secured, Rated, Redeemable Non-Convertible Debentures (NCD's) aggregating to ₹1,070 crore on Private Placement basis.
- b. The Company has issued and allotted Commercial Papers (CPs) (listed on National Stock Exchange of India Limited) aggregating to ₹ 2,250 Crores on Private Placement basis on November 23, 2022. However, the same was redeemed on maturity on February 22, 2023.

For **V. SREEDHARAN & ASSOCIATES**

**Sd/-**  
**(Pradeep B. Kulkarni)**

Place: Bengaluru  
Date: May 23, 2023

Partner  
FCS: 7260; CP No. 7835  
UDIN: F007260E000355465  
Peer Review Certificate No. 589/2019

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

**'Annexure'**

To,  
The Members  
**Biocon Limited**  
20<sup>th</sup> K.M. Hosur Road, Electronic City,  
Bengaluru - 560100

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **V. SREEDHARAN & ASSOCIATES**

Place: Bengaluru  
Date: May 23, 2023

**Sd/-**  
**(Pradeep B. Kulkarni)**  
Partner  
FCS: 7260; CP No. 7835  
UDIN: F007260E000355465  
Peer Review Certificate No. 589/2019

## Annexure 4A - Secretarial Audit Report of Biocon Biologics Limited for the financial year ended March 31, 2023

### Form No. MR-3

#### SECRETARIAL AUDIT REPORT

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

To,  
The Members,

#### **BIOCON BIOLOGICS LIMITED**

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2023 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>i. The Companies Act, 2013 (the Act) and the rules made thereunder;</li> <li>ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;</li> <li>iii. The Depositories Act, 1996 and the Regulations and Bylaws framed thereunder;</li> <li>iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing;</li> </ul> | <ul style="list-style-type: none"> <li>v. Other laws specifically applicable to the Company:                             <ul style="list-style-type: none"> <li>a. Drugs and Cosmetics Act, 1940</li> <li>b. Drugs and Cosmetics Rules, 1945</li> <li>c. Bio Medical Waste (Management &amp; Handling) Rules, 1998</li> <li>d. Drugs &amp; Magical Remedies (Objectionable Advertisements) Rules, 1954</li> <li>e. Narcotic Drugs and Psychotropic substance Act</li> <li>f. Atomic Energy Act, 1962</li> <li>g. The Hazardous Waste (Management, Handling and Trans-boundary movement) Rules 2008, amended in 2016</li> <li>h. Hazardous Substances (Classification packaging and labelling) Rules 2011</li> <li>i. The Explosives Act, 1983</li> <li>j. Manufacture, Storage, and Import of Hazardous Chemicals Rules, 1989</li> <li>k. Drug (Price Control) Order (DPCO) 2013 (NPPA)</li> <li>l. Regulation of Drug Act, 1978</li> <li>m. National Biodiversity Act, 2002</li> <li>n. Uniform Code of Pharmaceuticals Marketing Practices (UCPMP) Guidelines</li> <li>o. Livestock Importation Act, 1898</li> <li>p. Generic Drug User Fee Amendment (GDUFA) 2012</li> <li>q. Cosmetics, Devices and Drugs Act, 1980</li> <li>r. Registration Guideline for Registration of the Medicinal Products, 2013</li> </ul> </li> </ul> |
|--|--|



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

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2021;
- (h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
- (j) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

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

As per the minutes of the meetings duly recorded and signed by the Chairperson, the decisions of the Board were unanimous, and therefore no dissenting views were required to be captured and recorded as part of the minutes.

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

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

- a) The Company and its subsidiary acquired Biosimilars business from Viatrix Inc., its collaboration partner during the year under review through :
  - i. Purchase of 100% stake in Biosimilar New Co Limited ("BNCL"), a company incorporated in the United Kingdom; and
  - ii. Subscription, to 100% stake in Biosimilar Collaborations Ireland Limited ("BCIL"), a company incorporated in Ireland.

Pursuant to such acquisitions, BNCL and BCIL have become subsidiaries of the Company.

- b) Re-classification of the Authorised Share Capital and consequent alteration to the Memorandum of Association (MOA) of the Company.
- c) Allotment of 6,64,46,357 Equity Shares to Biocon Limited, 4,33,34,580 Equity Shares to Biocon Pharma Limited and 4,644 Equity Shares to Mr. Suresh Talwar on Rights Issue basis and 3,47,33,743 Equity Shares to Serum Institute Life Sciences Private Limited on Private Placement by way of Preferential Allotment on November 16, 2022.

- d) Allotment of 7,85,64,864 Equity Shares to Biocon Limited on Rights issue basis on November 23, 2022.
- e) Allotment of 1 Equity share and 23,11,63,944 Compulsorily Convertible Preference Shares (CCPS) to Mylan Inc. for the acquisition of the entire equity interests of Biosimilars Newco Limited by the Company on November 29, 2022.
- f) Mr. Shreehas Pradeep Tambe succeeds Mr. Arun S Chandavarkar as the Managing Director and Chief Executive Officer of the Company w.e.f December 05, 2022.
- g) Mr. Rajiv Malik was appointed as a Non-Executive Non-Independent Nominee Director of Mylan Inc. on the Board w.e.f November 29, 2022.
- h) The Hon'ble National Company Law Tribunal (NCLT), Bengaluru Bench, vide its Order dated January 05, 2023 approved the Scheme of Merger between 'Covidshield Technologies Private Limited' (Transferor Company) with the Company, however the Transferor Company was awaiting approval from the NCLT, Maharashtra. We

have been informed by the Company that the Transferor company has withdrawn the merger petition filed before the Hon'ble Mumbai bench and a strategic alliance agreement is entered into between the Company and Serum Institute Life Sciences Private Limited ("SILS"), the holding company of the Transferor Company.

- i) During the period under review, 2 step down subsidiaries are formed i.e., Biocon Biologics Canada, Inc. and Biocon Biologics Germany GmbH.

**For V. SREEDHARAN & ASSOCIATES**

**Sd/-  
(Pradeep B. Kulkarni)**

Partner

FCS: 7260; C.P. No: 7835

UDIN: F007260E000345928

Place: Bengaluru

Date: May 22, 2023

Peer Review Certificate No. 589/2019

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

**'Annexure'**

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. We have conducted online as well as offline verification and examination of records, as facilitated by the Company for the purpose of issuing Secretarial Audit Report (Form No. MR-3)

**For V. SREEDHARAN & ASSOCIATES**

**Sd/-**  
**(Pradeep B. Kulkarni)**

Partner

FCS: 7260; C.P. No: 7835

UDIN: F007260E000345928

Peer Review Certificate No. 589/2019

Place: Bengaluru  
Date: May 22, 2023

## Annexure 5 - Particulars of Remuneration

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

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

S. No.	Name of the Director/Key Managerial Personnel and Designation	Percentage increase in remuneration of each Director/ CFO/ CS in the FY 2022-23 (%)	Ratio of the remuneration of each Director to the median remuneration of the employees
<b>Executive Directors</b>			
1	Kiran Mazumdar Shaw Executive Chairperson	21.95	47.49
2	Siddharth Mittal CEO and Managing Director	13.46	75.79
<b>Non-Executive Directors</b>			
3	Prof. Ravi Rasendra Mazumdar	10.34	9.29
4	Eric Vivek Mazumdar	9.13	8.34
<b>Independent Directors</b>			
5	Mary Harney*	NA	2.23
6	Daniel Mark Bradbury*	NA	2.72
7	Dr. Vijay Kumar Kuchroo	12.5	8.55
8	Meleveetil Damodaran	3.81	9.48
9	Bobby Kanubhai Parikh	4.21	11.74
10	Naina Lal Kidwai**	NA	10.26
12	Peter John Bains**	NA	5.19
<b>Key Managerial Personnel</b>			
13	Indranil Sen Chief Financial Officer	23.88	19.22
14	Mayank Verma Company Secretary	9.77	7.65

\*Mary Harney and Daniel Mark Bradbury were in office only for part of the year (completed their second term w.e.f. July 27, 2022) and hence the percentage of increase of remuneration in their case is not comparable with that of the previous year.

\*\*Naina Lal Kidwai and Peter John Bains were in office only for part of the year (appointed w.e.f. April 28, 2022 and December 12, 2022, respectively) and hence the percentage of increase of remuneration in their case is not comparable with that of the previous year.

### Notes:

- The remuneration paid to Non-Executive Directors (including Independent Directors) includes commission and sitting fees and is based on the position they occupied in various committees and meetings attended by them during Financial Year 2022-23.
- The remuneration does not include perquisite value on account of stock options exercised during the year.
- The remuneration to the Executive Director and Key Managerial Personnel does not include provisions made for gratuity and compensated absences, as they are obtained on an actuarial basis for the Company as a whole.

I	Percentage increase / (decrease) in median remuneration of employees in the financial year	The median remuneration of employees increased from ₹ 5,99,040 as at March 31, 2022 to ₹ 6,31,764 as at March 31, 2023, representing an increase of 5.46 %.
II	Number of permanent employees on the rolls of the Company	There were 3,408 permanent employees as on March 31, 2023.
III	Average percentile increase in salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average increase in employee remuneration other than managerial personnel was 10%. The increase in managerial remuneration is in line with the measures to attract and retain the best talent. The Company also uses a mix of fixed, variable and ESOP based compensation on a mid-to-long-term basis to align middle and senior management compensation to enhance shareholder values.

It is hereby affirmed that the remuneration paid for the Financial Year 2022-23 was as per the Company's Policy on Director's Appointment and Remuneration.

For and on behalf of the Board

Place: Bangalore  
Date: May 23, 2023

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



## ANNEXURE 6 - Annual Report on CSR Activities

### 1. Brief outline on CSR Policy of the Company.

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

The company's CSR activities are implemented through:

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

- Direct execution of projects/programs.
- Partnership - Build fruitful collaborations with like-minded organisations through memorandum of understandings.
- Grants - Provide grants to NGOs, trusts and academic institutions under grant-in-aid initiative for innovative and impactful social and environmental projects. In such scenario, the Foundation employs its expertise to evaluate

the proposals of grant seekers and conducts due diligence when necessary before seeking approval from CSR & ESG Committee for releasing grants to them. Organisations with an established record of at least three years in undertaking similar initiatives, mandatory CSR Registration Number, as well as 80G and 12A registrations to undertake CSR activities are selected to implement CSR, in pursuance of the Act.

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

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

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

### 2. Composition of CSR & ESG Committee:

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

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

\* During the financial year under review, there were changes as mentioned below in the constitution of the Committee-

- Mary Harney, Chairperson had stepped down as an Independent Director consequent to her completion of her second term w.e.f. July 27, 2022. With this, Mary Harney ceased to be the Chairperson and Member of the Committee w.e.f. July 27, 2022.
- Naina Lal Kidwai was inducted as a Member w.e.f. April 28, 2022. Further, Naina Lal Kidwai was appointed as the Chairperson of the Committee w.e.f. July 27, 2022.

**3. Provide the web-link where Composition of CSR & ESG committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

- i. The CSR policy: [https://www.biocon.com/docs/CSR-Charter-and-Policy\\_Final\\_14112022.pdf](https://www.biocon.com/docs/CSR-Charter-and-Policy_Final_14112022.pdf)
- ii. The composition of the CSR & ESG Committee: <https://www.biocon.com/investor-relations/corporate-governance/board-committees/>
- iii. The projects as approved by the Board shall be disclosed on the website at <https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/>.

**4. Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.**

Not Applicable.

5.	(₹ in mn)
(a) Average net profit of the company as per section 135(5)	2,899
(b) Two percent of average net profit of the company as per section 135(5)	58
(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil
(d) Amount required to be set off for the financial year, if any	Nil
(e) Total CSR obligation for the financial year [(b)+(c)-(d)]	58

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): 58 mn
- (b) Amount spent in Administrative Overheads: Nil
- (c) Amount spent on Impact Assessment, if applicable: Nil
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: 58 mn
- (e) CSR amount spent or unspent for the Financial Year:

		(₹ in mn)			
Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
58	-	-	-	-	-

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

Sl. No.	Particulars	Amount (₹ in mn)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	58
(ii)	Total amount spent for the Financial Year	58
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

**7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:** Not Applicable

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (₹)	Date of Transfer		
1	FY-1	-	-	-	-		-	-
2	FY-2	-	-	-	-		-	-
3	FY-3	-	-	-	-		-	-

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

If Yes, enter the number of Capital assets created/ acquired: Not Applicable

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

(1)	(2)	(3)	(4)	(5)	(6)		
Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address

**9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.**

Not Applicable

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

Sd/-

**Naina Lal Kidwai**

Chairperson – CSR & ESG Committee

DIN: 00017806

Sd/-

**Siddharth Mittal**

Managing Director and CEO

DIN: 03230757

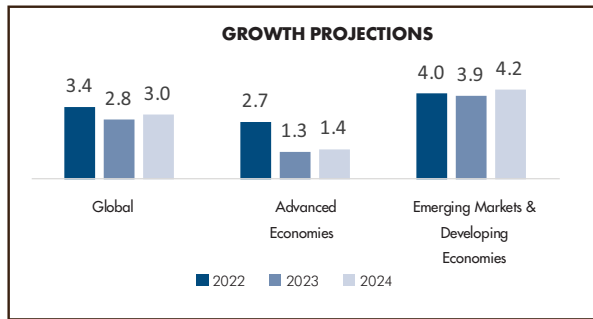
Place: Bengaluru

Date: May 23, 2023

# Management Discussion and Analysis

## Inflation peaking amid low growth in the global economy

A report by the International Monetary Fund (IMF)<sup>1</sup> indicated that global growth is expected to weaken from the 2022 levels of 3.4% to 2.8% in 2023. The rise in central bank rates to fight inflation, the on-going war in Ukraine and delayed reopening of China amid resurgence of COVID-19 towards the end of the year, were some of the factors that contributed to dampened growth in 2022. These factors are expected to continue to weigh on the global economy in 2023, even as China has begun making a comeback following the reopening of its economy. The higher, broad-based inflation that was seen globally was largely due to supply disruptions during COVID-19, coupled with rising energy prices. However, this is expected to weaken to 7.0% in 2023 from 8.7% in 2022 on the backdrop of lower food, fuel and commodity prices due to a weak global demand environment, normalization of supply chains and tighter monetary policies by global central banks.



Reduced global demand is also expected to weaken global trade volumes to around 2.4% in 2023 from 5.1% in 2022.

Downside risks dominate the outlook with recession fears being echoed. Fallout from recent instability in some sections of the banking sector could result in continued tightening of global financial conditions, which could result in decline in business and consumer confidence.

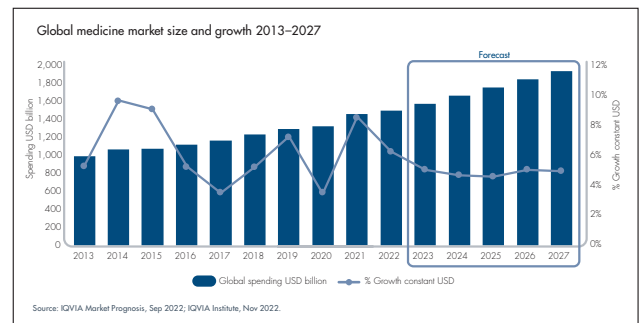
However, it is also possible that the global economy could surprise on the upside with household consumption in several markets exceeding expectations.

With the present uncertainty around current and likely economic conditions, policy makers have a fine line to tread if they are looking at achieving strong, sustainable, and inclusive growth.

They need to be nimble in their response to the evolving global macro to maintain financial stability while simultaneously working towards containing inflation.

## Global Medicine Market

A recent IQVIA report<sup>2</sup> estimates the global medicine market, using invoice price levels, and excluding spends on COVID-19 vaccines and therapeutics, is expected to grow to ~USD 1.9 trillion by 2027, at a compounded annual growth rate (CAGR) between 3% and 6%. Medicine spends and volume growth trends will vary across regions, with larger and more established markets expected to grow slower, and growth markets in Eastern Europe, Asia and Latin America growing in both volume and spending.



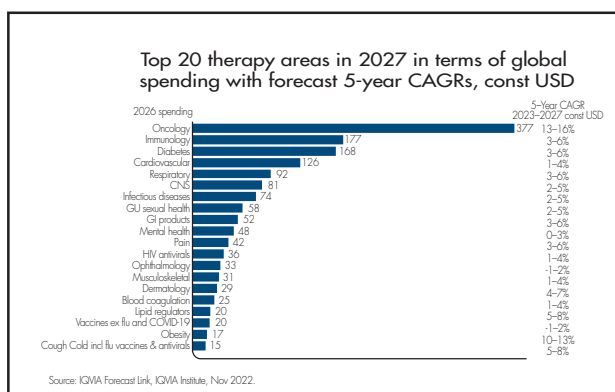
The U.S. medicine market, the largest in the world, at invoice prices, is expected to increase by USD 134 billion to USD 763 billion through 2027. This is slower than the increase seen in the previous five years. Increased uptake of both existing as well as new launches of protected branded medicines will be the primary drivers of growth during the period. This is expected to be offset by loss of exclusivity of both small and large molecule drugs. The reduced estimates include the projected impact from the Inflation Reduction Act (IRA) which is expected to drive volumes by reducing out of pocket costs for patients, levying inflation penalties on manufacturers and via direct price negotiations, especially in the Medicare program. The rate of spending growth in China is also expected to slow down, however the market is expected to grow from USD 166 billion in 2022 to USD 194 in 2027. Growth in medicine spending is expected to be supported by higher number of innovator medicines being reimbursed via the National Reimbursement Drug List (NRDL). In Japan, the third largest global market, medicine spend is expected to remain largely unchanged at ~USD 75 billion with increasing spends on protected innovator drugs offset by shift to annual price cuts and policies promoting

1 <https://www.imf.org/en/Publications/WEO/Issues/2022/01/25/world-economic-outlook-update-january-2022>

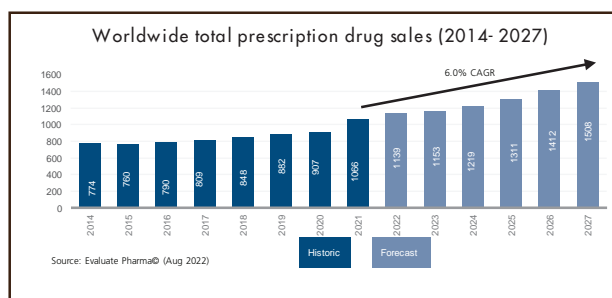
2 IQVIA Report on 'The Global Use of Medicines 2022: Outlook to 2027'

a continued shift to generics. In Europe, medicine spending in the top-5 markets (France, Germany, Italy, Spain, and U.K.) is expected to grow by USD 59 billion to USD 263 billion over the next five years. Growth in these markets, like the U.S., is expected to be driven by protected branded drugs with generics and biosimilars also contributing to growth.

Oncology, immunology, anti-diabetics and cardiovascular are therapy areas which are expected to have the highest spending.

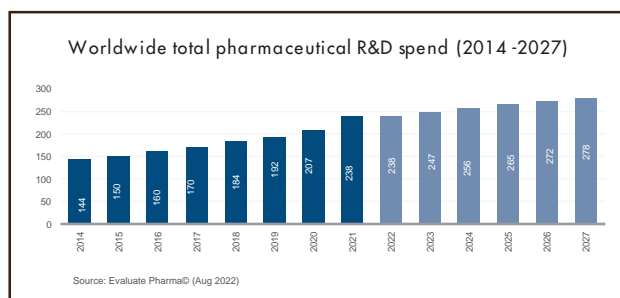


Oncology and immunology, are expected to grow at a CAGR of 13 to 16% and 3 to 6% respectively through 2027. While in oncology the growth rate will be driven by newer treatments and higher use of medicines, growth in immunology, by contrast, is offset by losses of exclusivity and a growing adoption of biosimilars. About a hundred new drugs are expected to be added for cancer treatment alone over the next five years, contributing ~USD 184 billion to grow the total market size to USD 370+ billion through 2027. Diabetes spending, while expected to be the third largest therapy area globally, is estimated to grow 3 to 6% over the next 5 years. However, newer, highly effective treatments which fall under the category of glucagon-like peptide-1 (GLP-1) agonists (e.g. liraglutide, semaglutide) or glucose-dependent insulinotropic polypeptide and glucagon-like peptide-1 receptor (GIP/GLP-1) agonist (e.g. tirzepatide), are expected to gain wider usage across geographies and are projected to be multi-billion dollar opportunities. These drugs have also seen to be better in aiding patients to lose weight and can be prescribed for weight loss. With obesity affecting many million patients globally, this addressable markets across diabetes and obesity for these newer treatments is projected by analysts to be over USD 100 billion over the next decade. Growth in Neurology or medicines used to treat conditions related to the Central Nervous System (CNS) is expected to be driven by greater adoption of newer treatments for migraine, expected treatments for Alzheimer's, Parkinson's and other rare diseases.



Worldwide prescription drug sales are forecasted to grow at a CAGR of 6.0%<sup>3</sup> between 2021 and 2027 to USD 1.4 trillion. COVID-19 provided a huge boost to drug sales as demand for pandemic products including vaccines, antivirals and antibodies caused sales to rise in 2021.

The recent drug price reform in the U.S., and upcoming patent cliffs could impact growth rate of the sector. However, this could be offset by biologic drugs, the importance of which continues to grow, and are projected to account for ~40% of the total drug sales, and ~60% by sales of the 100 top selling medicines by 2027. These molecules tend to be more expensive and have better patent protection, thereby providing greater durability than small molecules which further enhance their ascendancy.



Worldwide pharmaceutical Research and Development (R&D) spend is forecasted to be more measured with annualized growth reducing to low single digits between 2022 and 2027 to reach USD 278 billion, compared to the historical CAGR of 7.3% between 2014 and 2021. After the spike seen due to COVID-19 necessitated R&D, in a tightened financial climate, biopharma, especially small companies, will focus of cash conservation. As R&D efficiencies improve due to increased adoption of digital methods, the expected benefits should help lower drug development spends in the coming years.

### Emerging Trends within the Pharmaceutical Sector

The pandemic changed the pharma landscape considerably. As treatment paradigms and the healthcare delivery systems across the globe continue to evolve, some key trends impacting the global pharmaceutical industry have emerged:

3 <https://info.evaluate.com/rs/607-YGS-364/images/2022%20World%20Preview%20Report.pdf>



### **Continued pressures on drug pricing, access to healthcare remains a challenge**

The slowdown in global economic growth and the Russia-Ukraine conflict have led to an increase in financial burden on major economies resulting in reimbursement pressures on governments and healthcare systems. Inflationary pressures on the industry persist, and there remains intense competition in the generics industry as pharmaceutical manufacturers continue to compete aggressively for market share. In the U.S., the introduction of the Inflation Reduction Act (IRA), that allows Medicare to negotiate drug prices, imposes additional pressure on the pricing of medicines.

In this backdrop, globally, patients still struggle to get access to the medicines they require due to cost, inequity or structural issues in healthcare systems. While this situation is more acute in lower-income countries, it is a problem in developed countries as well.

### **New operating models changing work practices**

To remain competitive and resilient in the evolved operating environment, pharmaceutical companies need to be more agile, leverage the power of data and make bold changes to reinvent their traditional business models to more decentralized models of working, particularly as they invest to build specialized capabilities in research and development (R&D) and manufacturing.

### **Adoption of digital continues to accelerate**

Companies are increasingly adopting emerging technologies and investing in areas such as advanced analytics, automation and artificial intelligence. They are also moving from transactional engagements to an insight-driven, value-based enterprise.

The use of algorithms and machine learning in detecting, diagnosing and treating disease has become an important area of focus for life sciences. Some believe it is the biggest healthcare revolution of the 21<sup>st</sup> century. The use of data science and technology is increasing across the industry in all aspects - from R&D, manufacturing, supply chain and marketing, to automation of human resource and finance processes. While this is helping bring greater efficiency, it requires new investment and skills.

### **Emerging scientific innovation in medicine**

In recent years, innovation in medical treatments has advanced at a rapid pace. The swift response to COVID-19 through the development of effective vaccines is a testament to such endeavours. New treatment paradigms, including RNA therapies, gene and cell therapies, which offer targeted methods for treating diseases have been approved. Precision medicine presents great opportunities in transforming the future

of healthcare. While it is currently most advanced in oncology, precision medication also has wider, exciting applications, such as in rare and genetic diseases. However, integrating precision medicine into healthcare is set to be a challenging process with issues such as infrastructure, inequalities, and expertise that need to be overcome before this becomes mainstream.

### **Growing importance of environment, social and governance (ESG) practices**

Apart from financial results, companies' performances are also judged on a variety of ESG issues / initiatives which can contribute to the long-term sustainability of their performance. Climate change, social inequity, access, affordability and safety of medicines, and ethical behaviour have become increasingly important discussion topics with stakeholders, including governments, customers, investors and employees.

To that effect, the industry is adapting to meet stakeholder expectations. Manufacturers are working to reduce waste, conserve energy and use environmentally friendly processes and materials. Pharma manufacturing is becoming increasingly digitized and automated, allowing for greater efficiency and accuracy in the process, reducing the risk of errors and improving quality control.

Many global organizations such as S&P Global, Carbon Disclosure Project (CDP), Ecovadis, Sustainalytics and FTSE Russell assess companies on ESG topics and their reporting, with the results of these assessments widely publicized. In addition, investments in ESG funds that specialize in investing in companies performing well in such assessments have become increasingly popular, and major institutional investors have publicly emphasized the importance of such ESG measures in making their investment decisions.

Trends, such as the ones listed above, will continue to transform the pharmaceutical industry.

### **Biocon's approach towards sustainable growth**

As an integrated, innovation-led biopharmaceutical company, we have used our scientific and technical know-how, vertical integration, global scale manufacturing capabilities, talented people, a strong quality culture, strong global partners and customers to develop complex small molecule APIs, generic formulations, biosimilars as well as novel biologics across therapy areas. We also provide an integrated range of scientific services from the earliest stages of discovery research to commercial manufacturing. All this has been done while operating with the highest level of global regulatory compliance and upholding corporate governance standards. Over the years, this has helped us deliver a sustained financial performance and growth and create value for our stakeholders.

We leverage the synergies across the group, share skills and resources to continuously innovate. Our focus on generics and biosimilars enables us to make available high-quality affordable alternatives to expensive drugs, thereby lowering costs, increasing access and improving treatment outcomes for patients globally. We also enable R&D organizations to benefit from enhanced productivity by delivering world-class contract research and manufacturing services.

## Business Review

### FY23 Highlights:

- Biocon generated revenues of ₹115,501 million in FY23, recording a year-on-year growth of 38%, driven by a strong growth of 61% in Biosimilars, 23% in Research services and 13% in Generics, over FY22.
- Biocon's biosimilar arm, Biocon Biologics completed the landmark acquisition of Viatris' biosimilars business on November 29, 2022, following a definitive agreement entered into with Viatris in February 2022. Completion of this strategic investment will help drive our ambition of global leadership as a fully integrated biosimilars player.
- The Generics business continued its geographic expansion initiatives with multiple strategic partnerships across markets. FY23 marked the year of launch of our products in a few ex-U.S. geographies such as the U.K. and emerging markets.
- Syngene, Biocon's Research Services' arm delivered the highest absolute year-on-year increase in revenue and EBITDA in the last 5 years with all four divisions of the Company delivering sustained growth through the year. Manufacturing Services had a particularly strong year, led by the commercial-scale biologics manufacturing business supporting the partnership with Zoetis, following successful regulatory inspections by the U.S., EU and U.K. regulatory authorities.

### Other FY23 updates:

- Biocon has always strived to create a work environment conducive to enabling our employees to create viable careers for themselves while contributing towards the organization's objectives and goals. We continue to develop and implement people processes and policies to facilitate such efforts. These processes cover talent acquisition, performance evaluation, talent development and succession planning

Our efforts have consistently been recognized through several awards and recognitions we received in FY23:

- o Biocon was ranked Number 8 in the pharma, biotech & biopharma category for the 'Global Top Employers' List by the U.S. Science Magazine for the 10<sup>th</sup> consecutive year.
- o We were recognised by the 'UN Women' as a winner in the 'India - Transparency and Reporting', 'India - Youth Leadership' and 'Asia-Pacific Youth Leadership' categories for exemplary practices embracing Women's Empowerment Principles, Asia Pacific.
- o We featured in Avatar's '2022 Exemplars of Inclusion' in the Most Inclusive Companies Index & Best Companies for Women in India.
- o Biocon Group has been chosen as one of the 'Most Preferred Workplaces in Manufacturing 2022' by Team Marksmen.
- o We were conferred 'Best Women Employer Award' received by the Economic Times in association with Femina.
- Sustainability is integral to Biocon's business purpose, and the Company continues to develop a progressive agenda for its Environment, Social and Governance (ESG) practices in alignment with stakeholder expectations and the company's objectives. Biocon's efforts continue to earn global recognition, reflected in the scores from leading global sustainability indexes:
  - o Biocon improved its score in the Dow Jones Sustainability Index over 2021, from 45 to 52. Based on this performance, we were inducted into S&P DJSI's prestigious annual "Sustainability Yearbook" under the "Industry Mover" category.
  - o Biocon was Awarded a Silver medal by EcoVadis for its Sustainability Accomplishments.

Biocon has a clear ESG strategy that is being implemented across the organisation. In line with the purpose, we have published our first GRI-aligned Integrated Report aligned with the International Integrated Reporting Council's (IIRC) framework this year. We continue to work on developing our strategy to carrying out our priorities, governed through our ESG and CSR Board Committees.

**Biocon operates four distinct business segments:**

- a. **Generics**
- b. **Novel Biologics**
- c. **Biosimilars** (Under Biocon Biologics Limited)
- d. **Research Services** (Under Syngene International Limited)

**Generics**

Our Generics Business comprises of a growing portfolio of Active Pharmaceutical Ingredients (APIs) as well as finished dosages. The business started in the late 90s with a fermentation based, cholesterol-lowering, statin API called Lovastatin and shortly after, in 2001, Biocon became the first Indian company to be approved by the U.S. Food and Drug Administration (U.S. FDA) to manufacture the API. Today, we are one of the largest manufacturers of statin and immunosuppressant APIs in the world. With a strategy to forward integrate our in-house APIs, in 2013, we forayed into the generic formulation space. This allowed us to move up the value chain while ensuring reliability of supplies to our customers and patients. The business has five API manufacturing facilities across Bengaluru, Hyderabad and Visakhapatnam in India and an oral solid dosage (OSD) formulation facility in Bangalore that has capabilities to manufacture both regular and high potency tablets and capsules. In addition to our in-house formulation manufacturing, we also leverage capacities of Contract Manufacturing Organisations (CMOs) as required.

**Our strategic priorities**

Over the last few years, our strategic priorities were: Product Pipeline, Cost Competitiveness, Manufacturing Expansion, Strengthen Quality, Base Business, Talent Development, Regional Expansion and Digital Initiatives. These had evolved over time and enabled us to get to where we are today. Now, as we aim to raise ourselves to the next level on the global pharma arena, we have accordingly defined a new set of strategic priorities that will get us to where we want to be.



These eight priorities have been carefully thought through and developed to span the lifecycle of our business – product selection, development, mapping, capex execution, scale-up and validation – all with the ultimate objective of bringing our products to market at the right time and right cost. The first four priorities are foundational to our existence and speak of

how we define ourselves as a company. The focus is on execution excellence. Priorities five to eight complement, support and enable the first four.

In line with these strategic priorities, we will continue to focus on growing our product pipeline, where possible through vertical integration, with a clear focus on innovation. We continue to add capacities and niche capabilities in areas such as peptides, high potent drugs, and injectables. De-risking our supply chain and leveraging digital transformation efforts should further aid achieving our key strategic objectives in the coming time.

## Active Pharmaceutical Ingredients (APIs)

### Global API Market:

The global API market is estimated to reach USD 286<sup>4</sup> billion by 2027, from USD 173 billion in 2020. The growing prevalence of chronic diseases, fuelled by an increasing older population, sedentary lifestyle, rise in per capita healthcare spending in emerging economies and continued investment in R&D for newer drug discoveries is expected to drive of the global pharmaceutical market, and in turn the API market. Recent R&D trends indicate a shift in the demand towards the development of more complex oncology and peptide APIs, which are used in formulations that target niche therapeutic areas. Furthermore, upcoming patent expiries of key drugs should help drive volumes for both small and large molecule APIs.

The North American market is the dominant consumer of APIs driven by increased incidence of chronic diseases as well as being a hub for innovative drug development. This is followed by Europe, and then Asia Pacific. The growth in the Asia Pacific market is expected to outpace the more mature markets of North American and Europe. China and India are preferred destinations for outsourcing API manufacturing due to favourable factors such as lower labour costs, relatively favourable regulatory policies as well as high availability of raw materials to produce APIs.

The COVID-19 pandemic has demonstrated the importance of being nimble in adapting to unprecedented events. There remains continued focus on supply chain augmentation against the backdrop of disruptions seen during the pandemic, with increased prioritization for supply reliability and independence. This has resulted in a shift in purchasing trends, with

<sup>4</sup> <https://www.researchandmarkets.com/reports/5576448/global-drug-api-market-forecasts-from-2022-to>

organizations and governments advocating preference for domestic manufacturing over imports. For example, in 2021, the government in India had approved a USD 955 million<sup>5</sup> production-linked incentive (PLI) scheme to promote domestic manufacturing by setting up greenfield plants from FY21 to FY30 and achieve self-reliance and minimise import dependency for important starting materials, pharmacological intermediates and APIs.

### Our Generic API Business:

Our API business comprises of a balanced portfolio of 50+ APIs spread across Cardiovascular, Anti-Diabetics, Immunosuppressants, Oncology, Peptides, Neurology and a few speciality and niche molecules. We leverage our strengths of R&D and manufacturing technology platforms in developing differentiated APIs that have a high degree of complexity. While expertise in fermentation technology, large scale chromatography and synthetic chemistry have been our strengths built over the years, we have expanded beyond these areas into manufacturing a basket of peptides and high potent APIs. Peptides, especially those molecules which are used to treat diabetes and obesity are a big focus area for Biocon. We have a pipeline of more than 10 peptides under development.

With a track record of over 20 years of Current Good Manufacturing Practice (cGMP) compliance, we have a global reach of ~750 API customers in 100+ countries. Further, the Company has been successfully inspected by several regulatory agencies, including the U.S. FDA, EMA, TGA Australia, Health Canada and Cofepris Mexico, standing testament to our quality track record.

Over the last few years, we have invested in expanding our portfolio and capacities as well as in adding complementary capabilities to support our growth plans and to better serve the increasing market demand for API. During FY23, we commissioned our greenfield immunosuppressant API facility in Visakhapatnam and a new larger peptide facility in Bengaluru. Both facilities are expected to complete validation activities during FY24, paving the way for regulatory filings from those sites.

<sup>5</sup> Report on Indian Pharmaceutical Industry by India Brand Equity Foundation Nov.22, <https://www.ibef.org/industry/pharmaceutical-india>

**Our API Portfolio\* –**

Cardiovascular	Anti-Diabetics	Immunosuppressants	Oncology	Anti-fungal	Multiple Sclerosis	Others
Apixaban	Liraglutide	Tacrolimus	Dasatinib	Micafungin	Fingolimod	Orlistat
Atorvastatin	Dapagliflozin	Mycophenolate Mofetil	Everolimus	Anidulafungin	Teriflunomide	Deferasirox
Dabigatran	Empagliflozin	Mycophenolate Sodium	Lenalidomide	Posaconazole		Brinzolamide
Fluvastatin	Linagliptin	Everolimus	Temsirolimus			Mirabegron
Ivabradine	Repaglinide	Sirolimus				
Pravastatin	Sitagliptin	Pimecrolimus				
Rivaroxaban	Vildagliptin					
Rosuvastatin	Pioglitazone					
Simvastatin						
Lovastatin						
Sacubitril Sodium						

\*Filed DMFs

**Generic Formulations****Global Generic Formulations Market:**

The global generics drug market is anticipated to grow from USD 414 billion in 2021 to USD 574 billion<sup>6</sup> by 2027, driven by growth in chronic diseases related to an aging population. Lifestyle changes are further adding to the increase in preventable deaths due to non-communicable diseases such as heart diseases, diabetes and cancer. All of this puts additional pressure on global healthcare resources leading to efforts from governments and regulators to promote lower-cost generic formulations as the alternative to branded drugs. While innovation in medical treatments continue to advance, generic drugs are expected to provide cost effective remedies for the therapeutic needs of much of the population. Although the trend indicates an increasing adoption of biosimilars, small molecule generic drugs will comprise approximately two thirds of the market.

The U.S. is the largest generics market globally. In the past few years, the growth environment within the U.S. generics market has been a challenging one with increased price erosion as a result of change in the industry structure due to the consolidation of buyers and heightened competition. During the COVID-19 pandemic, as supply chain security and drug availability became important factors in the marketplace, this led to an improvement in the pricing environment for a few drugs, however, pricing remains suppressed in general. With the pandemic behind us, there has also been a revival of the on-site inspections conducted by the U.S. FDA, which has made buyers aware of supply disruptions as a result of compliance related

issues such as import alerts. Despite such challenges, the U.S. remains a key focus market, and manufacturers are investing heavily in terms of regulatory, manufacturing, and technological capabilities to tap into the opportunities. Furthermore, the U.S. approvals also serves as a platform to introduce products into other key markets globally thereby enabling companies to leverage their R&D investments and infrastructure. With the saturation of simple oral solids market in the U.S., companies have shifted focus towards developing complex products which they expect to offer higher or sustainable value in terms of growth and profitability in the coming years.

Given its low-cost advantage, India ranks 3<sup>rd</sup> <sup>7</sup> in terms of pharmaceutical production by volume and 14<sup>th</sup> by value, positioning the country as the one of the largest providers of generic drugs globally. The Indian pharmaceutical sector, comprising of around 3,000 drug companies with over 10,500 manufacturing units, supplies over 50% of the global demand for various vaccines, 40% of the generic medicines demand in the U.S. and 25% of all medicines in the U.K.

**Our Generic Formulation Business:**

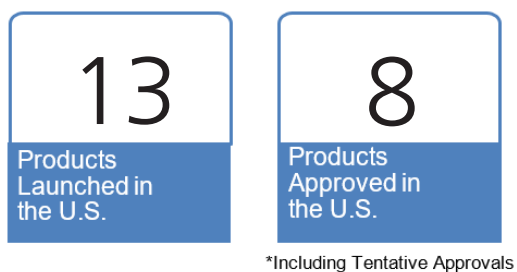
In line with our commitment of enhancing global healthcare by providing high quality, affordable therapies, that can lower costs and increase access, we are committed to invest in the development and commercialization of generic formulations. Since the commercialization of our first generic formulation in the U.S. in 2017, we now have thirteen commercial drug products in the U.S., two in Europe and a few in the

<sup>6</sup> <https://www.biospace.com/article/generic-drugs-market-size-to-reach-usd-574-63-billion-by-2027/>

<sup>7</sup> Report on Indian Pharmaceutical Industry by India Brand Equity Foundation Nov.22, <https://www.ibef.org/industry/pharmaceutical-india>



emerging markets leveraging the U.S. approvals. We anticipate commercializing 5-6 products every year in the U.S. market and strengthen our presence in most-of-the-world markets. We now have 75+ drug products in various stages of portfolio classification - commercial, tentative approvals, filed or under development. Our portfolio addresses 13 of the top 50 drugs in the U.S. market. Per IQVIA MAT March'23, the combined addressable market before accounting for discounts and rebates for this portfolio is USD 134 billion in the U.S. Many of our products are vertically integrated, giving us better control over the supply chain and thereby ensuring continuity of supplies to customers and eventually to patients.



Our portfolio is focused on therapeutic segments such as Diabetes, Cardiology, Oncology, Immunology, Auto-immune indications and Obesity which is poised to grow at a significant rate in the coming years. Therefore, peptides, as a platform technology is a key focus area for us. The peptide portfolio will target drug products in therapeutic areas such as Diabetes, Obesity and Oncology. Filings from the peptides portfolio have already been made by us with regulatory agencies in the U.S. and Europe, among others. These are injectable formulations with a drug device combination and complex characterization.

From a dosage form perspective our portfolio includes oral solid dosage (OSD), both potent and non-potent forms, in multiple dosage forms like immediate release formulations such as oral dispersible tablets, modified release formulations such as delayed release tablets, extended release tablets, capsules. We also have injectables with complex API (e.g. peptides, low molecular weight heparins) and complex formulations (suspensions, long acting in situ gels and lyophilized), available in vials, drug-device combination products like pre-filled syringes (PFS), pen device and auto-injectors (both disposable & re-usable) for which we have built capabilities over the years.

We continue to expand and invest in our portfolio and build in-house manufacturing capabilities and capacities that will drive our future growth.

**Our Generic Formulations Portfolio\* –**

Product	Status Update
<b>Cardiovascular</b>	
Rosuvastatin Calcium	Launched in U.S. and EU; launched/ approved in select most-of-the-world (MoW) countries
Simvastatin	Launched in U.S.
Atorvastatin	Launched in U.S.
Pravastatin	Launched in U.S.
Prazosin	Approved in the U.S.
Labetalol HCl	Launched in U.S.
<b>Oncology</b>	
Everolimus	Launched in U.S.; approved in EU and select MoW markets
Pemetrexed	Approved in U.S.
Lenalidomide	Approved in the EU, U.K.
Dasatinib	Approved in select MoW markets
<b>Immunosuppressants</b>	
Tacrolimus	Launched in U.S. and approved & launched in select MoW countries
Mycophenolic Acid	Launched in U.S.; approved in select MoW markets
<b>Others</b>	
Esomeprazole (Gastrointestinal) DR	Launched in U.S.
Posaconazole (Anti-Fungal)	Launched in U.S., U.K.; approved in select EU markets
Dorzolamide (Ophthalmic)	Launched in U.S.
Dorzolamide (Ophthalmic) Timolol	Approved in U.S.
Fingolimod (Multiple Sclerosis)	Approved in U.S., EU, U.K., select MoW markets
Vigabatrin – Oral Solution (Central Nervous System)	Approved in U.S.
Dapagliflozin (Anti Diabetic)	Tentatively approved in U.S.
Teriflunomide (Multiple Sclerosis)	Approved in the U.S.
Aminocaproic Acid – Tablet & Oral Solution (Antifibrinolytic agent)	Launched in the U.S.

\*Approved or Tentatively Approved as on March 31, 2023

**Generics - FY23 Highlights:**

*Steady growth of our Generic Formulations business in the U.S.:* Our statins portfolio in the U.S., comprising Atorvastatin, Simvastatin, Rosuvastatin, and Pravastatin finished dosages maintained or improved its volume market share as compared to FY22. Products launched during FY22, such as Tacrolimus, Everolimus and Posaconazole contributed to growth in FY23. During the year, we launched Aminocaproic Acid, an antifibrinolytic agent, in both tablet and oral solution forms and Mycophenolic Acid delayed released tablets in two strengths - 180 mg and 360 mg. Mycophenolic Acid is indicated for the prophylaxis of organ rejection.

*Focus on geographical expansion:* In FY23, we initiated product launches in U.K. and certain most-of-the-world markets. We signed two significant partnership deals: In Europe, we signed a semi-exclusive partnership agreement with Zentiva, a leading pharmaceutical company in the region, for the commercialization of our vertically integrated, complex formulation, Liraglutide, a drug-device combination for the treatment and management of Type 2 diabetes and obesity. Under the terms of this agreement, Biocon will manufacture and supply Liraglutide to Zentiva for its commercialization in 30 countries across Europe. Biocon will also retain the right to commercialize this product under its own brand in the region.

Biocon also entered into a long-term strategic partnership with Farmanguinhos, in Brazil, for the supply and tech-transfer of an immunosuppressant finished dosage formulation (FDF) product.

In Europe, we received approvals for Lenalidomide, Posaconazole, Dimethyl Fumarate and Everolimus tablets and have necessary infrastructure in place to bring these products into the market. In the U.K., we received approvals for Posaconazole, our vertically integrated product, Lenalidomide capsules, and Fingolimod capsules.

With our increasing focus on most-of-the-world markets, we continue to receive approvals for our product filings across geographies. We received approvals in the UAE for Fingolimod capsules and Mycophenolic acid delayed release tablets 360 mg. In Singapore we received approvals for Rosuvastatin tablets and Mycophenolic acid delayed release tablets 180 mg and 360 mg and as part of our Latin America push, Dasatinib approval was received in Chile.

*Expanding our portfolio and infrastructure:* During the fiscal, we made 32 filings and received 19 approvals for our generic formulation products across markets including U.S., EU, U.K., and most-of-the-world markets. In addition, we made multiple Drug Master Files (DMF) submissions across global markets.

Our product selection is driven by complexity of either API or formulations or both, cost competitiveness driven by our vertically integrated business model for key products, complex technology platforms, or a tactical play. To support development needs and new capability building linked to these products, we have added an additional 30,000+ square feet to the existing labs in FY23. We will continue to invest in our R&D capabilities and focus on filing about 10-15 Abbreviated New Drug Applications (ANDA's) each fiscal.

*Bolstering manufacturing capacities and capabilities:* We commissioned our greenfield, fermentation-based immunosuppressant API manufacturing facility in Visakhapatnam, Andhra Pradesh. Efforts are now focused on qualification and validation, which we expect to complete in FY24. This is our first facility to be fully enabled with Industry 4.0. and will add much needed capacities to serve our customers' demands. To support our long-term strategy of being a significant player in the area of peptides, both in API as well as finished dosage/ drug device combinations, we commissioned our larger peptides API manufacturing facility in Bengaluru, which is also undergoing qualification and validation. We are investing in expanding our synthetic and potent API manufacturing capacities in addition to an injectables facility, work on which began during FY23.

*Key operational and digital initiatives:* During FY23, we carried out several improvement initiatives across our operations. These included programs that involved adding new capabilities, programs to attain cost efficiencies in our manufacturing processes, use of new technologies for yield improvement, process optimization to debottleneck capacities, and reducing consumption on solvents thereby lessening the impact on the environment and contributing to savings.

Digital transformation has become a critical aspect for organizational growth and sustainability. Cognizant of this, we continue our journey to invest and implement several digital tools across the business, to support enhanced efficiency in human resources, product development, quality control and quality assurance.

During the year we launched a customer portal for APIs, a sales force management system, additional modules including dashboards in Laboratory Information Management System (LIMS), a contract management system, and robotic process automation for finance, IT and Business Resource Management (BRM) processes etc. We have also successfully implemented other projects which include a QR code-based track and trace mechanism for APIs, all modules of Quality Management System (QMS) rollout across all sites, paperless preventive maintenance, cleaning validation in formulations facility, and R&D workbench processes. Data analytics derived from digitization solutions

implemented in quality function helped us in improving compliance and productivity.

*Focus on talent development and gender diversity:* As part of our digital push, we built upon programs which we started in FY22, which included using Artificial Intelligence (AI) in our talent acquisition program. The internal job posting process had also been revamped to promote opportunities for internal talent growth and development. We also implemented a fully automated background verification process for prospective employees which has helped in reducing onboarding timelines and made the process paperless. Manpower planning process was also consolidated to give a single window view to various stakeholders.

We continue to invest in talent development and enabling our employees to broaden their knowledge and skillsets through several digital learning platforms we have. We also partner with proficient external organizations to assess and train leaders and critical talent across levels as part of their career journeys in the company. These interventions included assessments, masterclasses, group trainings, action learning projects, as well as one-on-one coaching sessions.

With a continued focus on Diversity, Equity and Inclusion (DEI), for the first time, hired an entire batch of 16 women in fermentation, for shop floor roles in Biocon, which we believe is a first in the Indian pharmaceutical industry. Based on feedback and learnings from the program, we hired additional batches of women@shopfloor in Hyderabad and Visakhapatnam and look to build upon its success, going forward. Another highlight during FY23 was the hiring of ex-service women in senior roles across support functions.

*Supply chain de-risking and renewable energy sourcing:* Towards ensuring continuity of supply of our products, we built upon our efforts to de-risk our supply chains for key APIs, especially those dependent on a single source, region specific suppliers. This has been achieved by establishing alternate partners in India and elsewhere either via technology transfer, or long-term arrangements or both. As we grow our Generic Formulations business in the U.S., we are now better positioned to manage the end-to-end value chain for the market, across therapeutic indications. Building on this, we intend to further add capabilities that will address future needs, such as the handling of complex products that require cold-chain transportation. In the EU, where we made our first sales in FY23, we are now capable of handling end-to-end distribution of products.

As part of our sustainability initiatives, we rolled out a Supplier Code of Conduct: which outlines Biocon's expectations and guidelines on responsible sourcing, including our commitments

to human rights, the environment, health and safety, business ethics and the development of a diverse and sustainable supply chain. Additionally, Biocon expects its suppliers to operate in compliance with applicable laws, rules, and regulations of the regions they operate in.

Over the years, Biocon has made targeted efforts to replace the use of non-renewable energy sources with greener sources. At the end of FY23, ~80% of the energy requirements at our Bengaluru locations are being met via renewable sources such as wind and solar power, which is significantly higher than many others in the industry.

*Ensuring continued compliance through quality management:* Based on an on-site inspection conducted by Medicines and Healthcare products Regulatory Agency (MHRA), U.K. in May 2022, at our oral solid dosage formulations manufacturing facility located at Biocon Park in Bengaluru, we received a certificate of Good Manufacturing Practice (GMP) compliance.

In July 2022, the U.S. FDA concluded a pre-approval inspection for Site 3, located at Hyderabad, Telangana. Three observations were cited at the end of the inspection. The Company responded with a comprehensive CAPA and the facility underwent another pre-approval inspection, in May 2023, with no observations. In July 2022, we also successfully completed an audit done by the Brazilian Health Agency, ANVISA, for Site 2 at Bangalore.

In December 2022, the European Directorate for the Quality of Medicines & HealthCare (EDQM) issued a GMP Certificate of Compliance for the API manufacturing facility in Bengaluru following a GMP inspection of the site conducted in September 2022.

While quality compliance certifications from leading regulatory agencies are testimony to our strong quality systems and compliance track record, we continue with efforts to improve our systems and processes to meet with increased expectations of global regulatory agencies. Use of data analytics helps us identify any potential short coming, which is mitigated via regular education and training of our staff, thereby leading to improved quality culture and continuous compliance.

#### **Generics - FY23 Financial Performance:**

The Generics business contributed 23% of consolidated group revenues with revenues at ₹26,367 million in FY23 compared to ₹23,409 million in FY22, reflecting a growth of 13%. The segment recovered from a muted performance in FY22 with growth during the year, on a lower base of the previous fiscal, which was impacted by COVID-related operational and supply chain challenges. The performance was driven by API sales, notably immunosuppressant APIs as well as generic formulations

where improved volume market share of products launched in FY22 in the U.S. contributed to growth during FY23.

### Generics – FY24 Outlook:

We expect growth trajectory to continue in FY24 driven by enhanced capacities in our API business, volume growth of our base business and recently launched generic formulation products gaining traction. Growth in generic formulations will also come through new product launches in the U.S. and other geographies. Given our vertical integration on some of these products, we see this as an opportunity for us to increase our market shares. While supply chains have normalized and input costs moderated, pricing environment in the U.S. continues to remain a challenge. We believe that to be successful in the evolving pharma landscape, it is important for us to leverage our backward or vertical integration for critical products, have the right portfolio selection strategy, cost leadership and an unwavering focus on quality and compliance. To this effect, we continue to work on de-risking our base business by making necessary R&D investments in new products that will strengthen our pipeline, executing on key capex projects and improving processes to drive operational and cost leadership to support long term business sustainability.

### Novel Biologics

Our Novels Biologics business continues to address unmet patient needs with a focus on oncology and immunology. The lead molecule, Itolizumab, is the world's first novel humanized anti-CD6 monoclonal antibody that selectively targets the CD6-ALCAM pathway. The drug is Biocon's second global 'lab to market' novel biologic after Nimotuzumab. Under the brand ALZUMAb™, Itolizumab was launched in India in 2013 to treat chronic plaque psoriasis. In 2017, we licensed the rights to develop and commercialize Itolizumab to U.S. based biotechnology company, Equillium Inc. for the U.S., Canada, Australia and New Zealand markets. Itolizumab is currently being developed for indications such as acute graft-versus-host disease (aGVHD), systemic lupus erythematosus (SLE) or lupus nephritis (LN) and ulcerative colitis. Equillium has received fast track designation from the U.S. FDA for Itolizumab for the treatment of patients with aGVHD and LN. Itolizumab has also received orphan drug designations from the U.S. FDA for both prevention and treatment of aGVHD. Biocon has received orphan drug designation from the EMA for treatment of graft-versus-host disease and EMA has given a positive opinion for paediatric investigation for the treatment of aGVHD. The drug had also been granted 'Restricted Emergency Use' approval in 2020 in India for the treatment of Cytokine Release Syndrome in 'Moderate to Severe' Acute Respiratory Distress Syndrome (ARDS) patients and was repurposed for the prevention and treatment of COVID-19 complications.

Our Boston based associate, Bicara Therapeutics, is a clinical-stage biotechnology company developing first-in-class biologic drugs, engineered to bring together the precision of targeted therapy and the power of immunotherapy. In line with its vision to develop meaningful therapies for cancer patients, Bicara continues to make progress on its lead molecule, BCA101. BCA101 is a bifunctional antibody designed to target a TGF- $\beta$  trap to EGFR-positive tumors by inhibiting epidermal growth factor receptor (EGFR) and disabling TGF- $\beta$  directly at the site of the tumor, ideally achieving superior anti-tumor efficacy with an improved therapeutic window. BCA101 has the potential to target multiple tumor types and has a higher local tumor concentration of immuno-modulatory arm resulting in a better therapeutic window. A first-in-human, Phase 1/2 study in EGFR-driven tumors was activated in July 2020 at leading institutions in the U.S. and Canada.

### Novel Biologics - FY23 Highlights:

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

After observing positive trends in Part A of its Phase 1b EQUALISE study for SLE and LN indication, Equillium has expanded the Part B portion to clinical centers in India.

Biocon, along with Equillium, initiated a Phase II clinical study of Itolizumab in patients with moderate to severely active ulcerative colitis in December 2022. The randomized, double-blind, parallel group, and active controlled, two treatment period study will evaluate the safety and efficacy of Itolizumab for the induction of remission in biologics naïve patients with moderate to severely active ulcerative colitis.

In April 2023, the European Medicines Agency's Paediatric Committee (PDCO) granted the positive opinion for Paediatric Investigation Plan to Itolizumab for the treatment of aGVHD.

Based on the very encouraging and promising data in aGVHD, Equillium recently entered into an Option and Purchase Agreement with Ono Pharmaceutical Co., Ltd, Japan, where Equillium has granted Ono an exclusive option to acquire its rights to Itolizumab. We believe this is a very important event as Ono is a highly respected company that has brought several important molecules to the market through partners.

Bicara Therapeutics completed dose escalation studies evaluating BCA101 as a single-agent and in combination with pembrolizumab and has initiated the dose expansion arm of the clinical study.

During FY23, BCA101, in combination with pembrolizumab, was evaluated in front-line systemic patients with unresectable, recurrent or metastatic head and neck squamous cell carcinoma (HNSCC), with very encouraging response rates. BCA101 as a monotherapy was evaluated in patients with advanced or incurable cutaneous squamous cell carcinoma (cSCC) who have received previous anti-PD-1 therapy. Bicara has previously reported promising efficacy and safety data from its ongoing Phase 1/1b clinical trial and presented data from its combination study during an oral presentation session at the 2023 American Society of Clinical Oncology (ASCO) Annual Meeting being held in Chicago from June 2-6, 2023.



Based on the promising data generated thus far, Bicara completed an oversubscribed USD 108 million Series B financing to advance its lead program BCA101 and its pipeline of investigational candidates to treat solid tumor cancers. The financing was co-led by RA Capital and Red Tree Ventures, with participation from a group of dedicated-biotech investors. Financing will support future studies of lead program BCA101, currently in Phase 1/1b clinical development in head and neck cancer, and pipeline growth.

Post the series B financing, Biocon’s stake in Bicara will be reduced to 23.3% on a fully diluted basis.

**Biosimilars (Biocon Biologics Limited)**

Biocon Biologics Limited (BBL) is the biosimilars arm of Biocon Limited. It is a unique, fully integrated global biosimilars player with a demonstrated track record of success across the value chain from R&D through to manufacturing and commercialization. BBL was the largest contributor to the Company’s revenues in FY23 and is its fastest growing business segment.

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

We have also built a hybrid commercial model with self-commercialization capabilities in select Emerging Markets (e.g.

India) coupled with a network of partners and distributors to commercialize our products in 100+ markets globally, including Advanced Markets such as the U.S. and Europe. Our strategy of developing core and differentiated R&D and manufacturing capabilities, coupled with our commercial network, has made us a frontrunner in the biosimilars industry. We have achieved several global “firsts” and been among the first wave of biosimilars entrants, expanding patients’ access to essential and lifesaving biologic drugs. In addition, we have one of the most comprehensive portfolios in the industry with 20 biosimilars spanning Oncology, Immunology, Diabetes, and other therapeutic areas.

Our most significant and enduring partnership has been our global strategic collaboration with Viatris (earlier Mylan) for the development, manufacturing, supply, and commercialization of biosimilar mAbs in 2009, which was then expanded to insulin analogs in 2013. The Viatris collaboration was a cost-share and profit-share model wherein we participated in about one-third of the economics in Advanced Markets where Viatris had exclusive commercial rights and about half of the economics in Emerging Markets where we shared commercial rights.

In FY23, BBL accelerated its self-commercialization aspirations with the historic USD 3 billion+ acquisition of Viatris’ global biosimilars business to create a unique, fully integrated player with end-to-end capabilities from lab-to-market. The acquisition is an inflection point in our journey and is designed to create a global leader in biosimilars and maximize value for all our stakeholders.

Our end-to-end capabilities, industry leading portfolio, strong business fundamentals, favorable market dynamics and ability to attract marquee global investors, set us up for success and provide a runway to sustainable, profitable growth.



## Biosimilars: An attractive market with growing acceptance among stakeholders

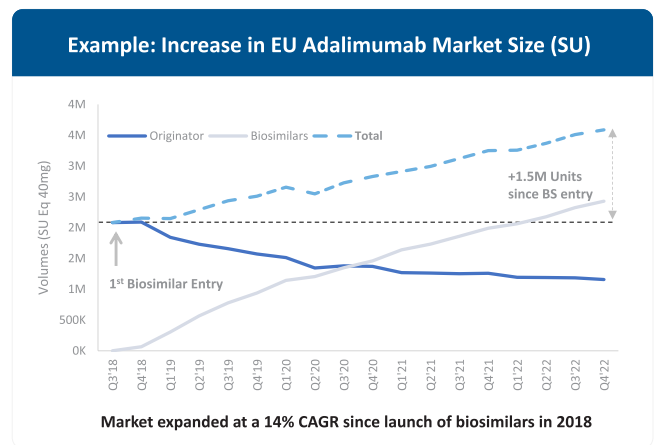
### Biosimilars represent a significant and rapidly expanding market opportunity

Biologics are large, complex molecules produced from living organisms that require specialized expertise to develop and manufacture. Biologics have become an important therapeutic category in the treatment of several life-threatening diseases, accounting for about one-third of the global pharma market and 9 out of the Top 20 pharmaceuticals in 2022. As per IQVIA, the biologics market is expected to grow at a ~10% CAGR to USD 666 billion in 2027.

However, given their significantly high cost of treatment, affordability and access to Biologics remain a challenge for patients and healthcare systems globally both in Advanced and Emerging Markets.

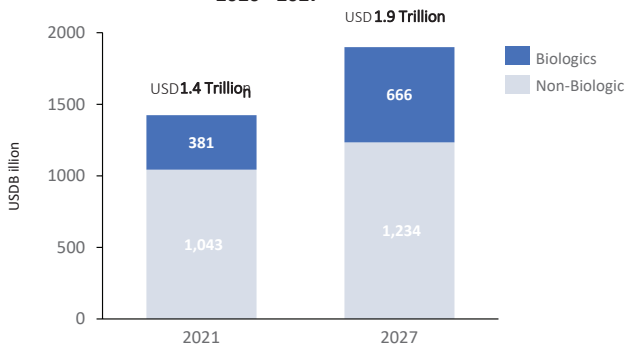
For example, in the U.S., the treatment cost of biologics is typically USD 10,000-30,000 per year and in many cases, it can be much higher<sup>8</sup> which makes it out of reach for many patients especially those without or limited insurance. In Low- and Middle-Income Countries (LMIC) only half of insulin-dependent patients can afford Insulins, a biologic drug.

A biosimilar is a biological medicine highly similar to another already approved biological medicine (the 'reference product') in terms of structure, biological activity, efficacy, safety and immunogenicity profile. It has no clinically meaningful difference versus the reference product and is developed and manufactured with the same strict quality guidelines. However, biosimilars are more affordable alternatives to their reference product and can address the affordability and access challenge while ensuring the same treatment outcome. In many cases, such as Adalimumab (an immunology product) in the EU, the launch of biosimilars at a more affordable price has translated into an expansion in the overall market size and improved access.



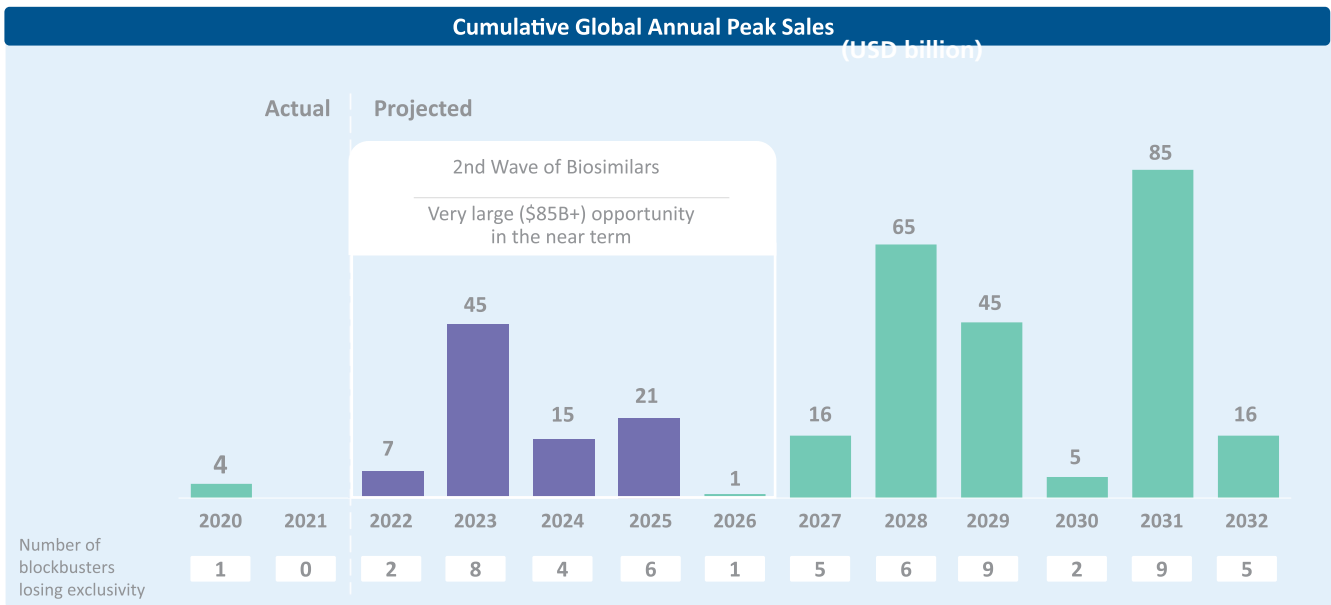
The loss of exclusivity (or patent expiry) of a referenced product or biologic opens up a large opportunity for biosimilars, thereby expanding the current biosimilar market opportunity. In the near term, ~USD 85 billion of blockbuster drugs are expected to lose exclusivity, creating a very large opportunity for biosimilars players.

**Global Pharmaceutical Market Size 2020 - 2027**



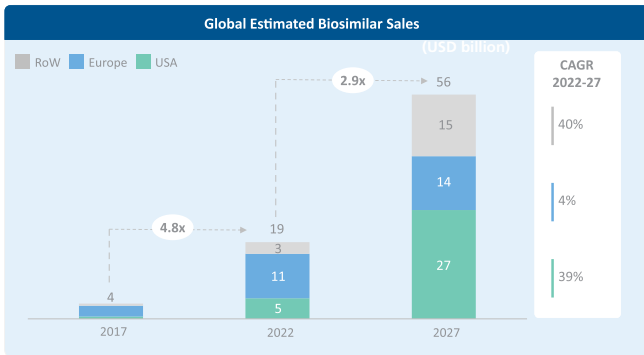
Source: IQVIA Global Use of Medicines 2023; IQVIA Biosimilars in the United States, 2023-2027; IQVIA Global Use of Medicines, 2022-26; IQVIA White Paper, Nov'20

8 PubMed, National Library of Medicine 2018



Source: EvaluatePharma, Jan 2023; Public disclosures; McKinsey Report Aug'22

Note: "Blockbuster" defined here as a drug with annual sales of more than USD 1 billion in the peak year. Analysis based on timing of U.S. patent expiry



Source: McKinsey BiosimCast, 2022

As early adopters, Europe and the Emerging Markets have been driving the growth in the biosimilars industry. However, over the past few years we have also seen an increase in acceptance among prescribers and patients in the U.S. translating to biosimilar adoption rates of over 80% for some products. This increased adoption will drive the next wave of growth across the industry. According to a report published by McKinsey, the market size of biosimilars is projected to reach USD 56 billion by 2027.

The growth in biosimilars is driven by the need to expand access to cutting-edge therapeutics thereby improving patient outcomes. The rapidly increasing disease burden, especially of Non-Communicable Disease (NCDs) such as Diabetes and Cancer, and strained healthcare budgets only underscores the need for affordable biosimilars.

As a unique, fully integrated player with a successful track record of developing, manufacturing, and commercializing 8 biosimilars in global markets till date, Biocon Biologics is well positioned to participate in this growth opportunity.

### Evolving Regulatory Landscape

We have witnessed the rapid adoption of biosimilars in Europe and Emerging Markets especially in the tender segment where all biosimilars are treated at par with the originator product. In Sep'22, European Medicines Agency (EMA) and the Heads of Medicines Agencies (HMA) issued a joint statement confirming that biosimilar products approved in the European Union (EU) are interchangeable with their reference product or with an equivalent biosimilar, further validating the regulatory acceptance of biosimilars.

The acceptance of biosimilars in the United States is more recent but has come with a quicker adoption profile. The U.S. FDA has approved 41 biosimilars and 30 have been launched till date, generating significant savings of ~USD10 billion per year for the U.S. healthcare system. In the U.S., policymakers and healthcare agencies are increasingly introducing policies that support biosimilars adoption.

Unlike the EU, the current U.S. regulatory landscape requires additional 'interchangeability' studies that are essential for certain commercial segments, increasing the cost of biosimilar development. Some recent developments in the U.S. point to a simplification of the regulatory pathway, supporting biosimilars uptake. These include a waiver of additional studies for insulin biosimilars, an interchangeability designation granted to

Cimerli® (Coherus’ bLucentis) without an additional switching study, Biosimilar Red Tape Elimination Act, etc.

In addition, several regulatory bodies globally are eliminating the requirement of a Phase III clinical trial to measure product efficacy (e.g., U.K. MHRA’s guidance from May’22 suggesting that a comparative efficacy trial may not be necessary if sound scientific rationale supports this approach). These developments augur well for companies like Biocon Biologics as it helps reduce both the cost and time for development, allowing us to fully capitalize on the large and growing biosimilars opportunity ahead.

### Differentiated versus traditional small molecule generics

The role of biosimilars is akin to that of ‘generics’ for off-patent small-molecule drugs, providing a cost-effective

alternative to off-patent biologics with no clinically meaningful differences, thereby expanding access. However, developing and manufacturing biosimilars are significantly more time-consuming, capital-intensive, and scientifically complex. Establishing ‘biosimilarity’ with a reference product to ensure similar safety, purity and potency is a fundamentally complex task requiring, among other things, highly specialized scientific know-how and infrastructure.

Biosimilars require significantly more investment in product development and building large-scale manufacturing facilities with stronger quality control systems and processes than generics. These higher investments require commensurate financial returns with a higher margin profile, to justify the high cost of capital for biosimilar development.

	Small Molecule Generics	Biosimilars
EKpertise & Capabilities	Easy to build given limited complexity	<ul style="list-style-type: none"> <li>Highly specialized skills developed over time</li> <li>Experience with complex technological platforms</li> </ul>
Development Spends	<ul style="list-style-type: none"> <li>Simple Gx:&lt;USD 1 million</li> <li>Complex Gx: USD 15-20 million</li> </ul>	<ul style="list-style-type: none"> <li>USD 50-300 million</li> </ul>
Manufacturing Investments	<ul style="list-style-type: none"> <li>Simple Gx: USD 20-30 million</li> <li>Complex Gx: USD 40-50 million</li> </ul>	<ul style="list-style-type: none"> <li>USD 200 million+</li> </ul>
Development Timelines	2-3 years	6-9 years
Clinical Studies	Bioequivalence studies in healthy volunteers	Pharmacokinetic comparison studies in Phase3
No. of subjects in clinical studies	20-50	100-500

Source: GaBi; McKinsey Aug’22; US FDA; EMA; IQVIA; BBL analysis

### Evolving strategy of biosimilars players

The expertise and quantum of investment required to develop biosimilars have been high barriers to entry thereby limiting the competitive landscape to large originator pharmaceutical companies with biosimilar divisions and select other players including some large generics companies. While the attractive size of the biosimilars market has drawn interest from several companies, there have been limited success stories so far.

The initial commercial success of biosimilars was driven by the biosimilar divisions of large biopharmaceutical originator companies with the scientific knowhow, manufacturing capabilities, commercial reach, and access to capital. However, there are now competing internal demands for resources such as capital, people, R&D and manufacturing facilities at these large organizations, resulting in a reprioritization of opportunities and many announcing their intent to either leave the segment or scale back investments.

On the other hand, there are also smaller companies, most of which are not vertically integrated, have limited portfolios and often lack sufficient resources, knowhow, and skills. As a result, they are required to partner or outsource several activities potentially losing control over costs and quality.

As a unique, vertically integrated global biosimilars player with a strong portfolio and proven track-record, Biocon Biologics can compete effectively in global markets.

### Biocon Biologics’ robust product portfolio

We have one of the deepest and broadest portfolio of biosimilars in the industry, spanning across insulin, monoclonal antibodies, and recombinant proteins. We have a well-established offering in Diabetes, Oncology, and Immunology of which eight products are commercialized in global markets<sup>9</sup>.

<sup>9</sup> Includes in-licensed programs (bAdalimumab and bEtanercept)

We were the first company to receive U.S. FDA approval for bTrastuzumab and bPegfilgrastim. Our bInsulin Glargine was the first product to secure an ‘interchangeability’ designation in the U.S., a landmark milestone in the biosimilars industry. Our bBevacizumab and bAspart have received approval in EU and Canada and are awaiting approvals in the U.S. Our in-licensed Immunology products, bAdalimumab and bEtanercept, are both commercial in the EU. The launch of bAdalimumab in the U.S. expected to be a key growth driver in FY24 and beyond.

In addition to our 8 commercial products, we have a pipeline of 12 assets at various stages of development which also expand our offering to other therapeutic areas such as Bone Health and Ophthalmology. Our bAflibercept asset, acquired as part of the Viatris transaction, is the ‘first-to-file’ biosimilar in the U.S. and is under FDA review. Upon approval and launch, it will mark our entry into the Ophthalmology segment. We have 3 assets currently in the clinic, bUstekinumab, bDenosumab and bPertuzumab, which are also progressing well. These late-stage products coupled with several other early-stage molecules will sustain our growth in medium and long term.

**Status of Biocon Biologics Product Portfolio (May 2023)**

Therapeutic Area	Molecule	US	Dev Markets: ex-US	MoW <sup>2</sup>
Oncology	Pegfilgrastim	Approved	Europe, CANZ	
	Trastuzumab	Approved	Europe, CANZ	
	Bevacizumab	Approved	Europe, CANZ	
	Denosumab	Approved	Europe, CANZ, JP	
	Pertuzumab	Approved	UK, CANZ, JP	
Immunology	Adalimumab <sup>1</sup>	Approved	Europe, CANZ, JP	
	Etanercept <sup>1</sup>	Approved	Europe, AU	
	Ustekinumab	Approved	UK, CANZ, JP	
Diabetes	Glargine 100U	Approved	Europe, CANZ, JP	
	Glargine 300U	Approved	Europe, CANZ	
	Aspart	Approved	Europe, CA	
	rHI	Approved		
Bone Health	Denosumab	Approved	Europe, CANZ, JP	
Ophthalmology	Aflibercept <sup>1</sup>	Approved	Europe, CA, JP	
Undisclosed	7 Assets			

Early Dev./  
Preclinical

Clinical

Filed

Approved

**Access to Serum’s vaccine portfolio**

<sup>1</sup> Partnered products | <sup>2</sup> MoW represents Most of the World markets. Chart represents the status of the country where the product is in most advanced stage. Every country has a different status

### Commercial performance of Biocon Biologics

Over the years, we have developed a strong network of strategic partners and distributors to commercialize our biosimilars in global markets. Together, we have successfully navigated through the nuances of regulatory approvals and taken our products to patients in 100+ global markets. The acquisition of Viatris’ global biosimilars business will allow us to forward integrate these capabilities, especially in Advanced Markets.

By leveraging this hybrid commercial model, the business has delivered a strong performance in FY23 driven by increased market shares, key tender wins and over 35 new launches across both Advanced and Emerging Markets.

### Advanced Markets

Our business in the U.S. recorded significant growth with all 3 commercial products (bPegfilgrastim, bTrastuzumab and bInsulin Glargine) crossing 10% market share. Prescription shares for our interchangeable bInsulin Glargine are trending higher which augurs well for FY24.

On the European front, our bTrastuzumab and bAdalimumab products, have seen an uptick in market shares with bAdalimumab achieving double-digit market shares in Germany and France, two of the largest European Markets. As we start integrating the Viatris commercial infrastructure in Europe, the region will continue to be an important market for Biocon

Biologics. We intend to leverage the strong acceptance of biosimilars in the region and increase focus in key countries with a bespoke strategy based on the nature of the market.

FY23 also saw the launch of four new products in Canada: bBevacizumab, bAdalimumab, bGlargine and bAspart. These launches expand our product offering to patients and build on our already strong foundation where we are the biosimilar market leader for bTrastuzumab.

### Emerging Markets

Our presence in Emerging Markets is built through our organically developed B2B business and Viatri's led Emerging Markets business. Our B2B business has increased in both depth and breadth by entering new countries through regional partnerships and distributors as well as the addition of new products. We have further strengthened our recombinant human insulin (rHI) business in several key markets and hold majority market shares in some.

As a part of the Viatri's acquisition, we will be setting up direct commercial infrastructure in select Emerging Markets, allowing us to get closer to patients and customers, augmenting our direct commercialization strategy.

Our Branded Formulations India (BFI) business delivered growth in key Brands such as Canmab (bTrastuzumab), Krabeva (bBevacizumab) and Basalog (bInsulin Glargine).

### Biosimilars - FY23 Highlights:

FY23 has been a stepping-stone in our transformational journey as we prepare for important launches in FY24 and execute on the integration of Viatri's acquired biosimilar business. Our products have delivered strong performance during the year.

### Acquisition of Viatri's Global Biosimilars Business

We successfully closed the acquisition of Viatri's global biosimilars business, one of the largest outbound pharma deals in India, in November 2022. This acquisition is transformational as it brings together complementary capabilities from both organizations and propels Biocon Biologics into a global biosimilars player with lab-to-market capabilities.

As a part of completing the transaction, we issued Compulsorily Convertible Preference Shares (CCPS) in BBL valued at USD 1 billion and made an upfront cash payment of USD 2 billion to Viatri's. To fund the upfront payment, we raised USD 1.2 billion of Sustainability Linked Loan (SLL). The balance was funded through an equity infusion of USD 650 million by Biocon Limited and USD 150 million by Serum Institute Life Sciences (SILS). In May 2023, we raised ~USD 98 million from funds managed by Edelweiss Alternate Asset Advisors Limited through issuance

of Optionally Convertible Debenture (OCDs) to Biocon Limited (which issued Non-Convertible Debentures (NCDs) to Edelweiss) and issuance of Compulsorily Convertible Debentures (CCDs).

Post closure of the acquisition, Viatri's continues to provide commercial and related services as part of a pre-agreed Transition Services Agreement. During this phase we remain focused on ensuring business continuity for all stakeholders. We have also drawn up a robust transition plan and intend to start integrating the business in a phased manner by geography in FY24.

### Product Performance

- **bPegfilgrastim:** In the U.S., we have seen an improvement in the market share of Fulphila® to low double-digit versus high-single digit at the beginning of the year. In Europe, there was an uptick in the market share reaching mid-single digit.
- **bTrastuzumab:** In the U.S., there was a temporary drop in market share of Ogivri® towards the end of FY22 which has recovered to low double digits. We have also seen a strong performance of Ogivri® in Canada and Australia. We have expanded our reach by entering new markets and winning key tenders in our B2B Emerging Markets business, opening new opportunities for growth.
- **bBevacizumab:** We have launched our bBevacizumab in various countries during FY23 including Australia and Canada. We received a CRL from the U.S. FDA in February 2023 citing the need for a satisfactory resolution of observations made during the facility inspection in August 2022. We have submitted a comprehensive CAPA plan and are in dialog with the agency to address these expeditiously. There are no outstanding scientific queries.
- **bAdalimumab:** Hulio™ continues to maintain mid-single digit market share in EU and has delivered significant growth in key markets such as Germany and France where it has garnered double digit shares. It has been approved by the U.S. FDA and launched in the U.S. in July 2023. It will be an important growth driver for the business.
- **bEtanercept:** Nepexto® was launched in the EU in August 2020 and we are seeing an uptick in shares in some markets.
- **bGlargine:** FY23 was the first full year of commercialization of our interchangeable Glargine in the U.S. Effective January 2022, Express Scripts and Prime Therapeutics, leading pharmacy benefit management organizations, had listed our bGlargine as a preferred insulin brand on their national formularies that together include more than



60 million patients' lives. Towards the end of FY23, our Glargine's total prescription market share has been around low-double digit while new prescriptions were at mid-double digit, indicating strong demand for the product.

- **bAspart:** Our bAspart is approved in EU, Canada, and Malaysia. We received a CRL from the U.S. FDA in October 2022 citing the need for a satisfactory resolution of observations made during the facility inspection in August 2022. Our comprehensive CAPA plan has been accepted by the Agency and we are expecting a site inspection in Q2 FY24. The CRL did not identify any outstanding scientific issues with the product.
- **Recombinant Human Insulin (rHI):** We have commercialized recombinant human insulin in several Emerging Markets worldwide and continue to be one of the largest players globally with a majority share in markets such as Malaysia and Mexico.

We entered into a strategic out-licensing agreement with Japanese pharmaceuticals company Yoshindo Inc. for commercializing two of our pipeline biosimilar assets, bUstekinumab and bDenosumab, in the Japanese market. Under the terms of this deal, Yoshindo gets exclusive commercialization rights in Japan for bUstekinumab and bDenosumab developed and manufactured by Biocon Biologics, for an addressable market opportunity of ~USD 700 million<sup>10</sup>. This partnership will allow us to expand our offering to patients in Japan.

### Facility Updates

The European Medicines Agency renewed the Certificate of GMP Compliance of our integrated insulins manufacturing facility in Malaysia following a site inspection in July 2022. We continue to invest in the expansion of this facility, driven by a strong demand for our current insulin portfolio and the needs of our future pipeline.

Our facility has been recognized as the first and largest integrated insulin manufacturer in Malaysia by the Malaysia Book of Records (MBR), which officially recognizes record-creating and record-breaking achievements in the fields of human endeavor, building & structures, transportation, arts & entertainment, business, sports & games, science & technology, and nature in Malaysia.

Our new integrated, multi-product mAbs Drug Substance Facility in Bangalore (B3) received a Certificate of GMP Compliance for bTrasutuzab and bBevacizumab, from the representative European inspection authority, Health Products Regulatory

<sup>10</sup> Source: IQVIA MAT Qs2, 2022 data

Authority (HPRA), Ireland. This approval reflects Biocon Biologics' compliance with the highest international regulatory standards and unlocks significant additional capacity to cater to the needs of patients in the EU as well as our pipeline products. This facility, one of India's largest mAbs manufacturing facilities, was also awarded the 'Facility of the Year Award' (FOYA) with an 'Honourable Mention', by the International Society for Pharmaceutical Engineering (ISPE) in 2021

### ESG

As a purpose-driven organization with an unwavering commitment to integrity and ethics, we remain committed to going beyond financials to have a positive impact. In line with this commitment, we have set-up an ESG and CSR Board Committee as well as an internal ESG Steering Committee to help design and govern the implementation of our ESG strategy and programs.

We have identified five key ESG strategy pillars with clear targets such as increasing green power usage, reducing emissions, reducing fresh-water consumption in our operations, increasing filings in LIC/LMIC countries to improve access, and improving gender diversity in our workforce.

This Integrated Report is our first GRI-aligned Integrated Report aligned with the International Integrated Reporting Council's (IIRC) framework. Over the year we have improved our ESG score in the DJSI Index<sup>11</sup> from 45 to 52 and committed to the United Nations Global Compact, the world's largest corporate sustainability initiative.

### Biosimilars - FY23 Financial Performance:

Biocon Biologics delivered a strong revenue growth of 61% over last year to ₹55,838 million on account of consolidation of the revenues from the acquired business for part of the year and improved uptake of our products across markets.

Core EBITDA margin, which is EBITDA less licensing, forex, mark-to-market movement on investments and R&D expense was at 41% versus 39% in FY22 driven by an increase in revenues. This a reflection of the robust profitability of the core business.

We continue to invest significantly in our pipeline to drive future growth with three products under clinical development. These higher R&D investments (+186% vs. FY22) impacted our in EBITDA margin from 29% in FY22 to 24% in FY23.

We ended the year on a strong note and remain focused on delivering profitable, sustainable growth.

<sup>11</sup> Scores based on joint submission of Biocon Limited and Biocon Biologics Limited

### Biosimilars - FY24 Outlook:

FY24 will be a pivotal year for Biocon Biologics as we progress the integration of Viatris' global biosimilars business. We ended FY23 on a USD 1 billion revenue trajectory, forming a strong base for FY24.

There are clear growth catalysts, including the launch of bAdalimumab in the U.S., potential approval of bBevacizumab and bAspart in the U.S. and growth of our existing business. Our fully integrated business model, backed by a strong product portfolio, sets us up well for long-term success.

### Research Services (Syngene International Ltd.)

Syngene International Ltd. ('Syngene') is a research, development, and manufacturing services company that provides an integrated range of scientific services from the earliest stages of discovery research to commercial manufacturing. This breadth of capabilities makes Syngene a one-stop solution provider for the global pharmaceutical, biotechnology, nutrition, animal health, consumer goods, and specialty chemical sectors. With over 8,000 employees, the Company partners with over 400 clients mainly located in the US and Europe.

Operating on campuses in Bengaluru and Hyderabad, Syngene provides end-to-end services within the Contract Research Organization (CRO) where it operates at the leading edge of science and technology. It also offers a wide range of services within the Contract Development and Manufacturing Organization (CDMO), including a dedicated commercial scale manufacturing site in Mangaluru, India. It has flexible collaboration approaches which include full time equivalent (FTE), fee for service, productivity based and risk-reward models, and dedicated centers.

The Company is listed on the Indian stock exchanges.

### Contract Research Organisation (CRO)

#### CRO Market:

Contract Research Organizations (CROs) provide research and development services to the pharmaceutical, biotechnology, medical device, and other industries in the form of services outsourced on a contract basis. The contract research industry has experienced rapid growth over the past decade with the pharmaceutical industry continuing to invest heavily in R&D, with a focus on developing innovative therapies to address unmet medical needs.

The global CRO market is expected to grow at a CAGR of 10.8% from USD 39 billion in 2022 to USD 49 billion in 2026<sup>12</sup>. The growth of the CRO market is driven by factors like increasing R&D activities in the pharmaceutical and biotechnology industries,

rising demand for outsourcing activities, and a growing trend towards strategic partnerships and collaborations.

In the current economic scenario, the large pharmaceutical companies are facing pricing pressure and inflation challenges. As they look to optimize their R&D budgets and restructure their costs, increasing the outsourcing of R&D activities offers an effective response. Additionally, the COVID-19 pandemic has highlighted the risks associated with relying on a single supply route. As a result, many companies are looking to build resilience in their supply chains by expanding and diversifying their suppliers which can help companies mitigate the risks associated with potential disruptions and ensure continuity of supply. Further, the geopolitical shifts are currently favoring outsourcing in the contract research sector to countries like India. Considering these and other demand drivers for the CRO industry, Syngene is cautiously optimistic of the growth opportunity for outsourcing of R&D services.

#### Our CRO Business:

Our CRO business comprises Discovery Services and Dedicated R&D Centers.

Discovery services span the entire spectrum of early-stage research from target identification to delivery of drug candidates for further development across small and large molecules. Syngene's flexible approach enables clients to choose functional services or integrated drug discovery solutions. Functional services include chemistry, biology, safety assessment and toxicology, and computational and data sciences.

Dedicated Centers are underpinned by long term strategic partnerships, offering dedicated multi-disciplinary scientific teams, support personnel, and a tailor-made ring-fenced infrastructure built to each client's specifications to support its R&D goals. Currently, Syngene operates dedicated R&D centers for three clients: Bristol-Myers Squibb, Baxter Inc., and Amgen Inc. These collaborations have shown steady growth and expansion in scope of engagement over the duration of the partnership.

The demand for CRO services continues to be strong. The Company is well-positioned to capitalize on this opportunity given its continued focus on driving functional services and integrated drug discovery solutions supported by investments in capabilities, technologies, and platforms to meet the needs of clients. Some of the focus areas include, establishing proprietary platforms for protein-yielding cell lines and antibody therapeutic discovery; continuing to leverage the power of artificial intelligence and machine learning to reduce discovery timelines and costs; and further expanding the research facilities in Hyderabad and Bengaluru.

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In the Dedicated Centers, the Company will continue to focus on meeting the needs of its long-term strategic partners through investment in new capabilities and the continuous improvement of the services provided within these collaborations.

## Contract Development and Manufacturing Organisation (CDMO)

### CDMO Market:

CDMOs specialize in the development, scale-up and manufacturing of drug products both for clinical trials and commercial distribution. CDMOs offer a range of services that include drug development, process development, analytical testing, formulation development, scale-up, manufacturing, packaging, and distribution. The services can be for clinical trials and commercial level supplies. These services can be provided on a stand-alone basis or as part of a complete end to end service offering.

The global CDMO market was valued at USD 76 billion in 2022 and expected to grow at a CAGR of 17.8% to reach a market size of USD 143 Billion in 2026<sup>13</sup>. Like CROs, the growth in CDMOs is due to the increased outsourcing trend in the current market.

A small molecule CDMO offers services which cover commercial scale development and manufacturing services of small molecules. The global small molecule CDMO market was USD 50 billion in the year 2022 and is expected to grow at a CAGR of 15.5% to reach a market size of USD 89 billion by 2026<sup>13</sup>. The expansion in the global small molecule drug discovery industry is a result of factors such as the increase in chronic diseases, increase in healthcare expenditure, and upcoming patent expirations. Over the past few years, small molecule drugs have largely been leaders among the various drug types.

Services offered by large molecule CDMOs can be divided into two areas: drug product (DP) development, which includes filling the drug substance into the primary container, and drug substance (DS) development, which includes the development of master and working cell banks, manufacturing process development, and scale-up. The large molecule market size is currently estimated at USD 26 billion and is forecasted to grow at a CAGR of 20% to reach the market size of USD 54 billion by the year 2026<sup>13</sup>. Even though the current market size of large molecules is approximately half of small molecules, the growth rate is higher. This can be attributed to a higher number of large molecule drug approvals, driven by the increase in infectious diseases, rise in demand for novel therapeutics and increased capital investments by pharma companies in the area, most notably cancer. As more novel therapeutics are being developed and launched by emerging biopharma companies, they are

partnering with CDMOs to develop, manufacture and bring products to market.

### Our CDMO Business:

Our CDMO business offers Development services, including a range of preclinical drug substance and drug product development services for both small and large molecules. Our clinical development services are across Phase I, II & III trials and support our clients in drug filing with U.S. FDA and other global regulatory authorities. Manufacturing services completes the integrated platform offering to our customers. In addition to the small molecule commercial manufacturing facility in Mangaluru, the Company offers biologics manufacturing with the capacity to run multi-product production campaigns simultaneously, based on a single-use technology platform.

The Company's strategy for Development Services is to leverage existing capabilities as an integrated CMC solutions provider. In Manufacturing Services, the Company aims to capitalize on strong demand for biologics across clinical and commercial supplies by driving an integrated approach for biologics development and manufacturing to provide a one stop-shop capability. For the small molecule commercial scale manufacturing, regulatory approvals from the U.S. FDA and other major global regulators will broaden the range of opportunities for the Mangaluru facility.

### Research Services (Syngene) - FY23 Highlights:

*10-year biologics manufacturing partnership with Zoetis:* The Company's partnership with Zoetis started back in 2011 including research and development work on several monoclonal antibody projects for use in animal health. In the first quarter of fiscal year 2023, the Company achieved a significant milestone in manufacturing services, by signing a 10-year biologics manufacturing agreement with Zoetis, to manufacture the drug substance for Librela® (bedinvetmab), a first in class monoclonal antibody used for treating osteoarthritis in dogs. The agreement is expected to be worth USD 500 million over 10 years, subject to regulatory approvals and market demand.

*BMS partnership completes 25 years:* The Company's partnership with BMS marked 25 years of collaboration in March 2023. The collaboration, which started out with a handful of scientists in a single lab, is now BMS's largest R&D facility outside the US, accommodating several hundred scientists.

*Continued investments in capability and capacity building:* A new state-of-the-art sterile clinical scale fill-finish facility with a filling capacity of about 2,000 vials per hour was operationalized. The GMP-compliant facility will offer end-to-end solutions in developing and manufacturing small and large-molecule injectables to support the delivery of clinical supplies. We also

<sup>13</sup> Frost & Sullivan Global Pharmaceutical CDMO Market Size

commissioned a kilo lab for polymers and specialty materials. At Hyderabad, the Company opened a dedicated PROTACs (proteolysis-targeting chimeras) facility for clients involved in researching treatments for cancer and other therapy areas.

Another important area of focus was our supply chain where we took steps to increase supply resilience. We increased the number of suppliers we have outside of China, added more suppliers in India and took steps to improve our supplier ecosystem.

#### Research Services (Syngene) - FY23 Financial Performance:

Syngene generated revenues of ₹31,929 million, contributing to 28% of Biocon's overall revenues and reflecting a healthy growth of 23% over FY22. This is the highest absolute year-on-year increase in revenue in the last 5 years for Syngene with all four divisions of the Company delivering sustained growth through the year.

FY23 proved to be an important year in the delivery of Syngene's long-term strategy. The CRO business saw strong performance in Discovery Services with sustained growth in Chemistry services. Development Services delivered a steady operating performance reflected in the number of repeat orders from existing clients. Substantive progress was made in the manufacturing division led by long term commercial-scale biologics manufacturing deal with Zoetis. This performance sets a solid foundation for the future amidst inflationary challenges, geopolitical issues and recessionary strains in some parts of the world.

The consolidated financial performance of Syngene for FY23 is available in its Annual Report, available on its website, <https://www.syngeneintl.com/investors/>.

#### Research Services (Syngene) – FY24 Outlook:

The Company expects the contract research, development and manufacturing market to continue to see growth with key fundamentals remaining strong. The demand for CRO services continues to be healthy on the back of global pharma and biopharma companies continuing to diversify their supply chains. The Company is well-positioned to capitalize on this opportunity backed by its continued focus on driving functional services and integrated drug discovery solutions supported by investments in capabilities, technologies, and platforms. Most of the investments will be focused on adding biologics manufacturing capacity, laboratory space for future expansion of research business and capability additions across our service lines.

For the year ahead, the Company sees healthy demand for its services. With stable revenues in the dedicated centers, good growth in Discovery Services, healthy repeat and new business in Development Services and start of commercial manufacturing in biologics, it anticipates the growth momentum to continue in the current fiscal year.

#### Financial Performance - An Overview

##### Consolidated Statement of Profit and Loss

The following table highlights key components of the statement of Profit and Loss for the fiscal years ended March 31, 2023 (FY23) and March 31, 2022 (FY22).

Particulars	All Figures in ₹ Million		
	FY 23	FY 22	Change
Total income	115,501	83,967	38%
<b>Expenses</b>			
Cost of materials consumed	36,631	27,184	35%
Employee benefits expense	20,041	17,098	17%
Research and development expenses, net of recovery partners	11,194	5,950	88%
Other expenses	18,759	11,906	58%
Finance costs	4,190	676	522%
Depreciation and amortisation expense	11,131	8,142	37%
<b>Total expenses</b>	<b>101,946</b>	<b>70,956</b>	<b>44%</b>
Share of profit / (loss) of joint venture and associate (net)	(1,670)	(2,069)	-19%
<b>Profit before tax and exceptional item</b>	<b>11,885</b>	<b>10,942</b>	<b>9%</b>
Exceptional items, net	(2,914)	(1,111)	162%
<b>Profit before tax</b>	<b>8,971</b>	<b>9,831</b>	<b>(9)%</b>
Tax expense	1,763	2,407	(27%)
Tax expense on adoption of new tax regime – exceptional	1,071	-	-

Particulars	All Figures in ₹ Million		
	FY 23	FY 22	Change
Tax on exceptional item	(293)	(292)	0%
<b>Profit for the year</b>	<b>6,430</b>	<b>7,716</b>	<b>(17)%</b>
Non-controlling interest	2,244	1,316	71%
Non-controlling interest on exceptional item	(441)	(84)	425%
<b>Profit attributable to shareholders of the Company</b>	<b>4,627</b>	6,484	(29)%
Other comprehensive income attributable to shareholders	1,138	967	18%
<b>Total comprehensive income attributable to shareholders of the Company</b>	<b>5,765</b>	<b>7,451</b>	<b>-23%</b>

### Acquisition of Viatris' biosimilars business

On November 29, 2022, Biocon Biologics Limited (BBL) acquired control through two new subsidiaries over the Viatris' biosimilar business. BBL had made an upfront payment of USD 2 billion and issued USD 1 billion of convertible securities to Viatris Inc. The balance amounts of USD 0.3 billion is payable on future dates as per the terms of the agreement. Consequently, incremental revenues and profits post acquisition are reflected in the results for the year.

#### Total income

During the year, Total income grew by 38% from ₹83,967 million to ₹115,501 million. Revenue from operations in Biosimilars and Research Services were up 61% and 23% respectively, while Generics grew by 13%. Our Total income number includes ₹2,170 million of stake dilution gain in Bicara, pursuant to fund raise during the year and accrual for benefit under Product linked Incentive (PLI) scheme.

Our Biosimilar revenues have increased by 61% over last year to ₹55,838 million, primarily due to Viatris biosimilar acquisition

effective consummation date representing fully integrated enterprise and increase in market shares of products in U.S. and EU markets.

The Generics revenues grew 13% at ₹26,367 million. The performance was driven by API sales, notably immunosuppressant, specialty APIs and new launches. Our formulations business grew on account of higher volume market share of products launched in FY22, growth in base business products in the U.S. and new product launches in most of the world markets partly offset by price erosion in statins.

The Research services grew 23% at ₹31,929 million. The growth in Discovery Services was led by a healthy demand for chemistry services delivered in part by its new research facilities in Hyderabad. In Manufacturing Services, this year saw the start of manufacturing of drug substance at commercial scale for Zoetis, which added to the strong year-on-year growth. The growth in Development Services was driven by further orders from existing clients reflecting high service levels and sustained on-time delivery.

#### The Total Income composition for FY23 and FY22 is detailed below:

Particulars	FY23		FY22	
	(₹ million)	(%)	(₹ million)	(%)
Generics	26,367	23	23,409	28
Biosimilars	55,838	48	34,643	41
Novel Biologics	192	-	510	1
Research Services	31,929	28	26,042	31
Inter-segment	(2,584)	(2)	-2,764	(3)
<b>Revenue from operations</b>	<b>111,742</b>		<b>81,840</b>	
Other income	3,759	3	2,127	2
<b>Total income</b>	<b>1,15,501</b>		<b>83,967</b>	



### Cost of material costs consumed

Material costs include raw materials, packing materials and change in inventories. In FY23, material costs, as a percentage of revenue from operations ex-licensing stood at 33% similar to FY22.

### Employee benefits expense

Employee costs increased by 17% in FY23, driven by increased headcount and annual increments across all the segments.

### Research and development expenses

The net R&D expenditure for FY23 increased by 88% to ₹11,194 million (₹5,950 million in FY22). Net R&D was at 14% of revenue ex-Syngene. We capitalised ₹759 million, taking gross R&D to ₹11,953 million for the year compared to ₹7,105 million in FY22. The R&D spend increased largely due to clinical advancement of the biosimilar pipeline.

### Other expense

Other expenses comprise of power and fuel costs, professional fees, selling expenses and other general overheads. Other expenses for FY23 increased by 58% to ₹18,759 million (₹11,906 million in FY22). This was largely driven by the Viatris acquisition, natural gas rate increase, foreign exchange loss (strengthening of USD over INR) and increase in maintenance & travel expenses.

### Interest and Finance charges

The finance cost for FY23 increased to ₹4,190 million from ₹676 million in FY22 primarily due to funds raised for Viatris' biosimilar business acquisition.

### Depreciation and Amortisation

During the fiscal, the depreciation and amortisation cost increased 37% at ₹11,131 million from ₹8,142 Million in FY22 primarily due to amortisation of acquired intangibles on Viatris' biosimilar business and commissioning of new facilities in FY23.

### Tax expenses

The effective tax rate (ETR) for the year before exceptional item and adoption of new tax regime stood at 15% (22% in FY22). Lower ETR in FY23 is primarily due to profits in tax holiday units of our biosimilars business.

Effective FY23, the Company has decided to adopt the new tax regime notified in India. Consequently, the Company has written off Minimum Alternate Tax (MAT) balance of ₹1,071 million, which can no longer be claimed.

### Exceptional items (net)

The Exceptional items during the year include the following:

- a) Biocon Biologics Limited (BBL) obtained services of professional experts (like advisory, legal counsel, valuation experts etc.) for Viatris' biosimilars business transaction. During the year ended March 31, 2023, BBL recorded ₹2,374 million, as an expense under the head 'Exceptional items'. Consequential tax impact of ₹231 million is included within tax expense.
- b) Pursuant to the acquisition, the Group also reassessed the value of certain licensed products for development and commercialization and recorded an impairment of certain intangible assets amounting to ₹470 million. The impairment has been recognized as an exceptional item during the year ended March 31, 2023. Consequential tax impact of ₹62 million is included within tax expense.

### Other Comprehensive Income ('OCI')

Other comprehensive income includes re-measurement gains/losses on defined benefit plans, gains/losses on hedging instruments designated as cash flow hedges and exchange differences on translation of foreign operations and gains/losses on the fair value of the investment in equity instruments, designated as Fair Value Through OCI.

## Consolidated Balance Sheet

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

All Figures in ₹ Million					
ASSETS	Mar-23	Mar-22	Change	Viatrix	Net Change
Tangible assets	101,226	93,643	7,583	-	7,583
Goodwill and intangible assets	266,621	13,151	253,475	253,430	45
Investment in associates and a joint venture	1,378	80	1,298	-	1,298
Inventories	42,437	22,982	19,455	13,360	6,095
Financial assets (other than cash and bank balances)	49,485	29,999	19,486	28,218	(8,732)
Cash and bank balances - A	43,867	32,179	11,688	3,050	8,639
Current and Deferred tax	6,553	6,068	831	-	831
Other assets	8,861	5,838	3,023	-	3,023
	<b>520,428</b>	<b>203,940</b>	<b>316,488</b>	<b>298,058</b>	<b>18,430</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital and other equity	178,669	84,325	94,344	83,516	10,828
Non-controlling interests	46,219	10,375	35,844	34,339	1,505
	<b>224,888</b>	<b>94,700</b>	<b>130,188</b>	<b>117,855</b>	<b>12,333</b>
<b>Liabilities</b>					
Borrowings – B	177,707	49,040	128,667	121,720	6,947
Financial Liabilities	94,019	37,436	56,583	58,483	(1,900)
Income tax and deferred tax liabilities	6,068	2,141	3,927	-	3,927
Provisions and other liabilities	17,746	20,623	(2,877)	-	(2,877)
	<b>295,540</b>	<b>109,240</b>	<b>186,300</b>	<b>180,203</b>	<b>6,097</b>
<b>Total</b>	<b>520,428</b>	<b>203,940</b>	<b>316,488</b>	<b>298,058</b>	<b>18,430</b>
<b>Net Debt C= (B-A)</b>	<b>133,840</b>	<b>16,861</b>	<b>-</b>	<b>118,670</b>	<b>-</b>

### Tangible assets

Tangible assets grew 8%, primarily due to additions in Biosimilars' facility expansion in Malaysia and India, Generics' immunosuppressant and peptides facility in Visakhapatnam and Bengaluru, India and Research Services in Hyderabad, partly offset by depreciation during the year.

### Goodwill and intangible assets

Goodwill and intangible assets increased primarily on account of the acquisition of Viatrix' biosimilars business and intangibles under development in Biosimilars.

### Investment in associates and a joint venture

These comprise of investments in Bicara (associate) and Neo Biocon (joint venture). During the year ended March 31, 2023, changes in Bicara investment of ₹1,261 million are

primarily resulting from conversion of loan given to Bicara into Investment, stake dilution gain on fund raise, offset by Group's share of loss.

### Inventories

Inventories stood at ₹42,437 million (March 22 - ₹22,982 million). Increase is primarily on account of Viatrix acquisition and built up towards new launches/ base business in Generics, Biosimilars and Research services in line with business growth.

### Financial assets

Financial assets primarily include Trade and other receivables, derivative assets and other financial assets. Increase is primarily due to trade and working capital receivable from Viatrix, partly offset by losses in derivative contracts and loan converted to investments.

### Other assets

Other assets comprise of Balance with statutory / government authorities, capital and other supplier advances, prepayments. Increase is on account of capital advances, PLI receivable and other balances with government authorities.

### Share Capital and other equity

Other equity majorly comprises of securities premium, treasury shares, retained earnings, FCTR and other reserves. Increase in FY23 is primarily due to gain on stake dilution in Biocon Biologics (18%) and Syngene (15.5%), and current year's profit accumulation.

### Non-Controlling Interests ('NCI')

Increase due to stake dilution by the Company in Biocon Biologics and Syngene ₹34,471 million and current year's share of NCI's profit.

### Borrowings

Total Borrowings stood at ₹177,707 million (March 31, 2022: ₹49,040 million). During the year ended March 31, 2023, to fund the acquisition of Viatris' biosimilars business, the Biosimilars business raised a long-term syndicated loan of USD 1.2 billion and Generics business raised USD 280 million, comprising of mezzanine finance of USD 150 million and proceeds from issuance of NCDs amounting to USD 130 million.

Also, the Group raised funds via ECB and working capital loans in FY23, net of repayments to meet is working capital and expansion requirements of base business.

Subsequent to the year end, mezzanine finance of USD 150 million in Generics business has been converted into equity in BBL.

Net Debt stood at ₹133,840 million (March 31, 2022: ₹16,861 million). Debt raise of ₹128,867 million was offset by cash generated from operations and stake sale in subsidiary to arrive at ₹116,979 million increase in Net Debt.

### Other financial liabilities

Increase in other financial liabilities primarily comprise of:

- ₹27,587 million and ₹ 6,583 million of deferred compensation and contingent consideration payable for Viatris acquisition.
- Trade and other payables acquired on Viatris biosimilar acquisition

### Provisions and other non-current liabilities

Provisions and other non-current liabilities primarily include deferred revenue, deferred tax liability and provision for gratuity

and compensated absences.

Decrease is primarily attributable to deferred revenue adjustments through Goodwill as part of purchase price allocation on Viatris acquisition.

### Key financial ratios

Particulars	FY23	FY 23 <sup>s</sup>	FY22
Debtors turnover	3.13	3.81	3.98
Inventory turnover	1.34	1.87	1.93
Interest coverage ratio	4.79	10.17	13.84
Current ratio	1.45	1.86	2.19
Debt equity ratio	1.00	0.67	0.58
Operating profit margin (%) <sup>#</sup>	15%	15%	16%
Net profit margin (%) *	7%	8%	9%
Return on net worth <sup>^</sup>	6%	9%	9%

<sup>#</sup> Operating margin is defined as Profit before taxes and interest

\* Net Profit before exceptional item and tax thereon

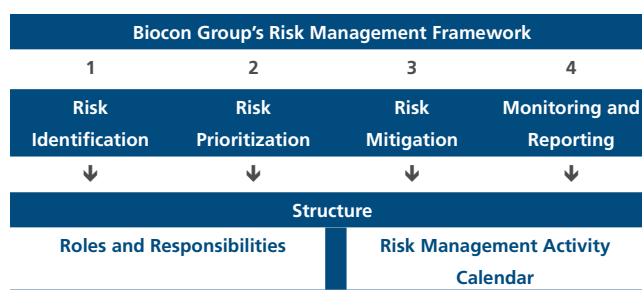
<sup>^</sup> Net Profit before exceptional income and tax thereon to average equity

\$ These ratios are presented excluding impact of Viatris' biosimilar business acquisition

### Risks, Threats, and Concerns

Organizations can create sustainable value for its stakeholders by effectively managing the risks they are willing to take, be it be in the nature of strategic, financial, regulatory, geo-political, catastrophic, or operational. Therefore, identifying, analyzing and promptly managing risks is critical from a Corporate Governance standpoint to enable an organization to attain its strategic objectives and protect the interest of its stakeholders.

Our risk management framework is given below:



Risk, as defined by ISO 31000:2018 (Risk Management - Principles and Guidelines), "is the effect of uncertainty on objectives". A risk is a potential event or non-event, the occurrence or non-occurrence of which can adversely affect the objectives or strategy of the Company or result in opportunities being missed. Risk is measured in terms of likelihood of occurrence and potential impact if it materializes. Risks can be categorized as financial, operational, strategic, regulatory/

statutory, reputational, geo-political, ESG, and catastrophic/pandemic.

Amongst the risks discussed above, regulatory/statutory, operational, strategic, and financial are usually controllable, while geo-political and catastrophic/pandemic (impacting business continuity) risks are not usually within the control of an organization.

**Risk Management:**

Risk management is a structured, consistent, and continuous process across the organization for identifying, assessing, deciding on responses to, and reporting on opportunities and threats that may affect the achievement of its objectives.

Risk management does not aim at eliminating the risks, as that would simultaneously eliminate all chances of rewards or opportunities. Instead, constant efforts are made to analyze their potential impact, assess the changes to the risk environment, and define actions to mitigate their adverse impact.

At Biocon, we have implemented a risk management

framework that ensures timely identification, analysis, and assessment of risks and potential consequences, formulation of specific mitigation strategies, and their seamless execution. The framework recognizes that risks are highly interconnected and interdependent. This evolved approach views risks within a coordinated and strategic framework integrated throughout the organization.

In addition to the above, the Risk management framework also attempts to identify and understand significant emerging ESG topics, issues, and trends (e.g., sustainable practices, health and safety, respect for human rights, compliance to statutory requirements, ethical business conduct etc.) that may impact the Company’s overall business strategy and reputation.

**Our Risk Management Structure:**

Biocon Limited’s Board of Directors has direct oversight over the Company’s overall risk management framework. The Board has formed a Risk Management Committee which reviews critical existing or emerging risks, monitors the adequacy of de-risking strategies as well as the progress on implementing such strategies. The subsidiaries also have a structure and process like that of the parent.



The Risk Management Committee, which comprises of the Chairperson, Managing Director and CEO and Independent Directors, meets once every quarter and invites senior business leaders, who are essential to the discussions, to these meetings.

An enterprise-wide risk evaluation and validation process is conducted regularly and reviewed by the Risk Management Committee and the Board of Directors. The Governance, Risk and Compliance (GRC) team coordinates and monitors organization-wide risk management activities and reports the progress to the Risk Management Committee on a quarterly basis.

### **Our Risk Management Process:**

The risk management process at Biocon involves the following three steps:

- 1) Risk identification
- 2) Risk Prioritization
- 3) Risk Mitigation
- 4) Risk Monitoring and Reporting

Our effective process ensures that these four steps are aligned with regular operations, thereby, ensuring relevant and timely reporting and action on all risks which the organization faces. The organization's risks are identified, analyzed, and prioritized from time to time. Once a risk is identified, there are four different ways in which a risk can be handled – Treat, Terminate, Transfer, Take. At Biocon, a responsive action plan is initiated for treating or managing the key risks identified and restricting them to a tolerable level.

The risk monitoring and reporting process aims to provide assurance to the Management that risks have been adequately identified, prioritized and critical risks are well managed. The Risk Management Committee reviews the critical risks with respect to their gross exposure, mitigation action status, and net exposure periodically.

### **Key Business Risks:**

Biocon is committed to conducting business while adhering to all applicable statutory laws, government notifications and regulations. Given the complex and highly regulated nature of the global pharmaceutical industry in which Biocon operates, the Company can potentially be exposed to the risks inherent

to the industry such as product safety and quality issues, intellectual property tangles, regulatory delays, etc. These risks could lead to penalties, product recalls, brand/reputation loss, and revenue loss, unless properly mitigated. In this context, it is imperative to respond to risk with a holistic risk mitigation framework that can help the organization maintain consistency in product quality, patient and employee safety and long-term sustainability.

Our established risk management framework addresses risks that are inherent to the pharma business and any others that may impact our strategic goals. For details of critical risks, impact and mitigation actions in place, refer section "Current Risks" detailed in page 79 of the Integrated Report.

Syngene's Risks are available in its Annual Report available on its website, <https://www.syngeneintl.com/investors/financial-information/>.

Considering the mitigation measures implemented to address risks arising out of COVID-19 pandemic, the Company is in a better position to address any such risk which might arise in the future.

### **Internal Controls**

A robust, comprehensive internal control system is a prerequisite for an organization to function ethically, commensurate with its abilities and objectives. We have established a strong internal control system for the Company, which comprises of policies, guidelines, and procedures adopted to ensure operational effectiveness and efficiency, compliance with laws and regulations, asset safeguarding and reliability of financial and management reporting. The Company is staffed by experienced, qualified professionals who play an important role in designing, implementing, maintaining, and monitoring our internal control systems.

An independent firm of Chartered Accountants carry out periodic internal audits to provide reasonable assurance of internal control effectiveness and advises the Company on industry-wide best practices. The Audit Committee, consisting of Independent Directors, reviews important issues raised by the internal and statutory auditors regularly and the status of rectification measures to ensure that risks are mitigated appropriately on a timely basis.



# Corporate Governance Report

## I. Company's philosophy on Code of Governance

Biocon Limited ("Biocon" or "the Company") believes in implementation of good corporate practices, policies, guidelines and is committed to meet the aspirations of all the stakeholders. Our aim is to develop a culture of the best management practices and compliance with the law coupled with the highest standards of integrity, transparency, fairness, accountability and ethics in all business matters in the widest sense.

Good governance practices stem from the dynamic culture and positive mindset of the organization. The demands of corporate governance require the experts to continuously raise their competencies and capabilities to meet the expectations of the Company with the highest standards of ethics. Commitment to adopt good and effective corporate governance practices in all the spheres of working, has always been an imperative factor in driving the Company's decisions and activities. Abidance with such governance practices has given the Company immense value addition and competitive advantage. Our corporate governance framework comprises of a formal system of control and administration that helps the management take prudent decisions whilst in the interest of the stakeholders, and at the same time enables the Company to utilise its resources in a systematic and effective manner. We consider stakeholders as partners in our success and remain committed to maximising stakeholder's value.



While implementing corporate practices, the Company focuses on areas such as transparency, accountability and integrity to nurture a good corporate governance culture that fosters employee morale and satisfaction, stakeholder acceptance and regulatory recognition on various corporate governance

aspects which can be accessed from our website at, <https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/>.

Biocon's focus is not only to ensure compliance with the requirements as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') regarding corporate governance, but is also committed to sound corporate governance principles and practices, and constantly strives to adopt emerging best corporate governance practices being followed worldwide.

A report on compliance with corporate governance principles as prescribed under Regulation 17 to 27 read with Schedule V of SEBI Listing Regulations, as applicable, is given below.

## II. Board of Directors

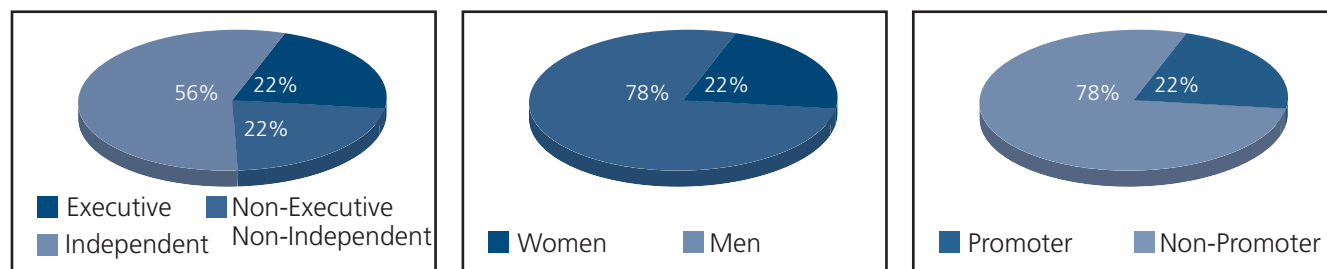
The corporate governance structure of the Company comprises the Board, as the apex decision making body and the Executive Leadership Team (ELT), which comprises experts from various functions having rich knowledge and experience in the industry for providing strategic guidance and directions in running and managing the Company. The Board of Directors ('the Board') are elected by the shareholders to oversee the Company's overall functioning. The Board is responsible for providing strategic guidance & supervision, overseeing the management performance and governance of the Company on behalf of the shareholders and other stakeholders. The Board exercises independent judgement and plays a vital role in the oversight of the Company's affairs. To sum up, the Board's key purpose is to ensure the Company's prosperity by collectively directing the Company's affairs, while meeting the appropriate interests of its shareholders and relevant stakeholders.

The Company's day to day affairs are managed by the ELT, under the overall supervision of the Board. The Board is committed to representing the long-term interests of the stakeholders and in providing effective governance over the Company's affairs and exercising reasonable business judgement on the affairs of the Company.

### Composition of the Board

Our Board represents an appropriate mix of Executive Directors ('EDs'), Non-Executive Non-Independent Directors ('NEDs') and Independent Directors ('ID'), which is compliant with the Companies Act, 2013 ('the Act') and the SEBI Listing Regulations and is also aligned with the best practices of Corporate Governance.

The Board periodically evaluates the need for change in its composition and size. As on March 31, 2023, the Board comprised of 9 (nine) Members, consisting of 2 (two) Executive Directors, 2 (two) Non-Executive Non-Independent Directors, and 5 (five) Independent Directors. Out of the total Members, 2 (two) are women directors.



Effective April 28, 2022, Naina Lal Kidwai was appointed as an Additional Director categorised as Non-Executive and Independent Director, subject to the approval of the shareholders. Further, the shareholders at the 44<sup>th</sup> Annual General Meeting (AGM) held on July 28, 2022 approved for the appointment of Naina Lal Kidwai as an Independent Director of the Company for a period of 3 (three) years w.e.f. April 28, 2022 till the conclusion of 47<sup>th</sup> AGM proposed to be held in the year 2025.

Effective December 12, 2022, Mr. Peter John Bains was appointed as an Additional Director categorised as Non-Executive and Independent Director, subject to the approval of the shareholders. Further, the shareholders through resolution passed through Postal Ballot on January 21, 2023 approved the appointment of Mr. Peter John Bains as an Independent Director of the Company for a period of 3 (three) years w.e.f. December 12, 2022 till the conclusion of 48<sup>th</sup> AGM of the Company to be held in the year 2026.

During the year under review, Mary Harney and Daniel M Bradbury completed their second term of appointment and consequently, their term of Independent Director came to an end w.e.f. July 27, 2022.

The detailed profile of our Directors is available on our website at <https://www.biocon.com/investor-relations/corporate-governance/board-of-directors/>.

None of the Directors serve as a Director in more than 7 (seven) listed companies. Further, none of the Director serves as an ID in more than 7 (seven) listed companies or 3 (three) listed companies in case he/she serves as an ED in any listed Company.

None of the Directors of the Company, are a Member of more than 10 (ten) Committees and chairperson of more than 5 (five) Committees, across all public companies in which he/she is a Director. Further, none of our IDs serve as Non-Independent Director of any Company on the board of which any of our Non-Independent Director of the Company is an ID.

The Company has 2 (two) Executive Directors and 2 (two) Non- Executive Non-Independent Directors. The other 5 (five) Directors of the Company are Independent Directors. Naina Lal Kidwai is an Independent Woman Director on the Board of the Company. The details of the directorship(s) of the Members on the Board are as mentioned in the following table titled 'Composition of the Board'.

Based on the declarations received from the Independent Directors, the Board of Directors have confirmed that they meet the criteria of independence as mentioned under Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management and also they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Further, the Independent Directors have also submitted their declaration under compliance with the provision of Rule 6(3) of Companies (Appointment and Qualification of Directors) Rules, 2014, which mandated the inclusion of an Independent Director's name in the data bank of Indian Institute of Corporate Affairs ("IICA") for a period of 1 (one) year or 5 (five) years or life time till they continue to hold the office of an Independent Director. All the Independent Directors are exempted from appearing the Online Proficiency Self-Assessment Test conducted by IICA.

The statutory details of the Directors, including the directorships held by them in other listed companies and their Committee Memberships/chairmanships in other public companies, are listed in the table below:

Name of the Director	Category	Directors Identification Number	Total Number of Directorships, Committee Chairpersonships and Memberships of Indian Public Limited Companies, as on March 31, 2023			Name of Indian Listed Entities Including this Listed Entity where person is a Director	Category of Directorship
			Directorships\$	Committee Chairpersonships^	Committee Memberships		
<b>Executive Directors</b>							
Kiran Mazumdar Shaw#	Promoter & Executive	00347229	8	-	-	Biocon Limited	Executive Chairperson
						Syngene International Limited	Non-Executive Chairperson
						Narayana Hrudayalaya Limited	Non-Executive Non-Independent
						United Breweries Limited	Independent, Non-Executive
Siddharth Mittal	Executive	03230757	4	-	-	Biocon Limited	Managing Director and CEO
<b>Non-Executive Non-Independent Directors</b>							
Prof. Ravi Rasendra Mazumdar#	Promoter Group & Non-Executive	00109213	1	1	1	Biocon Limited	Non-Executive, Non-Independent
Eric Vivek Mazumdar##	Non-Executive	09381549	1	-	-	Biocon Limited	Non-Executive, Non-Independent
<b>Independent Directors</b>							
Dr. Vijay Kumar Kuchroo	Independent	07071727	2	-	1	Biocon Limited	Independent, Non-Executive
						Syngene International Limited	Independent, Non-Executive
Meleveetil Damodaran	Independent	02106990	5	-	2	Biocon Limited	Independent, Non-Executive
						InterGlobe Aviation Limited	Non-Executive, Non-Independent
						Larsen & Toubro Limited	Independent, Non-Executive
Bobby Kanubhai Parikh	Independent	00019437	4	4	7	Biocon Limited	Independent, Non-Executive
						Infosys Limited	Independent, Non-Executive
						Indostar Capital Finance Limited	Independent, Non-Executive

Name of the Director	Category	Directors Identification Number	Total Number of Directorships, Committee Chairpersonships and Memberships of Indian Public Limited Companies, as on March 31, 2023			Name of Indian Listed Entities Including this Listed Entity where person is a Director	Category of Directorship
			Directorships\$	Committee Chairpersonships^	Committee Memberships		
Naina Lal Kidwai*	Independent	00017806	4	1	2	Biocon Limited	Independent, Non-Executive
						UPL Limited	Independent, Non-Executive
						Gland Pharma Limited	Independent, Non-Executive
Peter Bains**	Independent	00430937	1	-	2	Biocon Limited	Independent, Non-Executive

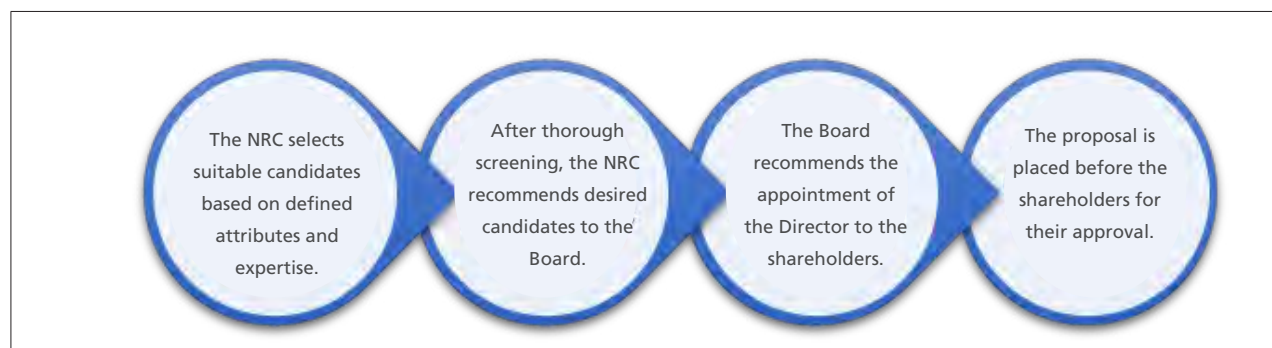
Note:

- \$ Includes Additional Directorships and Directorship in Biocon Limited.
- ^ As required under Regulation 26(1)(b) of the SEBI Listing Regulations, Committees considered are Audit Committee and Stakeholders Relationship Committee, including that of Biocon Limited.
- # Prof. Ravi Rasendra Mazumdar is the brother of Kiran Mazumdar Shaw.
- ## Eric Vivek Mazumdar is the son of Prof. Ravi Rasendra Mazumdar.
- \* Naina Lal Kidwai was appointed as an Additional Director categorised as an Independent Director w.e.f April 28, 2022.
- \*\* Peter John Bains was appointed as an Additional Director categorised as an Independent Director w.e.f December 12, 2022.

#### A. Board Membership Criteria and Selection Process

The responsibility for identifying and evaluating a candidate for the Board is discharged by the Nomination and Remuneration Committee ("NRC") formed under Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI Listing Regulations. While selecting a candidate, the NRC reviews and evaluates the Board's composition and diversity to ensure that the Board and its Committees have the appropriate mix of skills, experience, independence and knowledge for continued effectiveness. For the Board, diversity comprehends plurality in perspective, experience, education, background, ethnicity, nationality, age, gender and other personal attributes. These attributes may extend to professional experience, functional expertise, educational and professional background.

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



## B. Board Procedure

The Board and Committee meetings are pre-scheduled based on the availability of the Director(s), and an annual calendar of the meetings is circulated to them well in advance to facilitate planning of their schedule and ensure participation in the meetings. However, in case of urgent matters, subject to regulatory conditions, the Board's approval is taken by passing resolutions by circulation. The Board meets at least once in a quarter to review and approve the quarterly financial results/statements and other agenda items. The Committees of the Board usually meet prior on the same day of the Board meeting. The recommendations of the Committees are placed before the Board for necessary approval/noting. There was no situation/matter where the Board has not accepted recommendation of the Committee.

With a view to leverage technology, the Company has adopted a digital meeting(s) platform for its Board and Committee meetings, which can be accessed through web version, iOS and Android based application. The Board/Committee Agenda and related notes are made available to the Directors, at least 7 (seven) days in advance of the meetings, through this application which meets high standards of security and integrity that is required for storage and transmission of Board/Committee related documents in electronic form. All material information is incorporated in the agenda along with supporting documents and relevant presentations. Where it is not practicable to attach any document to the agenda, the same is tabled at the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

The Board reviews strategy and business plans, annual operating plans and capital expenditure budgets, investment and exposure limits, compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances, if any. To enable the Board to discharge its responsibilities effectively, the Chairperson provides an overview of the overall performance of the Company at the meeting of the Board of Directors. The Board also reviews major

legal issues, if any, minutes of meetings of various Committees of the Board and subsidiary companies, significant transactions and arrangements entered into by the subsidiary companies, approval of financial results and statements, transactions pertaining to purchase or disposal of properties, major accounting provisions and write-offs, corporate restructuring details of any joint ventures or collaboration agreements, material defaults, if any, in financial obligations, fatal or serious accidents, any material effluent or pollution problems, transactions that involve substantial payment towards goodwill, brand equity or intellectual property, any issue that involves possible public product liability, claims of substantial nature and the information as required under Regulation 17(7) read with Schedule II Part A of the SEBI Listing Regulations, as amended.

At the Board and Committee Meetings, apart from Board Members and the Company Secretary, the management team are invited to present the Company's performance in key areas such as the major business segments and their operations, subsidiaries and key functions.

The Company Secretary records Minutes of the proceedings of each Board and Committee meeting. Draft Minutes are circulated to Board /Committee Members within 15 (fifteen) days from the meeting for their comments. Directors communicate their comments (if any) in writing on the draft minutes within 7 (seven) days from the date of circulation. The Minutes are entered in the Minute Books within 30 (thirty) days from the conclusion of the Meeting and signed by the Chairperson. The copy of the signed Minutes, certified by the Company Secretary or in his absence by any Director authorised by the Board, are made available to all the Directors.

The guidelines for Board and Committee Meetings facilitate an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Committees thereof. Important decisions taken at Board/Committee Meetings are promptly communicated to the concerned departments/ divisions. Action Taken Report on decisions/Minutes of the previous meeting(s) is placed at the succeeding meeting of the Board/Committee for noting.



### C. Number of Board meetings, attendance of the Directors at meetings of the Board and the Annual General Meeting ('AGM')

During the financial year under review, 4 (four) Board Meetings were held virtually on the following dates:

S. No.	Date of Board Meeting	Total Number of Directors associated as on the date of meeting	Attendance	
			Number of Directors attended	% of Attendance
1.	April 28, 2022	9	9	100.00
2.	July 27, 2022	10	10	100.00
3.	November 14, 2022	8	8	100.00
4.	February 14, 2023	9	9	100.00

The Board met at least once in every calendar quarter and the gap between 2 (two) meetings did not exceed 120 (one hundred and twenty) days.

The attendance of the Directors at these meetings is mentioned in the table below:

Name of the Director	No. of Board Meetings which Director was entitled to attend	No. of Board Meetings Attended	% of Attendance	Attendance at the 44 <sup>th</sup> AGM
Kiran Mazumdar Shaw	4	4	100.00	Yes
Siddharth Mittal	4	4	100.00	Yes
Prof. Ravi Rasendra Mazumdar	4	4	100.00	Yes
Daniel Mark Bradbury*	2	2	100.00	NA
Mary Harney*	2	2	100.00	NA
Dr. Vijay Kumar Kuchroo	4	4	100.00	Yes
Meleveetil Damodaran	4	4	100.00	Yes
Bobby Kanubhai Parikh	4	4	100.00	Yes
Eric Vivek Mazumdar	4	4	100.00	Yes
Naina Lal Kidwai**	3	3	100.00	Yes
Peter John Bains**	1	1	100.00	NA

\* Daniel Mark Bradbury and Mary Harney had stepped down from the Board due to the completion of their second term as an Independent Director with effect from July 27, 2022.

\*\* Naina Lal Kidwai and Peter John Bains were appointed as an Additional Director of the Company with effect from April 28, 2022 and December 12, 2022, respectively.

### D. Shareholding of Non-Executive Directors

None of the Non-Executive Directors, including Independent Directors, hold any equity shares of the Company except as disclosed below:

Name of Director	Category	No. of Shares	% of Holding
Prof. Ravi Rasendra Mazumdar	Non-Executive Director	53,01,321	0.44
Eric Vivek Mazumdar	Non-Executive Director	31,76,367	0.26

#### E. Meeting of the Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the SEBI Listing Regulations, the Independent Directors met twice on July 27, 2022 and January 25, 2023 without the presence of Non-Independent Directors and Members of the management.

They had discussed and reviewed the below -

- The performance of Non-Independent Directors and the Board as a whole;
- The performance of the Chairperson of the Company after taking into account the views of the Executive and Non-Executive Directors;
- The quality, quantity and timeliness of flow of information between the Company management and the Board, that is necessary for the Board to perform their duties effectively and reasonably.

The evaluation of Independent Directors is done by the entire Board of Directors of the Company which includes:

- Performance of such directors; and
- Fulfilment of the Independence criteria and their Independence from the management.

#### F. Details of familiarization program imparted to Directors

The familiarisation programme for our Directors is customised to suit their individual interests and area of expertise.

During the financial year under review, the Independent Directors were apprised at frequent intervals on the industry trends, an overview of the Company's business model, strategy, products, market, risk management, group structure and its subsidiaries, and its operations by the senior management team. Further, various business unit heads made presentations to the Independent Directors at periodic intervals on the performance and future strategy of their respective business units. The Independent Directors were also regularly apprised of all regulatory and policy changes including their roles, rights and responsibilities. Among other matters, presentations on internal control over financial reporting, operational control over financial reporting were also made to the Board Members during the year. The Directors also interacted with Members of Senior Management as part of the induction programme.

The Company's familiarization policy and the details of programs attended, and hours spent by Independent Directors during the financial year 2022-23 is available on the Company's website at <https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/>.

#### G. Board evaluation, Key expertise and attributes of the Board of Directors

##### Board Evaluation

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Nomination and Remuneration Committee in consultation with the Board, had laid down the evaluation criteria for the performance of the Chairperson, Board, Committees of the Board, and Executive/ Non-Executive/ Independent Directors through peer evaluation, excluding the Director being evaluated. Further, the Board had agreed to undertake the Board Evaluation by an external agency, at least once in 3 (three) financial years, pursuant to which for the FY 2020-21, an external agency had conducted the Board Evaluation.

However, for the current FY 2022-23, the Board had undertaken this exercise through self-evaluation questionnaires. The evaluation process focused on the below aspects –

- Board dynamics and other aspects towards Board effectiveness
- Board Composition, Quality and Culture
- Board Meeting & Procedures
- Execution & performance of specific duties
- Board & Management relations
- Succession Planning
- Committee effectiveness
- Evaluation of Chairperson, Executive & Non-Executive Directors.

The feedback-cum-assessment of individual Directors, the Board and its Committees, were compiled and the performance evaluation report was discussed by Independent Directors and the Board / Committees for the FY 2022-23 and unanimously agreed to take up key suggestions for action.

The outcomes of the performance evaluation process for FY 2022-23 and the actions thereon are summarised below:

The directors were satisfied with the Board's engagement, experience, diversity and expertise. The Board Committees were also found to be effective in terms of its composition, functioning and contribution. The Board and Board Committees acknowledged to have spent sufficient time on (i) operational matters including review of business and functional updates; (ii) future strategies and short term and long-term growth plans and; (iii) organisation culture, governance matters and internal controls. The Board suggested to have dedicated workshops for the Board Members and invitation of experts from different domains and advised to schedule separate meetings of Chair and CEO with Board. The Board also suggested more opportunities to interact with the senior leadership team on strategic plan and succession planning aspects, amongst other matters. An overview of the suggestions as drawn from the evaluation exercise was deliberated and recommended for implementation.

In response to the suggestion of the Board in the previous board evaluation process: (i) New Directors have been appointed considering experience, expertise and skill sets as required on the Board; (ii) Elaborative Induction programmes for new Directors were conducted; (iii) Frequent engagement of the Board with senior management; (iii) Allocation of sufficient time for Board / Committee discussions.

**Key expertise and attributes of the Board of Directors**

In compliance with the SEBI Listing Regulations, the Board has identified the following skills/ expertise/ competencies fundamental for the effective functioning of the Company which are taken into consideration by the Nomination and Remuneration Committee while recommending appointment of any candidate to the Board of the Company.



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

Board Of Directors	Research & Innovation	General Management	Finance & Risk Management	Corporate Governance And Compliance	Global Healthcare	Technology & Digital Perspective	Scientific Knowledge
Kiran Mazumdar Shaw	•	•	•	•	•	•	•
Sidharth Mittal	•	•	•	•	•	•	
Prof. Ravi Rasendra Mazumdar	•		•			•	
Eric Vivek Mazumdar	•		•			•	
Dr. Vijay Kumar Kuchroo	•					•	•
Meleveetil Damodaran		•	•	•			
Bobby Kanubhai Parikh		•	•	•			
Naina Lal Kidwai	•	•	•	•	•		
Peter John Bains	•	•	•	•	•	•	•

**H. Role of Company Secretary**

The Company Secretary is the Compliance Officer and plays a key role in ensuring that effective board procedures are followed and reviewed periodically. The Company Secretary is primarily responsible to ensure compliance with the provisions of Companies Act, 2013 and provisions of all other laws applicable to the Company. The Company Secretary ensures that all relevant information, details and documents are made available to the Board of Directors for effective decision-making at the meetings. The Company Secretary is also the interface between the management and regulatory authorities for governance matters. All the Directors of the Company have access to the advice and services of the Company Secretary.

**III. Committees of the Board**

The Board has constituted various Committees to focus on specific areas and to make informed decisions within their authority. Each Committee is directed by its charter which outlines their scope, roles, responsibilities and powers. All the decisions and recommendations of the Committee are placed before the Board for its approval. The Company’s guidelines relating to Board Meetings are also applicable to Committee meetings as far as is practicable. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its functions. Senior officers/ function heads are invited to present various details called for by the Committee at its meeting. The Company Secretary of the Company acts as the Secretary to all Committees of the Board as detailed below:



**A. Audit Committee**

**I. Brief description of terms of reference**

The Company has constituted an Audit Committee (“AC”) which acts as a link between the management, external and internal auditors and the Board of Directors of the Company. The Committee’s role flows directly from the Board’s oversight function and delegation to various Committees. It acts as an oversight body for transparent, effective anti-fraud and risk management mechanisms, and efficient Internal Audit and External Audit functions financial reporting. The Audit Committee considers the matters which are specifically referred to it by the Board of Directors besides considering the mandatory requirements of Regulation

18 read with Part C of Schedule II of SEBI Listing Regulations and provisions of Section 177 of the Act. The brief description of the terms of reference of the Committee is given below.

The terms of reference and responsibilities of the Committee include review of the quarterly, half-yearly and annual financial results/statements before submission to Board, review of compliance of internal control system, approval or any subsequent modification of transactions with related parties, oversight of the financial reporting process to ensure transparency, sufficiency, fairness and credibility of financial statements, recommendation for appointment, remuneration and terms of appointment of auditors of the Company etc. The Committee also reviews the adequacy and effectiveness of internal audit function and control system. The Committee meets at least once in a calendar quarter.

During the financial year under review, 7 (seven) Meetings of the Audit Committee were held. The dates of the Meetings were April 1, 2022, April 28, 2022, July 27, 2022, September 26, 2022, November 14, 2022, February 14, 2023 and March 23, 2023 .

## II. The composition of the Committee and attendance details:

The composition of the Committee and attendance details of the Members for the year ended March 31, 2023 are given below:

S. No.	Name of Members	Category	Position	No. of Meeting(s) which Director was entitled to Attend	No. of Meeting(s) attended	% of Attendance
1.	Bobby Kanubhai Parikh	ID	Chairperson	7	7	100.00
2.	Daniel Mark Bradbury*	ID	Member	3	3	100.00
3.	Meleveetil Damodaran	ID	Member	7	7	100.00
4.	Naina Lal Kidwai*	ID	Member	2	2	100.00
5.	Peter John Bains*	ID	Member	2	1	50.00

ID - Independent Director

\* During the financial year under review, there were changes as mentioned below in the constitution of the Committee-

- Daniel Mark Bradbury, Member had stepped down as an Independent Director consequent to the completion of his second term w.e.f. July 27, 2022. With this, Daniel Mark Bradbury ceased to be a Member of the Committee w.e.f. July 27, 2022.
- Naina Lal Kidwai was inducted as a Member w.e.f. July 27, 2022 and was later ceased to be a Member w.e.f. January 12, 2023.
- Peter John Bains was inducted as a Member w.e.f. January 12, 2023.

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

Senior staff from the Finance & Accounts Department and representatives of the Statutory and Internal Auditors attend all Audit Committee meetings. The Company Secretary acts as the Secretary to the Committee.

The Committee, as a good governance practice, also meets external auditors, internal auditors and the Chief Financial Officer of the Company separately, to understand their independent opinion on the performance of the Company.

## B. Risk Management Committee

### I. Brief description of terms of reference

The Company has constituted a Risk Management Committee ("RMC"), which assist the Board of Directors in timely identification, assessment and mitigation of risks (i.e. financial, operational, strategic, regulatory, statutory, reputational, political, catastrophic and others) faced by the Company. The Committee has overall responsibility for monitoring and approving the enterprise risk management framework and is capable of effectively addressing and monitoring these risks. The Committee also approves and oversees a Company-wide risk management framework, capable of effectively addressing these risks.



The terms of reference of the RMC are in line with the provisions of the Act and Regulation 21 of the SEBI Listing Regulations.

During the financial year under review, 4 (four) Meetings were held. The dates of the Meetings were April 28, 2022, July 27, 2022, November 14, 2022 and January 25, 2023.

## II. The composition of the Committee and attendance details:

The composition of the Committee and attendance details of the Members for the year ended March 31, 2023, are given below:

S. No.	Name of Members	Category	Position	No. of Meeting(s) which Director was entitled to attend	No. of Meeting(s) attended	% of Attendance
1.	Bobby Kanubhai Parikh	ID	Chairperson	4	4	100.00
2.	Daniel Mark Bradbury*	ID	Member	2	2	100.00
3.	Meleveetil Damodaran	ID	Member	4	4	100.00
4.	Kiran Mazumdar Shaw	ED	Member	4	4	100.00
5.	Siddharth Mittal	ED	Member	4	4	100.00
6.	Eric Vivek Mazumdar	NED	Member	4	4	100.00
7.	Peter John Bains*	ID	Member	1	1	100.00

ID - Independent Director; ED - Executive Director; NED- Non-Executive Director

\* During the financial year under review, there were changes as mentioned below in the constitution of the Committee-

- Daniel Mark Bradbury, Member, had stepped down as an Independent Director consequent to the completion of his second term w.e.f. July 27, 2022. With this, Daniel Mark Bradbury ceased to be a Member of the Committee w.e.f. July 27, 2022.
- Peter John Bains was inducted as a Member w.e.f. January 12, 2023.

## C. Stakeholders Relationship Committee

### I. Brief Description of the terms of reference

The Company has constituted a Stakeholders Relationship Committee ("SRC") pursuant to the provisions of Regulation 20 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013.

The SRC is primarily responsible to redress the grievances of shareholders/ investors/ other security holders whilst reviewing measures and initiatives taken to reduce the quantum of unclaimed dividends and ensure timely receipt of dividend/ annual report/ notices and other information by shareholders and ensures effective exercise of voting rights by the shareholders/ investors. It also ensures that service standards adopted by the Company in respect of services rendered by our Registrars and Share Transfer Agent and taking note of Internal Annual Audit Report and observations along with action taken in this regard.

During the financial year under review, four (4) Meetings were held. The dates of the Meetings were April 28, 2022, July 27, 2022, October 19, 2022 and January 25, 2023.

## II. The composition of the Committee and attendance details:

The composition of the Committee and attendance details of the Members for the year ended March 31, 2023 are given below:

S. No.	Name of Members	Category	Position	No. of Meeting(s) which Director was entitled to attend	No. of Meeting(s) attended	% of Attendance
1.	Daniel Mark Bradbury*	ID	Chairperson	2	2	100.00
2.	Bobby Kanubhai Parikh	ID	Member	4	3	75.00
3.	Prof. Ravi Rasendra Mazumdar*	NED	Chairperson	4	4	100.00
4.	Dr. Vijay Kumar Kuchroo*	ID	Member	2	2	100.00
5.	Peter John Bains*	ID	Member	1	1	100.00

ID - Independent Director; ED - Executive Director; NED- Non-Executive Director

\*During the financial year under review, there were changes as mentioned below in the constitution of the Committee-

- Daniel Mark Bradbury, Member, had stepped down as an Independent Director consequent to the completion of his second term w.e.f. July 27, 2022. With this, Daniel Mark Bradbury ceased to be the Chairperson and Member of the Committee w.e.f. July 27, 2022.
- Prof. Ravi Rasendra Mazumdar was appointed as a Chairperson of the Committee w.e.f. July 27, 2022.
- Vijay Kumar Kuchroo was inducted as a Member w.e.f. July 27, 2022.
- Peter John Bains was inducted as a Member w.e.f. January 12, 2023.

Mayank Verma, Company Secretary of the Company is the Secretary to the Committee. Further, he also acts as the Compliance Officer of the Company.

The table below encompasses the details of the complaints received and disposed off during the year ended March 31, 2023.

Particulars	Complaints
Remaining unsolved at the beginning of the year	1
Received during the year	123
Disposed during the year	124
Number of complaints not solved to the satisfaction of shareholders	-
Remaining unsolved at the end of the year	-

The quarterly statement on investor complaints received and disposed off are filed with Stock Exchanges within 21 (twenty-one) days from the end of each quarter and the statement filed is also placed before the subsequent meeting of Board of Directors.

Further, with regards to the unpaid or unclaimed dividend, the Company has sent out reminders to the shareholders to claim their unpaid or unclaimed dividends before the dividend amounts are transferred to Investor Education and Protection Fund ('IEPF').

In terms of the SEBI Circular dated March 16, 2023 issued in supersession to Circular dated November 3, 2021 and Circular dated December 14, 2021, the Company had sent out communications to holders of physical securities to furnish their PAN, KYC details and Nomination as per the prescribed conditions embedded in the circular. Necessary forms for furnishing the requisite details in this regard are available on the website at <https://www.biocon.com/investor-relations/shareholder-services/miscellaneous-communication/>.

## D. Corporate Social Responsibility and ESG Committee

### I. Brief description of terms of reference

The Company is driven by a vision to make a difference in global healthcare through improved access to high quality and life-saving bio therapeutics by making them affordable for patients across the world. The Company's contributions and initiatives towards social welfare and environment sustainability have been integral to its business.

The Corporate Social Responsibility ('CSR') & ESG activities of the Company shall continuously evolve for a long-term sustainability of business, society and environment at large. The CSR and ESG Committee shall further align and integrate social wellbeing, economic growth and environmental sustainability with the Company's core values, operations and growth.

The terms of reference of the CSR and ESG Committee are in line with the provisions of Section 135 of the Companies Act, 2013, which inter alia includes the following:

- Identifying the areas of CSR activities, its implementation and monitoring;
- Formulate and amend the CSR Policy, from time to time;
- Adoption of Annual Action Plan or modification thereof;
- Oversee Company's ESG program, strategy, initiatives, execution and disclosures.
- Reporting progress of various initiatives with respect to CSR and ESG.

During the financial year under review, 4 (four) Meetings were held. The dates of the Meetings were April 22, 2022, July 21, 2022, October 19, 2022 and January 24, 2023.

### II. The composition of the Committee and attendance details:

The composition of the Committee and attendance details of the Members for the year ended March 31, 2023 are given below:

S. No.	Name of Members	Category	Position	No. of Meeting(s) which Director was entitled to Attend	No. of Meeting(s) attended	% of Attendance
1.	Mary Harney*	ID	Chairperson	2	2	100.00
2.	Naina Lal Kidwai*	ID	Chairperson	3	3	100.00
3.	Dr. Vijay Kumar Kuchroo	ID	Member	4	3	75.00
4.	Prof. Ravi Rasendra Mazumdar	NED	Member	4	4	100.00
5.	Siddharth Mittal	ED	Member	4	4	100.00
6.	Eric Vivek Mazumdar	NED	Member	4	4	100.00

ID - Independent Director; NED – Non-Executive Director; Non-Independent Director.

\*During the financial year under review, there were changes as mentioned below in the constitution of the Committee-

- Mary Harney, Chairperson, had stepped down as an Independent Director consequent to the completion of her second term w.e.f. July 27, 2022. With this, Mary Harney ceased to be the Chairperson and Member of the Committee w.e.f. July 27, 2022.
- Naina Lal Kidwai was inducted as a Member w.e.f. April 28, 2022. Further, Naina Lal Kidwai was appointed as the Chairperson of the Committee w.e.f. July 27, 2022.

## E. Nomination and Remuneration Committee

### I. Brief description of terms of reference

The Company has a Nomination and Remuneration Committee (“NRC”) pursuant to the provisions of Regulation 19, read with Part D of Schedule II of the SEBI Listing Regulations and Section 178 of the Act. As per the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the NRC of the Company acts as the Compensation Committee for administration of the Employee Stock Option Plan. The NRC has been vested with the authority to recommend nominations for Board Membership, succession planning for the senior management and the Board, develop and recommend policies with respect to composition of the Board commensurate with the size, nature of the business and operations of the Company, establish criteria for selection of Board Members with respect to competencies, qualifications, experience, track record, integrity, devise appropriate succession plans and determine overall compensation policies of the Company.

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

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

The NRC also formulates the criteria for determining qualifications, positive attributes and independence of a Director. The Committee on a periodical basis, recommends to the Board, policies relating to the remuneration of Directors, Key Managerial Personnel and Senior Management. The Policy on Director’s Appointment and Remuneration is available on our website at [https://www.biocon.com/docs/Policy-on-Director's-appointment-and-remuneration\\_20211021.pdf](https://www.biocon.com/docs/Policy-on-Director's-appointment-and-remuneration_20211021.pdf).

The NRC has undertaken the exercise to evaluate the performance of individual Directors. Feedback is sought by way of structured questionnaires covering various aspects of the Board’s functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution & performance of specific duties, obligations and governances. Performance evaluation is carried out based on the responses received from all Directors.

The performance evaluation of Independent Directors is based on various criteria including experience and expertise, independent judgement, ethics & values, adherence to the corporate governance norms, interpersonal relationships, attendance and contribution at meetings, amongst others.

During the financial year under review, 4 (four) Meetings of the NRC were held. The dates of the Meetings were April 22, 2022, July 21, 2022, October 19, 2022 and January 24, 2023.

### II. The composition of the Committee and attendance details:

The composition of the Committee and attendance details of the Members for the year ended March 31, 2023 are given below:

S. No.	Name of Members	Category	Position	No. of Meeting(s) which Director was entitled to Attend	No. of Meeting(s) attended	% of Attendance
1.	Mary Harney*	ID	Chairperson	2	2	100.00
2.	Dr. Vijay Kumar Kuchroo	ID	Member	4	3	75.00
3.	Prof. Ravi Rasendra Mazumdar	NED	Member	4	4	100.00
4.	Naina Lal Kidwai **	ID	Chairperson	3	3	100.00
5.	Daniel Mark Bradbury *	ID	Member	2	2	100.00

ID - Independent Director; NED – Non-Executive Director; ED – Executive Director.

\*During the financial year under review, there were changes as mentioned below in the constitution of the Committee-

- Mary Harney, Chairperson and Daniel Mark Bradbury, Member, had stepped down as an Independent Director consequent to their completion of the second term w.e.f. July 27, 2022. With this, Mary Harney ceased to be the Chairperson and Member and Daniel Mark Bradbury as Member of the Committee w.e.f. July 27, 2022.
- Naina Lal Kidwai was inducted as a Member w.e.f. April 28, 2022 and was further appointed as Chairperson of the Committee w.e.f. July 27, 2022.

## **IV. Remuneration of Directors**

### **A. Remuneration Policy**

Your Company has a well-defined policy for remuneration of the Directors, Key Management Personnel and Senior Management. The policy of the Company is designed to create a high-performance culture and enables the Company to attract, retain and motivate employees to achieve results. The policy is available on the Company's website at <https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/>.

The elements of remuneration to the Executive Directors include fixed and variable salary, performance bonus, contribution to provident fund, superannuation, gratuity, perquisites and allowance, reimbursement of expenses, stock options etc., as applicable to employees of the Company. The Executive Directors are employees of the Company and are subject to service conditions as per the Company policy, which is 3 (three) months' notice period, or such period as mutually agreed upon. There is no provision for payment of severance fees to Non- Executive Directors. Independent Directors are paid remuneration in the form of commission, apart from the sitting fees and are not subject to any notice period and severance fees.

### **B. Remuneration to Non - Executive Directors**

The shareholders at their 43<sup>rd</sup> Annual General Meeting, based on the recommendation of Nomination & Remuneration Committee and Board of Directors, have approved the payment of remuneration to Non-Executive Directors, at an amount not exceeding 3% of the net profit of the Company effective from the financial year 2021-22. The payment of such remuneration would be in addition to the sitting fees for attending Board/Committee meetings.

As an abundant caution, approval of the shareholders was sought for payment of remuneration to the Non-Executive Directors, in situation of absence or inadequacy of profits for 3 (three) years w.e.f. Financial Year 2022-23, by way of postal ballot.

### **C. Remuneration to Executive Directors**

The shareholders, at their 42<sup>nd</sup> Annual General Meeting ("AGM") held on July 24, 2020, have approved the re-appointment of Kiran Mazumdar Shaw as an Executive Director, designated as an Executive Chairperson for a period of 5 (five) years effective April 1, 2020 on certain terms and conditions, including her remuneration subject to prescribed limit under the rules and regulations. The remuneration includes fixed and variable salary, performance bonus, contribution to provident fund, superannuation, gratuity, perquisites and allowances, reimbursement of expenses, etc. as applicable to employees of the Company.

Further, at the same AGM, the shareholders have approved the appointment of Siddharth Mittal as the Chief Executive Officer (CEO) and Managing Director of the Company for a period effective from April 1, 2020, till the end of his current tenure of appointment i.e. November 30, 2024. The remuneration includes fixed and variable salary, performance bonus, contribution to provident fund, superannuation, gratuity, perquisites and allowances, reimbursement of expenses, long term rewards etc. as applicable to employees of the Company.

Subsequently, the shareholders at their 43<sup>rd</sup> AGM held on July 23, 2021, have approved the increase in the limit of managerial remuneration payable to Siddharth Mittal, Managing Director and CEO of the Company, which was in excess of 5% of the net profits of the Company for the financial year 2021-22 and thereafter during his remaining tenure as the Managing Director of the Company. However, the total managerial remuneration paid to the Executive Director(s) of the Company taken together in any financial year shall not exceed the limit of 10% of net profit, and overall managerial remuneration paid to all directors have not exceeded the overall limit of 11% of net profit of the Company as prescribed under Section 197 of the Act read with rules made thereunder or other applicable provisions or any statutory modifications thereof.

As an abundant caution, approval of the shareholders was sought for payment of remuneration to the Executive Directors, in situation of absence or inadequacy of profits for 3 (three) years w.e.f. Financial Year 2022-23, by way of postal ballot.



#### D. Criteria for Making Payment to Non-Executive Directors

The Company's Non-Executive Directors are leading professionals with high level of expertise and rich experience in functional areas such as business strategy, financial governance, corporate governance, research and innovation amongst others. The Company's Non-Executive Directors have been shaping and steering the long-term strategy and make invaluable contributions towards Biocon group level strategy, monitoring of risk management and compliances.

The Nomination and Remuneration Committee determines and recommends to the Board the compensation payable to all the Directors from time to time.

Based on the recommendation of Nomination and Remuneration Committee and the Board of Directors, the shareholders at their 43<sup>rd</sup> AGM held on July 23, 2021 have approved to pay remuneration by way of commission or otherwise to the Non-Executive Directors of the Company for the financial year 2021-22 and thereafter, at an amount not exceeding 3% of the net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013 and the said remuneration is in addition to sitting fees and reimbursement of expenses for attending the meetings of the Board of Directors or Committees thereof and the said remuneration is paid in such amount, proportion and manner as may be decided by the Board of Directors of the Company from time to time.

#### E. Service Contracts, Notice Period and Severance Fees

As on March 31, 2023, the Board comprised of 9 (nine) Members, including 2 (two) Executive Directors and 7 (seven) Non-Executive Directors, of which 5 (five) are Independent Directors. Kiran Mazumdar Shaw, Executive Chairperson and Siddharth Mittal, Managing Director and CEO are employees of the Company. Hence, the provision for payment of severance fees to them shall be as per the terms mentioned in the Company's policy. However, other Directors are not subject to any notice period and severance fees.

#### F. All Pecuniary Relationship or Transactions of the Non-Executive Directors

There was no pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company, which has potential conflict with the interest of the organisation at large.

#### G. Remuneration to Directors

The details of remuneration of Directors for the year ended March 31, 2023 are given below:

Directors	Salary and Perquisites					Others		Total
	Fixed Pay & Bonus	Perquisites <sup>^</sup>	Retirement Benefits	Commission		Sitting Fees		
Kiran Mazumdar Shaw	30.00	-	-	-	-	-	30.00	
Siddharth Mittal	47.88	-	-	-	-	-	47.88	
Prof. Ravi Rasendra Mazumdar	-	-	-	4.59	1.28	-	5.87	
Eric Vivek Mazumdar	-	-	-	4.31	0.96	-	5.27	
Mary Harney *	-	-	-	1.18	0.23	-	1.41	
Daniel Mark Bradbury*	-	-	-	1.34	0.38	-	1.72	
Dr. Vijay Kumar Kuchroo	-	-	-	4.44	0.96	-	5.40	
Meleveetil Damodaran	-	-	-	4.95	1.04	-	5.99	
Bobby Kanubhai Parikh	-	-	-	6.07	1.36	-	7.42	
Naina Lal Kidwai**	-	-	-	5.28	1.20	-	6.48	
Peter John Bains**	-	-	-	2.62	0.66	-	3.28	

\* Mary Harney and Daniel Mark Bradbury ceased to be the Directors of the Company w.e.f. July 27, 2022 pursuant to the completion of their second term of being an Independent Director.

\*\* Naina Lal Kidwai and Peter John Bains were appointed as Additional Directors (Category: Non-Executive and Independent) w.e.f. April 28, 2022 and December 12, 2022, respectively.

**Note:**

- ^Perquisites valued as per Income Tax Act, 1961.
- The remuneration to Executive Directors and Key Managerial Personnel does not include provisions made for gratuity and compensated absences, as they are obtained on an actuarial basis for the Company as a whole.

During the financial year under review, no options under the Company’s ESOP and RSU plan were granted to any Executive/Non-Executive Directors of the Company.

**V. General Body Meetings**

**A. Annual General Meetings**

The date, time, location of Annual General Meetings held during the last 3 (three) years and the special resolutions passed thereat are as follows:

Year	Date and Time	Venue	Special Resolution(s) Passed
2021-22	July 28, 2022 at 3:30 pm	*Held through video conferencing ('VC') or other audio-visual means (OAVM).	<ol style="list-style-type: none"> <li>1. To appoint Naina Lal Kidwai (DIN:00017806) as an Independent Director of the Company.</li> <li>2. To approve amendment and termination of Biocon Limited Employee Stock Option Plan 2000 ("the ESOP Plan").</li> <li>3. To approve amendment in the Biocon Restricted Stock Unit Long Term Incentive Plan FY 2020-24 of the Company.</li> </ol>
2020-21	July 23, 2021 at 3.30 pm	*Held through video conferencing ('VC') or other audio-visual means (OAVM).	<ol style="list-style-type: none"> <li>1. Re-appointment of Bobby Kanubhai Parikh (DIN: 00019437) as an Independent Director of the Company.</li> <li>2. To approve revision in remuneration payable to Non-Executive Directors by way of Commission.</li> <li>3. To approve and increase in the limit of managerial remuneration payable to Siddharth Mittal, Managing Director in excess of 5% of the net profits of the Company.</li> </ol>
2019-20	July 24, 2020 at 3.30 pm	*Held through video conferencing ('VC') or other audio-visual means (OAVM).	<ol style="list-style-type: none"> <li>1. Re-appointment of Kiran Mazumdar Shaw (DIN: 00347229) as an Executive Director (designated as "an Executive Chairperson") of the Company.</li> <li>2. To approve Biocon Restricted Stock Unit Long Term Incentive Plan FY 2020-24 and grant of Restricted Stock Units to eligible employees of the Company.</li> <li>3. To approve grant of Restricted Stock Units to the employees of present and future subsidiary Company (ies) under Biocon Restricted Stock Unit Long Term Incentive Plan FY 2020-24.</li> </ol>

\*The AGM held on July 28, 2022, July 23, 2021 and July 24, 2020 were in compliance with the applicable provisions of the Companies Act, 2013, General Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 5, 2020 and Circular No. 2/2022 dated May 05, 2022, issued by Ministry of Corporate Affairs ('MCA'). The deemed venue for the meeting was registered office of the Company at 20<sup>th</sup> KM, Hosur Road, Bengaluru, 560 100, Karnataka, India.

## I. Special Resolutions passed through Postal Ballot

During the financial year ended March 31, 2023, one postal ballot was held for passing the following resolutions:

- 1 Ordinary Resolution
- 5 Special Resolutions

The details of the same are provided below:

S. No.	Special/Ordinary Resolution Passed	Voting Details							Date of declaration of results
		No. of shares	No. of votes polled	% of votes polled on Outstanding shares	Votes cast in favour		Votes cast against		
					No. of votes	%	No. of votes	%	
1.	Approval for appointment of Peter Bains as an Independent Director of the Company. (S)	1,20,06,00,000	97,30,62,641	81.05%	96,96,02,649	99.64	34,59,992	0.35	January 21, 2023
2.	Approval for the payment of remuneration to Directors in case of absence/inadequate profits. (S)	1,20,06,00,000	92,00,77,375	76.63	89,17,09,129	96.92	2,83,68,246	3.08	
3.	Approval for sale, disposal and leasing of assets exceeding 20% of the assets of material subsidiaries of the Company. (S)	1,20,06,00,000	97,30,63,219	81.05	94,66,13,473	97.28	2,64,49,746	2.72	
4.	Approval for material related party transaction(s) between the Company's subsidiaries for issuance of guarantees and/or creation of security/encumbrance, to secure borrowings in relation to the acquisition of biosimilar business from Viatrix Inc. (O)	1,20,06,00,000	25,97,14,109	21.63	25,32,53,992	97.51	64,60,117	2.48	
5.	Approval for creation of charges, securities on the properties/ assets of the Company, under Section 180(1)(A) of the Companies Act, 2013. (S)	1,20,06,00,000	96,62,54,915	80.48	89,36,77,684	92.48	7,25,77,231	7.51	
6.	Approval for increase in the limits applicable for making investments/ extending loans and giving guarantees or providing securities in connection with loan to persons/ bodies corporate. (S)	1,20,06,00,000	91,10,59,272	75.88	83,10,07,367	91.21	8,00,51,905	8.78	

(S) signifies Special Resolution and (O) signifies Ordinary Resolution.

## II. Person who conducted the Postal Ballot process

Pradeep B Kulkarni (FCS 7260; CP 7835), Practicing Company Secretary and Partner of M/s. V. Sreedharan & Associates, Company Secretaries, Bengaluru, was appointed as scrutinizer to conduct the Postal Ballot process.

### III. Procedure for Postal Ballot

In compliance with the provisions of the Companies Act, 2013, read with appropriate Rules made thereunder, the Company provides electronic voting (e-voting) facility to all its Members. The Company engages the services of KFin Technologies Limited, the Registrar and Share Transfer Agents of the Company for the purpose of providing e-voting facility to all its Members.

The Company dispatches the postal ballot notices to its Members in the electronic form to the email addresses registered with their depository participants and to their registered addresses (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date. Members exercising their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The scrutinizer submits his report to the Chairperson, after the completion of scrutiny and the consolidated results of voting by postal ballot are then announced by the Chairperson/any Director of the Company/Company Secretary. The results are also displayed on the Company's website, [www.biocon.com](http://www.biocon.com), besides being communicated to the Stock Exchanges, Depositories & Registrar and Share Transfer Agent. The date of declaration of Postal Ballot shall be the date on which the resolution would be deemed to have been passed, if approved by requisite majority.

None of the business proposed to be transacted at the ensuing Annual General Meeting requires passing of special resolution through postal ballot.

## B. Means of Communication

### I. Quarterly financial results

The quarterly financial results are normally published in nationwide newspaper i.e. Financial Express and Vijayavani (Kannada edition) and are also displayed on Company's website <https://www.biocon.com/investor-relations/stock-exchange-disclosures/press-release/>.

### II. News Releases, Presentations

Official news/press releases are disclosed to both the Stock Exchanges i.e. NSE and BSE from time to time and are also displayed on the website of the Company at <https://www.biocon.com/investor-relations/stock-exchange-disclosures/press-release/>.

### III. Presentations to Institutional Investors/ Analysts

Presentations are made to institutional investors and financial analysts on the quarterly financial results of the Company. These presentations are also published at the website of the Company and are disclosed to both the Stock Exchanges i.e. NSE and BSE. The details of meetings with institutional investors/financial analysts are intimated to the Stock Exchanges and disclosed on website of the Company at [www.biocon.com](http://www.biocon.com).

## IV. Website

The website of the Company i.e. [www.biocon.com](http://www.biocon.com) contains a separate and dedicated "investors" section to serve shareholders, by giving complete information pertaining to the Board of Directors and its Committees, annual reports along with supporting documents, financial results including subsidiaries financials, stock exchange disclosures and compliances such as shareholding pattern, corporate governance report and press releases, Notice of the Board and General Meetings, contact details of Registrar and Share Transfer Agents, details of unclaimed or unpaid dividend and Investor Education and Protection Fund ('IEPF') related information, amongst others. These are made available on the website in a user-friendly and downloadable form.

## V. NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre

NEAPS and BSE Listing Centre are web-based applications designed by NSE and BSE, respectively, for the Corporates for smooth filing of information with the stock exchanges. All periodical compliance filings like shareholding pattern, corporate governance report, press releases, financial results and other disclosures under SEBI Listing Regulations are electronically filed on NEAPS and BSE Listing Centre.

## VI. SEBI Complaints Redress System ('SCORES')

Investor complaints are processed through a centralized web-based complaints redressal system. Centralised database of all complaints received, online upload of the Action Taken Reports (ATRs) by the Company, online viewing by investors of actions taken on the complaint and the current status are updated/resolved electronically in the SEBI SCORES system.

## V. General Shareholders Information

### A. Company Registration Details

The registered office of the Company is Biocon Limited, 20<sup>th</sup> KM, Hosur Road, Electronic City, Bengaluru, 560 100 and it is registered in the State of Karnataka, India. The Corporate Identity Number ('CIN') allotted to the Company by the Ministry of Corporate Affairs ('MCA') is L24234KA1978PLC003417.

### B. Annual General Meeting

<b>Day, Date and Time</b>	Friday, August 11, 2023 at 3:30 PM (IST)
<b>Venue *</b>	45 <sup>th</sup> Annual General Meeting of the Company will be held at 20 <sup>th</sup> KM, Hosur Road, Electronic City, Bangalore – 560 100, Karnataka, India
<b>Financial Year</b>	April 1, 2022 – March 31, 2023
<b>Dividend Payment date</b>	Within 30 (thirty) days of declaration of dividend
<b>Record Date (Dividend)</b>	July 7, 2023
<b>Cut-off Date (e-voting)</b>	August 4, 2023
<b>Financial Results Calendar for 2023-24 (tentative)</b>	
<b>Q1- FY 24</b>	August 10, 2023
<b>Q2- FY 24</b>	November 10, 2023
<b>Q3- FY 24</b>	February 8, 2024
<b>Q4- FY 24</b>	May 16, 2024
<b>Listed on Stock Exchanges</b>	<b>National Stock Exchange of India Limited ('NSE')</b> Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 <b>BSE Limited ('BSE')</b> PJ Towers, Dalal Street, Mumbai- 400 001
<b>Stock Code/Symbol</b>	NSE – BIOCON BSE - 532523
<b>International Securities Identification Number ("ISIN")</b>	INE376G01013
<b>Payment of Annual listing fees to Stock Exchanges</b>	Paid

\* In terms of the MCA Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 Circular No. 20/2020 dated May 05, 2020 and subsequent circulars issued in this regard, the latest being Circular No. 10/2022 dated December 28, 2022, the 45<sup>th</sup> AGM of the Company shall be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM is annexed to the AGM Notice and available at the website of the Company at [www.biocon.com](http://www.biocon.com).



### I. Market price data during 2022-23

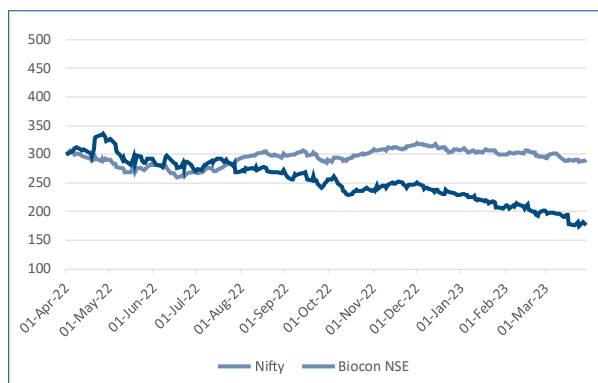
The monthly high/low closing prices and volume of shares of the Company from April 1, 2022 to March 31, 2023 are given below:

Month	BSE			NSE		
	High Price	Low Price	Volume of Equity Shares	High Price	Low Price	Volume of Equity Shares
Apr-22	387.80	333.75	3,414,694	388.00	333.00	62,200,588
May-22	377.30	317.10	2,671,080	377.55	317.05	36,656,750
Jun-22	344.00	307.00	2,999,526	344.00	307.00	56,698,480
Jul-22	341.50	305.00	2,709,702	341.65	305.00	39,228,227
Aug-22	320.00	298.70	2,693,027	319.50	298.55	30,059,755
Sep-22	309.00	273.65	2,636,817	307.35	273.50	43,869,056
Oct-22	299.00	258.30	5,076,205	299.15	258.25	42,369,960
Nov-22	293.30	265.10	7,437,218	295.00	267.20	52,735,789
Dec-22	286.40	259.25	6,729,799	286.50	259.10	45,859,633
Jan-23	265.90	229.70	1,976,718	265.95	229.65	37,510,779
Feb-23	245.45	217.40	7,773,696	245.50	217.35	112,633,559
Mar-23	232.70	191.60	10,878,060	232.70	191.55	155,778,883

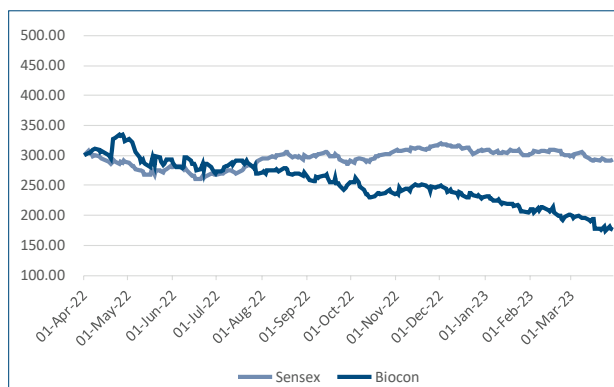
### II. Performance in comparison with broad based indices

The chart below depicts the performance of the Company's share price in comparison to broad-based indices, such as BSE Sensex and NSE Nifty. The Biocon Management cautions that the stock movement shown in the graph below should not be considered indicative of potential future stock price performance.

**Biocon & Nifty share price movement from April 01, 2022 to March 31, 2023**



**Biocon & BSE Sensex share price movement from April 01, 2022 to March 31, 2023**



### III. Share transfer system

The Company has Stakeholders Relationship Committee to review and resolve the complaints by shareholders which may arise from time to time and the status of such complaints or requests is placed before the Board. The Company has complied with the requirements as specified in Regulation 40 of SEBI Listing Regulations for effecting transfer of securities of the Company.

In terms of Regulation 40(9) of the SEBI Listing Regulations, the Company obtains an annual compliance certificate, from a Company Secretary in Practice with respect to due compliance of share and security transfer formalities by the Company and the copy of the compliance certificate is submitted to the Stock Exchanges.

SEBI, effective from April 1, 2019, barred physical transfer of shares of the listed companies and mandated transfers only in dematerialised form. However, shareholders are not barred from holding shares in physical form. SEBI vide its notification dated January 24, 2022 further notified that transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

Shareholders holding shares in physical mode have been requested to furnish PAN, nomination, contact details, bank account details and specimen signature for their corresponding folios. The folios shall be frozen if any of these details are not available on or after October 1, 2023. Shareholders may contact the RTA at einward.ris@kfintech.com.

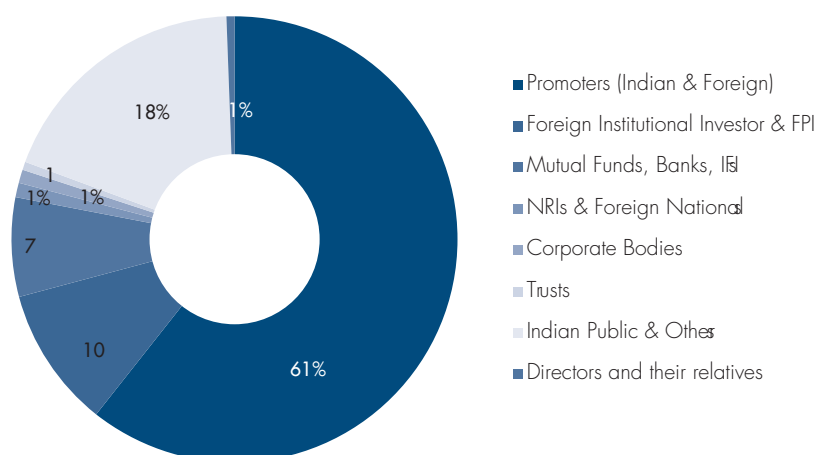
#### IV. Dematerialization of shares and liquidity

As on March 31, 2023, 99.77% of the equity shares were in electronic form. Trading in equity shares of the Company is permitted only in dematerialized form. The Company's equity shares are actively traded on both National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

Further, as mandated by the Securities and Exchange Board of India ("SEBI"), existing Members of the Company, who hold securities in physical form and intend to transfer their securities, can do so only in dematerialised form. Hence, shareholders who hold shares in physical form are requested to dematerialise these shares to ensure such shares are freely transferable.

#### V. Distribution of shareholding (category wise) as on March 31, 2023 is as under:

S. No	Category	No. of Shares	% to Equity
1.	Promoters (Indian & Foreign)	728,024,176	60.64
2.	Foreign Institutional Investor & FPI	122,464,170	10.20
3.	Mutual Funds, Banks, IFIs	86,352,509	7.19
4.	NRIs & Foreign Nationals	12,532,430	1.04
5.	Corporate Bodies	11,705,448	0.97
6.	Trusts	6,999,175	0.58
7.	Indian Public & Others	225,475,518	18.78
8.	Directors and their relatives	7,046,574	0.59
	<b>Total</b>	<b>1,200,600,000</b>	<b>100.00</b>



## VI. Distribution of shareholding as on March 31, 2023:

S. No	Category (Amount)	No. of Holders	% To Holders	Amount(₹)	% To Equity
1.	1 - 5000	4,02,587	95.47	231,274,570	3.85
2.	5001 - 10000	10,121	2.40	72,477,325	1.21
3.	10001 - 20000	4,776	1.13	66,980,520	1.12
4.	20001 - 30000	1,574	0.37	39,667,405	0.66
5.	30001 - 40000	593	0.14	20,797,025	0.35
6.	40001 - 50000	399	0.09	18,365,355	0.31
7.	50001 - 100000	723	0.17	50,685,550	0.84
8.	100001 and above	915	0.22	5,502,752,250	91.67
<b>TOTAL:</b>		<b>4,21,688</b>	<b>100.00</b>	<b>6,003,000,000</b>	<b>100.00</b>

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

The Company has not issued any ADRs/GDRs/Warrants or any convertible instruments.

## VIII. Commodity price risk or foreign exchange risk and hedging activities

The input pricing risk is managed through appropriate long-term rate contracts and constant evaluation of alternate support sources for key raw materials. The Company has an approved Foreign Exchange Risk Management Policy and accordingly, during the financial year ended March 31, 2023, the Company managed foreign exchange risk and hedged these to the extent considered necessary. The details of foreign currency exposure and hedging are disclosed in Notes to Standalone Financial Statements.

## IX. Plant locations

1	2	3	4
20 <sup>th</sup> KM, Hosur Road, Electronics City, Bengaluru, Karnataka - 560 100, India	Biocon Park, Plot No. 2, 3, 4 & 5, Bommasandra- Jigani Link Road, Bengaluru, Karnataka - 560 099, India	Plot No.02, Road No. 21, J.N. Pharma City, Thadi village, IDA Parawada, Parawada Industrial Area, Anakapalli, Andhra Pradesh 531019	Plot No 95, Ramky Pharma City P .Ltd SEZ Unit, Road No17, Parawada Mandal, Parawada Industrial Area, Anakapalli, Andhra Pradesh, 531021

## X. Address for correspondence

<b>Corporate Governance &amp; Compliance, Investor Grievances Redressal</b> Mayank Verma Company Secretary, Compliance Officer & Nodal Officer Tel: 91 80 2808 2038 Email: co.secretary@biocon.com / mayank.verma101@biocon.com	<b>Financial Disclosure and Information</b> Indranil Sen Chief Financial Officer Tel: 91 80 - 2808 2808 E-mail id: indranil.sen@biocon.com
<b>Media &amp; Corporate Communications</b> Seema Shah Ahuja Senior Vice-President & Global Head Corporate Communications & Corporate Brand Biocon Group Tel: 91 80- 2808 2808 E-mail id: Seema.Ahuja@biocon.com	<b>Corporate Communications</b> Calvin Printer Vice President Corporate Communications Tel: 91 80- 2808 2808 E-mail id: calvin.printer@biocon.com

<p><b>Investor Relations (Institutional Investors &amp; Research Analysts)</b> Saurabh Paliwal Head - Investor Relations Tel: 91 80 2808 2040 E-mail id: investor.relations@biocon.com</p>	<p><b>Registrar and Share Transfer Agents ('RTA')</b> KFin Technologies Limited (Unit: Biocon Limited) Plot 31-32, Karvy Selenium, Tower B, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 E-mail id: Suresh.d@Kfintech.com / einward.ris@kfintech.com</p>
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## XI. Credit Ratings

ICRA Limited vide its letter dated November 17, 2022 continued to rate the Company 'watch with Developing Implications' on the long-term bank facilities of the Company. The short-term rating was removed from 'watch with developing implications' and reaffirmed rating of 'ICRA A1+' on the banking facilities and Commercial Paper of the Company.

During the year, CRISIL vide its letter dated November 30, 2022 removed 'watch with Developing Implications' and reaffirmed rating of 'CRISIL AA+' rating on the long-term bank facilities of the Company. The rating on the short-term bank facilities has been reaffirmed at 'CRISIL A1+'.

During the year under review, India Ratings and Research (Ind-Ra) has vide letters dated February 07, 2023 assigned its 'IND AA+/Stable' ratings on Non-convertible Debentures, Term Loans and 'IND A1+' rating on Commercial Paper.

## C. Other Disclosures

### I. Materially significant related party transactions

During the financial year under review, no materially significant transactions or arrangements were entered into between the Company and its promoters, management, Directors or their relatives, subsidiaries, etc. that may have potential conflict with the interests of the Company at large. The Company has formulated a policy on dealing with Related Party Transactions, which specifies the manner of entering into Related Party Transactions. This policy has also been hosted on the website of the Company at <https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/>.

### II. Details of Non-compliance

During the last 3 (three) years, there were no instances of non-compliances by the Company related to capital markets and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authorities. Further, the securities of the Company were not suspended from trading at any time during the year.

### III. Compliance with corporate governance requirements

The Company has complied with the requirements of corporate governance specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

### IV. Vigil Mechanism

The vigil mechanism as envisaged in the Companies Act, 2013 and SEBI Listing Regulations is implemented through the Company's Whistle Blower Policy to adequately safeguard against victimisation of persons who use such mechanism. During the year, no personnel was denied access to the Audit Committee of the Company. The address of the Chairperson of the Audit Committee has been given in the policy for the employees, Directors, vendors, suppliers or other stakeholders associated with the Company to report any matter of concern. Vigil mechanism of the Company is available on the website of the Company at [https://www.biocon.com/docs/Biocon-Integrity-and-Whistle-Blower-Policy\\_2020.pdf](https://www.biocon.com/docs/Biocon-Integrity-and-Whistle-Blower-Policy_2020.pdf).

### V. Compliance with mandatory and discretionary requirements

The Company has complied with all mandatory requirements prescribed by SEBI Listing Regulations and the Company has also complied with below mentioned discretionary requirements as stated under Part E of Schedule II to the SEBI Listing Regulations, as under:

- **Modified opinion(s) in audit report:** During the financial year under review, there is no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure regime of unqualified financial statements.
- **Reporting of Internal Auditors:** Internal Auditors report directly to the Audit Committee.

#### **VI. Policy for determining material subsidiary**

The Company has formulated a policy for determining Material subsidiaries as defined under the SEBI Listing Regulations. This policy is also published on the website of the Company at <https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/>.

#### **VII. Policy for determining Related Party Transactions**

The Company has formulated a policy on materiality of related party transactions and on dealings with such transactions. This policy has also been published on the website of the Company at <https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/>.

#### **VIII. Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A)**

The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) during the financial year 2022-23.

#### **IX. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors of the Company and all entities in the network firm/network entity of which the statutory auditor is a part**

The details of payment made to them on consolidated basis are available under Note 28 to the Financial Statements of this Report

#### **X. Certificate from Company Secretary in Practice**

As required under Regulation 34(3) read with Clause 10(i), Part C of Schedule V of the SEBI Listing Regulations, the Company has received a Certificate from Pradeep B Kulkarni, Company Secretary in Practice, Partner of V Sreedharan and Associates, certifying that none of our Directors on the Board of the Company have been debarred or disqualified from being appointed or to continue as Directors of Company by the SEBI or Ministry of Corporate Affairs or any such statutory authority. This document is annexed to the report.

#### **XI. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The disclosure regarding the complaints of sexual harassment are given in the Board's Report.

#### **XII. Disclosure by listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/companies in which Directors are interested by name and amount**

There were no loans and advances provided to firms/companies in which Directors are interested.

#### **XIII. Disclosures with respect to demat suspense account/unclaimed suspense account**

The Company does not have any securities in the demat suspense account/unclaimed suspense account.



**XIV. Details of Material Subsidiaries of the Company**

S. No.	Name of material subsidiary	Date of Incorporation	Place of Incorporation	Name of Auditors	Date of appointment of Auditors
1.	Biocon Biologics Limited	June 8, 2016	Bangalore, Karnataka	BSR & Co. LLP	July 26, 2022
2.	Biocon Biologics UK Limited	March 2, 2016	United Kingdom	KPMG LLP	December 12, 2016
3.	Biocon SDN BHD	January 19, 2011	Malaysia	KPMG PLT	December 27, 2016
4.	Biosimilars Newco Limited	July 27, 2022	United Kingdom	KNAV Limited	February 10, 2023
5.	Biosimilar Collaborations Ireland Limited	October 11, 2013	Ireland	Roberts Nathan	February 15, 2023
6.	Syngene International Limited	November 18, 1993	Bangalore, India	BSR & Co, LLP	July 21, 2021

**XV. Code of Conduct**

The Code of Conduct ('the Code') for Board Members and senior management personnel as adopted by the Board, is a comprehensive Code applicable to Directors and senior management personnel. The Code lays down in detail, the standards of business conduct, ethics and strict governance norms for the Board and senior management personnel. A copy of the Code is available on the website of the Company at <https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/>. The Code has been circulated to Directors and senior management personnel and its compliance is affirmed by them annually. A declaration signed by the Chief Executive Officer to this effect forms part of this Report.

**XVI. Code of Conduct for Prevention of Insider Trading**

The Company has formulated a comprehensive Code of Conduct for Prevention of Insider Trading for its designated persons, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. The Directors, officers, designated persons and other connected persons of the Company are governed by the Code. The Code is also posted on the website of the Company at <https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/>.

**XVII. Disclosure by Senior Management Personnel**

The senior management of your Company have made disclosures to the Board confirming that there are no material, financial and commercial transactions where they have personal interest that may have a potential conflict of interest with the Company at large.

**XVIII. CEO and CFO certification**

As required by Regulation 17(8) read with Schedule II Part B of the SEBI Listing Regulations, the Chief Executive Officer of the Company has furnished to the Board, the requisite Compliance Certificate for the financial year ended March 31, 2023.

**XIX. Certificate for compliance with Corporate Governance**

A certificate from the statutory auditors confirming compliance with conditions of Corporate Governance is annexed to this Report.

**XX. Secretarial Audit**

The secretarial audit report of the Company for the year ended March 31, 2023, issued by Pradeep B Kulkarni, Partner of M/s. V. Sreedharan & Associates, Practicing Company Secretaries forms part of the Board's Report as Annexure - 4.

As on March 31, 2023, none of the Indian subsidiaries of the Company except Biocon Biologics Limited qualified to be material unlisted subsidiaries. Further, pursuant to the provisions of the Regulation 24A of SEBI Listing Regulations, the secretarial audit report of BBL forms part of the Boards' Report as Annexure 4A.

**XXI. Agreement on compensation of profit sharing in connection with dealings in securities of the Company**

During the financial year under review, no employee including Key Managerial Personnel or Director or Promoter of the Company had entered into any agreement, either for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in securities of the Company.

**XXII. Declaration on Code of Conduct**

Biocon Limited is committed to conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has adopted a “Code of Conduct and Ethics” which is applicable to all directors and employees, amongst others.

I hereby confirm that all the Members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct and Ethics with respect to the financial year 2022-23.

**For Biocon Limited**

Date: May 23, 2023  
Place: Bengaluru

**Sd/-**  
**Siddharth Mittal**  
Managing Director and CEO

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**BIOCON LIMITED**  
20<sup>th</sup> K.M. Hosur Road,  
Electronic City, Bengaluru - 560100

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **BIOCON LIMITED**, having CIN L24234KA1978PLC003417 and having registered office at 20<sup>th</sup> K.M. Hosur Road, Electronic City, Bengaluru - 560100 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V, Para-C, Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs (MCA).

**Details of Directors:**

Sl. No.	Name of Director	Designation	DIN	Date of appointment in Company
1.	Kiran Mazumdar Shaw	Executive Director, Chairperson of the Board	00347229	01/04/2010
2.	Siddharth Mittal	Managing Director and Chief Executive Officer	03230757	01/12/2019
3.	Meleveetil Damodaran	Non-Executive Independent Director	02106990	26/04/2016
4.	Bobby Kanubhai Parikh	Non-Executive Independent Director	00019437	27/07/2018
5.	Naina Lal Kidwai (Refer note)	Non-Executive Independent Director	00017806	28/04/2022
6.	Peter John Bains (Refer note)	Non-Executive Independent Director	00430937	12/12/2022
7.	Vijay Kumar Kuchroo	Non-Executive Independent Director	07071727	22/01/2015
8.	Ravi Rasendra Mazumdar	Non-Executive Non-Independent Director	00109213	08/08/2000
9.	Eric Vivek Mazumdar	Non-Executive Non-Independent Director	09381549	01/11/2021

**Note:**

- (i) Ms. Naina Lal Kidwai and Mr. Peter John Bains were appointed as an Additional Director of the Company with effect from April 28, 2022 and November 14, 2022, respectively.
- (ii) Ms. Mary Harney (DIN: 05321964) and Mr. Daniel Mark Bradbury (DIN: 06599933) have stepped down from the Board due to the completion of their second term as an Independent Director with effect from July 27, 2022

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **V Sreedharan and Associates**

Sd/-  
**(Pradeep B Kulkarni)**  
Partner

FCS: 7260; CP No.7835

UDIN Number: F007260E000355696

Peer Review certificate No. 589/2019

Date: May 23, 2023

Place: Bengaluru

## INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

### TO THE MEMBERS OF BIOCON LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated 10 August 2021 and addendum to the engagement letter dated 27 April 2023.
2. We have examined the compliance of conditions of Corporate Governance by **Biocon Limited** ("the Company"), for the year ended 31 March 2023, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

### Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

### Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2023.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the

"ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

### Restriction on use

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

Sd/-  
**Sampad Guha Thakurta**  
Partner  
Membership No:060573  
UDIN: 23060573BGYNDN1769

Place: Bengaluru  
Date: May 23, 2023

# Independent Auditor's Report

To the Members of Biocon Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of Biocon Limited (the "Company"), its employee welfare trusts which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Taxation	
See Note 2(m), 33 and 34 to standalone financial statements	
The key audit matter	How the matter was addressed in our audit
<p>The Company is subject to complexities with respect to various tax positions on matters such as:</p> <ul style="list-style-type: none"> <li>- deductibility of transactions</li> <li>- availability of tax incentives and exemptions for earlier years,</li> <li>- cross border transfer pricing arrangements etc.</li> <li>- Uncertainty in a tax position may arise as tax laws are subject to interpretation.</li> </ul> <p>Judgment is required in assessing the range of possible outcomes for some of these tax matters. These judgments could change over time as each of the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents.</p>	<p>Our audit procedures in relation to Taxation include the following:</p> <ul style="list-style-type: none"> <li>• We tested the design and operating effectiveness of the Company's controls around the tax computation and tax matters;</li> <li>• We obtained an understanding of the key uncertain tax positions based on list of ongoing litigations and tax computations for the current year;</li> <li>• We analysed the implications of correspondence received by the Company from the relevant tax authorities to identify any additional uncertain tax positions;</li> <li>• We analysed the Company's judgment regarding the eventual resolution of matters with various tax authorities. In this regard, we understood how the Company has considered past experience, where available, with the tax authorities in the respective jurisdictions;</li> </ul>



The key audit matter	How the matter was addressed in our audit
<p>The Company makes an assessment (including obtaining opinion from external legal experts) to determine the outcome of these uncertain tax positions and decides to make an accrual or consider it to be a possible contingent liability.</p> <p>Where the amount of tax liabilities are uncertain, the Company recognizes accruals which reflect its best estimate of the outcome based on the facts known. Accordingly, we focused on this area.</p>	<ul style="list-style-type: none"> <li>• We also considered external legal opinions and consultations made by the Company for key matters during current and past periods; and</li> <li>• We involved tax specialists to assist us in evaluating the technical merits of tax position to form a judgement and the key assumptions made by the Company in tax computations and assessing the adequacy of the Company's disclosures in respect of contingent liabilities and provision for tax matters.</li> </ul>

### 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 Board's Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report, but does not include the financial statements and auditor's report thereon, which we obtained prior to the date of this auditor's report, and the remaining sections of the Company's Annual Report, which are expected to be made available to us after that date.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections of the Annual Report (other than those mentioned above), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

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

- 2 A. As required by Section 143(3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us
- a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 34 to the standalone financial statements.
  - b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 36 to the standalone financial statements.
  - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - d.
    - (i) The management of the Company represented to us that, to the best of its knowledge and belief, as disclosed in the Note 43 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (ii) The management of the Company represented to us that, to the best of its knowledge and belief, as disclosed in the Note 43 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
  - e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 47 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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

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

*For B S R & Co. LLP*

**Chartered Accountants**

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

**Sampad Guha Thakurta**

*Partner*

Membership No.: 060573

ICAI UDIN:23060573BGYNDI1025

Place: Bangalore

Date: 23 May 2023

# Annexure A to the Independent Auditor’s Report

(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.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 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 material discrepancies were 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 standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (INR in Million)	Held in the name of	Whether promoter, director or their relative or employee	Period held indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Freehold land	35	Telangana State Industrial Infrastructure Corporation Limited	No	7 to 8 years	The land will be transferred to the Company once certain terms and conditions of the sale agreement are complied with which is currently pending. There is no dispute

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. However, there is no requirement to file quarterly returns or statements with such banks or financial institutions. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.



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

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

Particulars	Guarantees	Loans
Aggregate amount during the year - Subsidiaries*	1,650 millions	320 millions
Balance outstanding as at balance sheet date- Subsidiaries*	4,667 millions	Nil

\*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 the investments made, guarantees provided, security given during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the principal and interest is repayable on demand. As informed to us, the Company has not demanded repayment of the loan and interest during the year. Thus, there has been no default on the part of the party to whom the money has been lent. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there 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 to related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

	Related Parties
Aggregate of loans	
- Repayable on demand (A)	320 millions
<b>Total (A)</b>	<b>320 millions</b>
Percentage of loans to the total loans	100%

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

- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to GST, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any disputes, other than those set out in Appendix 1.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has not used funds raised on short- term basis for long-term purposes except in case of short term funds raised aggregating to Rs.25,153 millions as bridge financing for the purpose of onward investment in its subsidiary Biocon Biologics Limited, which were repaid prior to the year end using long term funds generated during the year.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has taken funds from following entities and persons on account of or to meet the obligations of its subsidiaries, associates or joint ventures (as defined under the Act) as per details below:

Nature of fund taken	Name of lender (May mention whether Bank/ NBFC/ Corporate etc)	Amount involved	Name of the relevant subsidiary, joint venture, associate	Relationship	Nature of transaction for which funds utilised
Commercial paper	Listed (NA)	22,073 millions	Biocon Biologics Limited	Subsidiary	Refer Note-1
General borrowings	Bajaj Finance Limited	1,080 Millions	Biocon Biologics Limited	Subsidiary	Refer Note-1
Loan against FD	Bajaj Finance Limited	2,000 Millions	Biocon Biologics Limited	Subsidiary	Refer Note-1
Non-Convertible Debenture ("NCD")	Kotak special situation fund	10,700 Millions	Biocon Biologics Limited	Subsidiary	Refer Note-2

Note- 1: To enable subsidiary to fund its acquisition of biosimilar business from Viatris Inc. These loans were temporarily raised to fund the acquisition but were repaid prior to the year ended 31 March 2023, by raising long term funds through issuance of NCD and other sources.

Note- 2: Non- Convertible Debenture is a long-term fund raised by the company to repay some of the short term funds as indicated in Note 1 above.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has raised loans during the year on the pledge of securities held in its subsidiary as per details below:

Nature of loan taken	Name of lender	Amount of loan	Name of the subsidiary	Relationship	Details of security pledged
Non-convertible debentures	Kotak Special situation fund	10,700 Million	Biocon Biologics Limited (BBL)	Subsidiary	Equity shares of Biocon Biologics Limited

Further the Company has not defaulted in repayment of such loans raised.

- (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) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current 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 standalone 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

**Sampad Guha Thakurta**

*Partner*

Membership No.: 060573

ICAI UDIN:23060573BGYNDI1025

Place: Bangalore

Date: 23 May 2023

**Appendix I : Referred to in paragraph vii(b) of Annexure A to the Independent Auditor's Report**

Name of the statute	Nature of dues	Amount (INR in million)	Amount paid under protest (INR in million)	Period to which the amount relates	Forum where dispute is pending
Income-Tax Act, 1961	Income tax	4	4	FY 1996-97	Supreme Court
Income-Tax Act, 1961	Income Tax	1,588	685	FY 2008-09 to FY 2017-18	Income Tax Appellate Tribunal ("ITAT")
Income-Tax Act, 1961	Income Tax	13	12	FY 1997-98, FY 2003-04 to FY 2004-05	High Court of Karnataka
Income-Tax Act, 1961	Income Tax	62	62	FY 2013-14	Commissioner (Appeals)
Finance Act, 1994	Service-Tax	- *	-	FY 2017-18	Deputy Commissioner
Finance Act, 1994	Service-Tax	188	- *	FY 2006-07 to FY 2016-17	Customs, Excise and Service Tax Appellate Tribunal ("CESTAT")
Entry Tax (The West Bengal Tax on Entry of goods into Local Areas Act, 2012)	Entry Tax	20	-	FY 2012-13 to FY 2016-17	High Court of West Bengal
Value Added Tax Act, 2005	Value Added Tax	2	1	FY 2005-06	Commissioner (Appeals)
Value Added Tax Act, 2005	Value Added Tax	84	11	FY 2008-09 to FY 2015-16	Joint Commissioner Appeals
Central Sales Tax Act 1956	CST	45	4	FY 2008-09 to FY 2013-14 & FY 2016-2017	Joint Commissioner (APPEAL)
The Central Excise Act, 1944	Excise Duty	273	53	FY 2005-06 to FY 2009-10 and FY 2011-12 to FY 2013-14	Customs, Excise and Service Tax Appellate Tribunal ("CESTAT")
The Central Excise Act, 1944	Excise Duty	56	-	FY 2008-09 to FY 2013-14	Commissioner (Appeals)
The Customs Act, 1962	Customs duty	45	45	FY 1994-95, FY 2004-05 to FY 2008-09	Customs, Excise and Service Tax Appellate Tribunal ("CESTAT")
The Customs Act, 1962	Customs duty	5	1	FY 2003-04, FY 2005-06, FY 2007-08, FY 2008-09, FY 2010-11, FY 2011-12, FY 2013-14 & 2014-15 & 2017-18 to 2019-20	Commissioner (Appeals)
The Customs Act, 1962	Customs duty	47	-*	FY 2012-16	Karnataka High Court

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



## **Annexure B to the Independent Auditor's Report on the standalone financial statements of Biocon Limited for the year ended 31 March 2023**

### **Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

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

#### **Opinion**

We have audited the internal financial controls with reference to financial statements of Biocon Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by such companies/the Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### **Management's and Board of Directors' Responsibilities for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone 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 standalone financial statements in accordance with generally

accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

#### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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

*For B S R & Co. LLP*

#### **Chartered Accountants**

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

#### **Sampad Guha Thakurta**

*Partner*

Membership No.: 060573

ICAI UDIN:23060573BGYNDI1025

Place: Bangalore

Date: 23 May 2023

# Balance Sheet

as at March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)			
Particulars	Note	March 31, 2023	March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	8,425	7,466
Capital work-in-progress	3	3,289	2,703
Investment properties	4(a)	620	655
Right-of-use-assets	4(b)	402	377
Other intangible assets	5	167	204
Intangible assets under development	5	146	146
Financial assets			
(i) Investments	6	89,498	50,178
(ii) Loans	7(a)	-	190
(iii) Other financial assets	8(a)	323	331
Income-tax asset (net)		1,105	887
Deferred tax assets (net)	18	228	1,200
Other non-current assets	9(a)	436	331
<b>Total non-current assets</b>		<b>1,04,639</b>	<b>64,668</b>
<b>Current assets</b>			
Inventories	10	5,601	5,415
Financial assets			
(i) Investments	11	3,209	2,622
(ii) Trade receivables	12	6,580	7,006
(iii) Cash and cash equivalents	13(a)	1,966	1,110
(iv) Bank balances other than (iii) above	13(b)	5,237	5,783
(v) Loans	7(b)	-	223
(vi) Other financial assets	8(b)	1,859	1,318
Other current assets	9(b)	1,208	545
<b>Total current assets</b>		<b>25,660</b>	<b>24,022</b>
<b>TOTAL ASSETS</b>		<b>1,30,299</b>	<b>88,690</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14(a)	6,003	6,003
Other equity	14(b)	1,03,157	74,926
<b>Total equity</b>		<b>1,09,160</b>	<b>80,929</b>
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	15(a)	12,977	759
(ii) Lease liabilities	38	22	1
(iii) Other financial liabilities	16(a)	176	141
Provisions	17(a)	254	256
Other non-current liabilities	19(a)	730	695
<b>Total non-current liabilities</b>		<b>14,159</b>	<b>1,852</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Lease liabilities	38	13	9
(ii) Trade payables			
Total outstanding dues of micro and small enterprises	20	294	413
Total outstanding dues of creditors other than micro and small enterprises		4,565	3,396
(iii) Other financial liabilities	16(b)	556	683
Provisions	17(b)	282	248
Current tax liabilities (net)		972	909
Other current liabilities	19(b)	298	251
<b>Total current liabilities</b>		<b>6,980</b>	<b>5,909</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,30,299</b>	<b>88,690</b>

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

As per our Report of even date attached

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

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

Chartered Accountants

Firm Registration Number: 101248W/W-100022

**Kiran Mazumdar-Shaw**

Executive Chairperson

DIN: 00347229

**Siddharth Mittal**

Managing Director & CEO

DIN: 03230757

**Sampad Guha Thakurta**

Partner

Membership No.: 060573

**Indranil Sen**

Chief Financial Officer

**Mayank Verma**

Company Secretary

Bengaluru  
May 23, 2023

Bengaluru  
May 23, 2023

# Statement of Profit and Loss

for the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)			
Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
<b>Income</b>			
Revenue from operations	21	19,929	17,382
Other income	22	2,714	1,872
<b>Total income</b>		<b>22,643</b>	<b>19,254</b>
<b>Expenses</b>			
Cost of materials consumed	23	9,789	9,123
Purchases of stock-in-trade		21	17
Changes in inventories of stock-in-trade, finished goods and work-in-progress	24	32	(1,058)
Employee benefits expense	25	4,338	3,677
Finance costs	26	696	4
Depreciation and amortisation expense	27	1,169	1,082
Other expenses	28	5,541	5,012
		<b>21,586</b>	<b>17,857</b>
Less: Recovery of cost from co-development partners (net)		(27)	-
<b>Total expenses</b>		<b>21,559</b>	<b>17,857</b>
<b>Profit before tax and exceptional item</b>		<b>1,084</b>	<b>1,397</b>
Exceptional items, net	45	28,628	-
<b>Profit before tax</b>		<b>29,712</b>	<b>1,397</b>
<b>Tax expense</b>			
Current tax	33	256	322
Deferred tax			
MAT credit written off / utilisation		1,071	285
Other deferred tax (credit)/charge		(99)	(71)
<b>Total tax expense</b>		<b>1,228</b>	<b>536</b>
<b>Profit after tax</b>		<b>28,484</b>	<b>861</b>
<b>Other comprehensive income/(expense)</b>			
<b>(i) Items that will not be reclassified subsequently to profit or loss</b>			
Re-measurement on defined benefit plans		11	22
Equity investments through other comprehensive income - net change in fair value		(20)	(35)
Income tax effect		3	1
		<b>(6)</b>	<b>(12)</b>
<b>(ii) Items that will be reclassified subsequently to profit or loss</b>			
Effective portion of gains/(losses) on hedging instrument in cash flow hedges		18	142
Income tax effect		(3)	(50)
		<b>15</b>	<b>92</b>
<b>Other comprehensive income for the year, net of taxes</b>		<b>9</b>	<b>80</b>
<b>Total comprehensive income for the year</b>		<b>28,493</b>	<b>941</b>
<b>Earning per equity share</b>			
Basic (in ₹)	31	23.87	0.72
Diluted (in ₹)		23.82	0.72

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

As per our Report of even date attached

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

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

Chartered Accountants

Firm Registration Number: 101248W/W-100022

**Kiran Mazumdar-Shaw**

Executive Chairperson

DIN: 00347229

**Siddharth Mittal**

Managing Director &amp; CEO

DIN: 03230757

**Sampad Guha Thakurta**

Partner

Membership No.: 060573

**Indranil Sen**

Chief Financial Officer

**Mayank Verma**

Company Secretary

Bengaluru  
May 23, 2023Bengaluru  
May 23, 2023

# Statement of Changes in Equity for the year ended March 31, 2023

## (A) Equity share capital

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)		
	As at March 31, 2023	As at March 31, 2022
Opening balance	6,003	6,000
Issued during the year	-	3
Closing balance	6,003	6,003

## (B) Other equity

Particulars	Reserves and surplus						Items of other comprehensive income		Total other equity
	Securities Premium	Revaluation reserve	General reserve	Retained earnings	Share based payment reserve	Treasury shares	Cash flow hedging reserves	Other items of other comprehensive income	Total other equity
<b>Balance at April 01, 2021</b>	619	9	1,616	71,061	1,017	(1,343)	22	70	73,071
Profit for the year	-	-	-	861	-	-	-	-	861
Other comprehensive income, net of tax*	-	-	-	-	-	-	92	(12)	80
<b>Total comprehensive income for the year</b>	-	-	-	861	-	-	92	(12)	941
<b>Transactions recorded directly in equity</b>									
Share based payment	-	-	-	-	489	-	-	-	489
Purchase of treasury shares	-	-	-	-	-	(3)	-	-	(3)
Exercise of share options	573	-	-	(594)	(573)	1,022	-	-	428
<b>Balance at March 31, 2022</b>	1,192	9	1,616	71,328	933	(324)	114	58	74,926
Profit for the year	-	-	-	28,484	-	-	-	-	28,484
Other comprehensive income, net of tax*	-	-	-	-	-	-	15	(6)	9
<b>Total comprehensive income for the year</b>	-	-	-	28,484	-	-	15	(6)	28,493
<b>Transactions recorded directly in equity</b>									
Dividend including dividend distribution tax	-	-	-	(600)	-	-	-	-	(600)
Share based payment	-	-	-	-	690	-	-	-	690
Purchase of treasury shares	-	-	-	-	-	(647)	-	-	(647)
Exercise of share options	539	-	-	294	(539)	1	-	-	295
<b>Balance at March 31, 2023</b>	1,731	9	1,616	99,506	1,084	(970)	129	52	103,157

\* Refer Note 35 for remeasurement gain/(loss) on defined benefit obligations.

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

As per our Report of even date attached

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

Chartered Accountants

Firm Registration Number: 101248W/W-100022

**Sampad Guha Thakurta**

Partner

Membership No.: 060573

Bengaluru  
May 23, 2023

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

**Kiran Mazumdar-Shaw**

Executive Chairperson

DIN: 00347229

**Indranil Sen**

Chief Financial Officer

Bengaluru  
May 23, 2023

**Siddharth Mittal**

Managing Director & CEO

DIN: 03230757

**Mayank Verma**

Company Secretary



# Statement of Cash Flows

for the year ended March 31, 2023

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

Particulars	March 31, 2023	March 31, 2022
<b>I Cash flows from operating activities</b>		
<b>Profit for the year</b>	28,484	861
<u>Adjustments for:</u>		
Depreciation and amortisation expense	1,169	1,082
Unrealised foreign exchange gain, (net)	(45)	(45)
Share based compensation expense	417	295
Provision for doubtful debts, (net)	201	201
Interest expense	696	4
Interest income	(354)	(415)
Net gain on financial assets measured at fair value through profit or loss	(6)	(1)
Loss/(Profit) on property, plant and equipment sold, (net)	1	(8)
Net gain on sale of investments	(239)	(30)
Dividend received	(495)	-
Profit on sale of investment in subsidiary	(28,628)	-
Net loss on derivative liability measured at fair value through profit or loss	14	-
Tax expense	1,228	536
Operating profit before changes in operating assets and liabilities	<b>2,443</b>	<b>2,480</b>
<b>Movements in operating assets and liabilities</b>		
Increase in inventories	(186)	(1,106)
Decrease/(increase) in trade receivables	229	(1,136)
Decrease/(increase) in other assets	(1,066)	466
Increase in trade payable, other liabilities and provisions	1,184	56
<b>Cash generated from operations</b>	<b>2,604</b>	<b>760</b>
Income taxes paid (net of refunds)	(411)	(284)
<b>Net cash flow generated from operating activities</b>	<b>2,193</b>	<b>476</b>
<b>II Cash flows from investing activities</b>		
Expenditure on Property, plant and equipment	(2,619)	(2,392)
Expenditure on other intangible assets	(49)	(75)
Proceeds from sale of Property, plant and equipment	26	21
Loan given to subsidiaries	(325)	(960)
Loan repaid by subsidiaries	223	30
Purchase of current investments	(73,711)	(11,065)
Proceeds from sale of current investments	72,519	12,332
Investment in subsidiary	(40,710)	-
Proceeds from sale of investment in subsidiary	34,474	-
Investment in bank deposits and inter corporate deposits	(11,167)	(7,629)
Redemption/maturity of bank deposits and inter corporate deposits	8,601	6,397
Interest received	465	285
Dividend received	495	-
<b>Net cash flow used in investing activities</b>	<b>(11,778)</b>	<b>(3,056)</b>
<b>III Cash flows from financing activities</b>		
Purchase of Treasury shares	(647)	(3)
Exercise of share options	295	428
Proceeds from long-term borrowings	11,871	733
Repayment of long-term borrowings	-	(7)
Proceeds from short-term borrowings	25,153	-
Repayment of short-term borrowings	(25,153)	-
Payment of lease liabilities	(14)	(17)
Interest Paid	(511)	(14)
Dividend Paid	(600)	-
Net cash flow generated from financing activities	<b>10,394</b>	<b>1,120</b>

# Statement of Cash Flows

for the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)		
Particulars	March 31, 2023	March 31, 2022
<b>IV Net Increase/(decrease) in cash and cash equivalents (I + II + III)</b>	<b>809</b>	<b>(1,460)</b>
<b>V</b> Effect of exchange differences on cash and cash equivalents held in foreign currency	47	35
<b>VI</b> Cash and cash equivalents at the beginning of the year	1,110	2,535
<b>VII Cash and cash equivalents at the end of the year (IV + V + VI)</b>	<b>1,966</b>	<b>1,110</b>
<b>Reconciliation of cash and cash equivalents as per statement of cash flow</b>		
<b>Cash and cash equivalents [Note 13(a)]</b>		
Cash on hand	-	-
Balances with banks - on current accounts	1,602	1,106
Balances with Banks - on unpaid dividend accounts#	4	4
Deposits with original maturity of less than 3 months	360	-
<b>Balance as per statement of cash flows</b>	<b>1,966</b>	<b>1,110</b>

#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, 2023

Particulars	Opening balance April 1, 2022	Cash flows	Non-cash movement	Closing balance March 31, 2023
Borrowings (including current maturities)	759	11,871	347	12,977
Interest accrued but not due	2	(511)	516	7
<b>Total liabilities from financing activities</b>	<b>761</b>	<b>11,360</b>	<b>863</b>	<b>12,984</b>

## Reconciliation between opening and closing balance sheet for liabilities arising from financing activities as at March 31, 2022

Particulars	Opening balance April 1, 2021	Cash flows	Non-cash movement	Closing balance March 31, 2022
Borrowings (including current maturities)	7	726	26	759
Interest accrued but not due	1	(14)	15	2
<b>Total liabilities from financing activities</b>	<b>8</b>	<b>712</b>	<b>41</b>	<b>761</b>

(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 standalone financial statements.

As per our Report of even date attached

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

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

Chartered Accountants

Firm Registration Number: 101248W/W-100022

**Kiran Mazumdar-Shaw**

Executive Chairperson

DIN: 00347229

**Siddharth Mittal**

Managing Director & CEO

DIN: 03230757

**Sampad Guha Thakurta**

Partner

Membership No.: 060573

**Indranil Sen**

Chief Financial Officer

**Mayank Verma**

Company Secretary

Bengaluru  
May 23, 2023

Bengaluru  
May 23, 2023

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## 1. Company Overview

### 1.1 Reporting entity

Biocon Limited ("Biocon" or "the Company"), is engaged in the manufacture of biotechnology products and research services. The Company is a public limited company incorporated and domiciled in India and has its registered office in Bengaluru, Karnataka, India. The Company's shares are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) in India.

### 1.2 Basis of preparation of financial statements

#### a) Statement of compliance

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

These standalone financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, March 31, 2023. These standalone financial statements were authorised for issuance by the Company's Board of Directors on May 23, 2023.

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

#### b) Functional and presentation currency

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

#### c) Basis of measurement

These standalone financial statements have been prepared on the historical cost basis (i.e on accrual basis), except for the following items:

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

#### d) Use of estimates and judgements

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

#### Judgements

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

- Note 2(a) and 36 — Financial instruments;
- Note 2(b), 2(c) and 2(d) — Useful lives of property, plant and equipment, intangible assets and investment property
- Note 2(p) and 38 — Lease, whether an agreement contains a lease;
- Note 2(m) and 33 — Provision for income taxes and related tax contingencies and Evaluation of recoverability of deferred tax assets.
- Note 2(k) and 21 — Revenue Recognition: whether revenue from sale of product and licensing income is recognised over time or at a point in time;

### 1.3 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended March 31, 2023 is included in the following notes:

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

- Note 2(h)(ii) – impairment test of non-financial assets; key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets;
- Note 18 and 33 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 36 – impairment of financial assets; and
- Note 17 and 34 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

## 1.4 Measurement of fair values

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

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

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

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

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

in the fair value hierarchy in which the valuations should be classified

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

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

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

- Note 30 – share based payment arrangements;
- Note 4 (a) – investment property; and
- Note 2(a) – financial instruments. and 36

## 2 Significant accounting policies

### a. Financial instruments

#### i. Recognition and initial measurement

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

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

#### ii. Classification and subsequent measurement

##### Financial assets

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

- amortised cost;

# Notes to the Standalone Financial Statements

for the year ended March 31, 2022

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

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

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

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

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

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

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

All financial assets not classified as measured at amortised cost or FVOCI as described

above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

## Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss to retained earnings. Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

## Investments in subsidiaries

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



# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*Financial assets: Subsequent measurement and gains and losses*

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Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss. However, see Note 36 for derivatives designated as hedging instruments.
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Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.
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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.
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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.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## *Financial liabilities*

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

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

## **iv. Offsetting**

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

## **v. Derivative financial instruments and hedge accounting**

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

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

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

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

## **vi. Cash flow hedges**

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

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

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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## vii. Treasury shares

The Company has created an Employee Welfare Trust (EWT) for providing share-based payment to its employees. Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. When the treasury shares are issued to the employees by EWT, the amount received is recognised as an increase in equity and the resultant gain / (loss) is transferred to / from securities premium.

## viii. Cash and cash equivalents

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

### *Cash dividend to equity holders*

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

## b. Property, plant and equipment

### i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of

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

Expenditure incurred on startup and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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

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

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

### ii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method. Freehold land is not depreciated.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

Asset	Assets Classification	Management estimate of useful life	Useful life as per Schedule II
Building	Building	25 years	30 years
Roads	Building	5 years	5 years
Plant and equipment (including Electrical installation and Lab equipment )	Plant and Machinery	9-11 years	8-20 years
Computers and servers	Plant and Machinery	3 years	3-6 years
Office equipment	Plant and Machinery	5 years	5 years
Research and development equipment	Research and development equipment	9 years	5-10 years
Furniture and fixtures	Furniture and fixtures	6 years	10 years
Vehicles	Vehicles	6 years	6-10 years
Leasehold improvements	Leasehold improvements	5 years or lease period whichever is lower	
Leasehold land	Land and Right to use-assets	90 years or lease period whichever is lower	

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

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

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

### iii. Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

### c. Intangible assets

#### *Internally generated: Research and development*

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

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

#### *Others*

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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

*i. Subsequent expenditure*

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

*ii. Amortisation*

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

— Computer software	3-5 years
— Marketing and Manufacturing rights	5-10 years
— Customer related intangibles	5 years
— Intellectual property rights	5-10 years

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

**d. Investment property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Based on technical evaluation and consequent advice, the management believes a period of 25 years as representing the best estimate of the period over which investment properties (which are quite similar) are expected to be used. Accordingly, the Company depreciates investment properties over a period of 25 years on a straight-line basis. The useful life estimate of 25 years is different from the indicative useful life of relevant type of

buildings mentioned in Part C of Schedule II to the Act i.e. 30 years. Any gain or loss on disposal of an investment property is recognised in statement of profit and loss.

**e. Business combination**

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

Business combinations between entities under common control is accounted for at carrying value.

**f. Inventories**

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

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

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

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

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

**g. Foreign currency Transactions and translations:**

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

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

**h. Impairment**

*i. Impairment of financial assets*

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

— financial assets measured at amortised cost; and

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected

credit losses. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

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

*ii. Impairment of non-financial assets*

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

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

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



# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

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

## i. Employee benefits

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

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

### ii. *Post-employment benefits:*

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

#### **Gratuity**

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

and the tenure of the employment with the Company.

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

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

#### **Provident Fund**

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

### iii. *Compensated absences:*

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

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

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

extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

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

#### iv. *Share-based compensation*

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

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

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

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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under “share based payment reserve”. The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black-Scholes-Merton). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

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

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

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

*Onerous contracts*

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the

lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

**k. Revenue from contracts with customers**

*i. Sale of goods*

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

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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

distributor's commissions are presented within marketing and distribution.

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

ii. *Milestone payments and out licensing arrangements*

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

Income from out-licensing agreements typically arises from the receipt of upfront, milestone and other similar payments from third parties for granting a license to product- or technology- related intellectual property (IP). These agreements may be entered into with no further obligation or may include commitments to regulatory approval, co-marketing or manufacturing. These may be settled by a combination of upfront payments, milestone payments and other fees. These arrangements typically also consist of subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement. Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, if the

Milestones are considered substantive, or over the period we have continuing performance obligations, if the milestones are not considered substantive. Whether

to consider these commitments as a single performance obligation or separate ones, or even being in scope of Ind-AS 115' Revenues from Contracts with Customers, is not straightforward and requires some judgement. Depending on the conclusion, this may result in all revenue being calculated at inception and either being recognised at point in time or spread over the term of a longer performance obligation. Where performance obligations may not be distinct, this will be bundled with the subsequent product supply obligations. The new standard provides an exemption for sales-based royalties for licenses of intellectual property which will continue to be recognised as revenue as underlying sales are incurred.

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

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

iii. *Royalty income and profit share*

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

iv. *Sales Return Allowances*

The Company accounts for sales return by recording an allowance for sales return concurrent with the recognition of revenue

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

at the time of a product sale. The allowance is based on Company's estimate of expected sales returns. The estimate of sales return is determined primarily by the Company's historical experience in the markets in which the Company operates.

v. *Dividends*

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

vi. *Rental income*

Rental income from investment property is recognised in statement of profit and loss on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

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

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

viii. *Interest income and expense*

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

**I. Government grants**

The Company recognises government grants at their fair value only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants received in relation to assets are recognised as deferred income and amortised over the useful life of such asset. Government

grants, which are revenue in nature are either recognised as income or deducted in reporting the related expense based on the terms of the grant, as applicable.

**m. Income taxes**

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

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

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

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

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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

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

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

## n. Borrowing cost

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

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

## o. Earnings per share

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

## p. Leases

### (i) *The Company as lessee:*

The Company assesses whether a contract contains a lease, at the inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control use of an identified asset, the Company assesses whether:

- The contract involves use of an identified asset;
- The Company has substantially all the economic benefits from the use of the asset through the period of lease; and
- The Company has the right to direct the use of an asset.

At the date of commencement of lease, the Company recognises a Right-of-use asset ("ROU") and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with the term of twelve months or less (short term leases) and low value leases. For short term and low value leases, the Company recognises the lease payment as an operating expense on straight line basis over the term of lease. Certain lease agreements include an option to extend or terminate the lease before the end of lease term. ROU assets and the lease liabilities includes these options when it is reasonably certain that they will be exercised.

Right-of-use assets are depreciated from the commencement date on a straight-line



# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., higher of fair value less cost to sell and the value-in-use) is determined on individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate explicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use assets if the Company changes its assessment if whether it will exercise an extension or a termination of option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and the lease payments have been classified as financing cash flows.

- (ii) *The Company as a Lessor:*  
Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risk and rewards of

ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating lease.

**q. Operating cycle**

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

**r. Exceptional items**

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

**s. Recent accounting developments**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1<sup>st</sup>, 2023, as below:

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

	Land	Buildings	Leasehold improvements	Plant and equipment	Research and development equipments	Furniture and fixtures	Vehicles	Total	Capital work-in-progress
	[Refer note (c)]			[Refer note (a)]					
<b>Gross carrying amount</b>									
At April 01, 2021	569	4,005	3	12,295	1,052	478	90	18,492	1,646
Additions	61	233	-	1,398	1	15	25	1,733	2,790
Disposals/transfers	-	-	-	(5)	-	-	(8)	(13)	(1,733)
<b>At March 31, 2022</b>	<b>630</b>	<b>4,238</b>	<b>3</b>	<b>13,688</b>	<b>1,053</b>	<b>493</b>	<b>107</b>	<b>20,212</b>	<b>2,703</b>
Additions	-	184	-	1,576	147	95	21	2,023	2,609
Disposals/transfers	-	-	-	(36)	(13)	-	(24)	(73)	(2,023)
Transfer to investment property	(5)	-	-	-	-	-	-	(5)	-
<b>At March 31, 2023</b>	<b>625</b>	<b>4,422</b>	<b>3</b>	<b>15,228</b>	<b>1,187</b>	<b>588</b>	<b>104</b>	<b>22,157</b>	<b>3,289</b>
<b>Accumulated depreciation</b>									
At April 01, 2021	-	1,663	3	8,804	873	404	54	11,801	-
Depreciation for the year	-	180	-	693	46	23	12	954	-
Disposals/transfers	-	-	-	(5)	-	-	(4)	(9)	-
<b>At March 31, 2022</b>	<b>-</b>	<b>1,843</b>	<b>3</b>	<b>9,492</b>	<b>919</b>	<b>427</b>	<b>62</b>	<b>12,746</b>	<b>-</b>
Depreciation for the year	-	185	-	764	48	23	12	1,032	-
Disposals/transfers	-	-	-	(18)	(13)	-	(15)	(46)	-
<b>At March 31, 2023</b>	<b>-</b>	<b>2,028</b>	<b>3</b>	<b>10,238</b>	<b>954</b>	<b>450</b>	<b>59</b>	<b>13,732</b>	<b>-</b>
<b>Net carrying amount</b>									
At March 31, 2022	630	2,395	-	4,196	134	66	45	7,466	2,703
<b>At March 31, 2023</b>	<b>625</b>	<b>2,394</b>	<b>-</b>	<b>4,990</b>	<b>233</b>	<b>138</b>	<b>45</b>	<b>8,425</b>	<b>3,289</b>

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

(b) Refer note 34 (ii)(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(c)

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Property, plant and equipment	Freehold Land	35	Telangana State Industrial Infrastructure Corporation Limited	NA	November 30, 2015	The land will be transferred to the Company once certain terms and conditions of the sale agreement are complied with which is currently pending. There is no dispute.

(d) Borrowing costs capitalised during the year amounted to ₹ 155 (March 31, 2022 - ₹ 41).

(e) Refer note 15 for assets pledged as security.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

### 3 (a) Capital work in progress ageing schedule

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	1,456	1,649	142	42	3,289
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1,456</b>	<b>1,649</b>	<b>142</b>	<b>42</b>	<b>3,289</b>

As at March 31, 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,480	180	43	-	2,703
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>2,480</b>	<b>180</b>	<b>43</b>	<b>-</b>	<b>2,703</b>

(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, 2023 and March 31, 2022.

### 4 (a) Investment property

#### Gross carrying amount

At April 01, 2021 1,101

Transfer from property, plant and equipment -

**At March 31, 2022** **1,101**

Transfer from property, plant and equipment 5

**At March 31, 2023** **1,106**

#### Accumulated depreciation

At April 01, 2021 406

Depreciation for the year 40

Transfer from property, plant and equipment -

**At March 31, 2022** **446**

Depreciation for the year 40

Transfer from property, plant and equipment -

**At March 31, 2023** **486**

#### Net carrying amount

At March 31, 2022 655

**At March 31, 2023** **620**

(a) During the year, the Company has recognised rental income of ₹ 325 (March 31, 2022 ₹ 303) in the statement of profit and loss from investment property.

(b) The fair value of investment property is ₹ 2,171 (March 31, 2022 ₹ 2,194), based on market observable data. The Company has not engaged any registered valuer for determining the above fair value.

(c) The Company's investment properties consist of land and building in Bengaluru.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## 4 (b) Right-of-use assets

Particulars	Land	Buildings	Vehicles	Total
<b>Gross carrying amount</b>				
At April 01, 2021	374	3	41	418
Additions	-	-	-	-
Disposals/transfer	-	-	(5)	(5)
<b>At March 31, 2022</b>	<b>374</b>	<b>3</b>	<b>36</b>	<b>413</b>
Additions	-	-	38	38
Disposals/transfer	-	-	(14)	(14)
<b>At March 31, 2023</b>	<b>374</b>	<b>3</b>	<b>60</b>	<b>437</b>
<b>Accumulated depreciation</b>				
At April 01, 2021	4	3	20	27
Disposals/transfer	-	-	(4)	(4)
Depreciation for the year	2	-	11	13
<b>At March 31, 2022</b>	<b>6</b>	<b>3</b>	<b>27</b>	<b>36</b>
Disposals/transfer	-	-	(12)	(12)
Depreciation for the year	1	-	10	11
<b>At March 31, 2023</b>	<b>7</b>	<b>3</b>	<b>25</b>	<b>35</b>
<b>Net carrying amount</b>				
At March 31, 2022	368	-	9	377
<b>At March 31, 2023</b>	<b>367</b>	<b>-</b>	<b>35</b>	<b>402</b>

## 5. Other intangible assets

Particulars	Intellectual property rights	Computer software	Marketing and manufacturing rights	Customer related intangible	Total	Intangible assets under development
<b>Gross carrying amount</b>						
At April 01, 2021	81	521	294	77	973	146
Additions	-	75	-	-	75	-
Disposals	-	-	-	-	-	-
<b>At March 31, 2022</b>	<b>81</b>	<b>596</b>	<b>294</b>	<b>77</b>	<b>1,048</b>	<b>146</b>
Additions	-	49	-	-	49	-
Disposals	-	-	-	-	-	-
<b>At March 31, 2023</b>	<b>81</b>	<b>645</b>	<b>294</b>	<b>77</b>	<b>1,097</b>	<b>146</b>
<b>Accumulated amortisation</b>						
As at April 01, 2021	81	330	281	77	769	-
Disposals	-	-	-	-	-	-
Amortisation for the year	-	68	7	-	75	-
<b>At March 31, 2022</b>	<b>81</b>	<b>398</b>	<b>288</b>	<b>77</b>	<b>844</b>	<b>-</b>
Disposals	-	-	-	-	-	-
Amortisation for the year	-	80	6	-	86	-
<b>At March 31, 2023</b>	<b>81</b>	<b>478</b>	<b>294</b>	<b>77</b>	<b>930</b>	<b>-</b>
<b>Net carrying amount</b>						
At March 31, 2022	-	198	6	-	204	146
<b>At March 31, 2023</b>	<b>-</b>	<b>167</b>	<b>-</b>	<b>-</b>	<b>167</b>	<b>146</b>

Refer note 34 (ii)(a) for disclosure of contractual commitments for the acquisition of other intangible assets.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## 5 (a) Intangible assets under development ageing schedule

As at March 31, 2023

Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	146	146
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>146</b>	<b>146</b>

As at March 31, 2022

Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	146	-	146
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>146</b>	<b>-</b>	<b>146</b>

- (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, 2023 and as at March 31, 2022.

## 6. Non-current investments

	March 31, 2023	March 31, 2022
<b>I. Quoted equity instruments</b>		
<b>In subsidiary company at cost:</b>		
Syngene International Limited - 220,277,055 (March 31, 2022 - 282,276,145) equity shares of ₹ 10 each	20,846	26,692
<b>In others at fair value through other comprehensive income:</b>		
Vaccinex Inc., USA - 299,226 (March 31, 2022 - 299,226) common stock of USD 0.0001 each	10	30
<b>Total quoted non-current investments</b>	<b>20,856</b>	<b>26,722</b>
<b>II. Unquoted equity instruments</b>		
<b>In subsidiary companies at cost:</b>		
Biocon Pharma Limited - 14,050,000 (March 31, 2022 - 14,050,000) equity shares of ₹ 10 each	141	141
Biocon SA, Switzerland - 100,000 (March 31, 2022 - 100,000) equity shares of CHF 1 each	4	4
Biocon FZ LLC, UAE - 150 (March 31, 2022 - 150) equity shares of AED 1,000 each	3	3
Biocon Academy - 50,000 (March 31, 2022 - 50,000) equity shares of ₹ 10 each	1	1
Biocon Biologics Limited 1,184,043,720 (March 31, 2022 - 1,000,526,870) equity shares of ₹ 10 each# (Formerly known as Biocon Biologics India Limited)	52,125	605
Biofusion Therapeutics Limited -50,000 (March 31, 2022 - 50,000) equity shares of ₹ 10 each	1	1
Biocon Biosphere Limited -50,000 (March 31, 2022 - 50,000) equity shares of ₹ 10 each	1	1
<b>In joint venture company at cost:</b>		
NeoBiocon FZ LLC, UAE - 147 (March 31, 2022 - 147) equity shares of AED 1,000 each	2	2
<b>In associate company at cost:</b>		
Bicara Therapeutics Inc. : 2,500,000 (March 31, 2022 - 2,500,000) equity shares of USD 0.0001 each	-*	-*

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

	March 31, 2023	March 31, 2022
<b>In others at fair value through profit or loss:</b>		
Energon KN Wind Power Private Limited - 41,708 (March 31, 2022 - 38,500) equity shares of ₹ 10 each	1	1
Less: Provision for decline, other than temporary, in the value of non current investments	(1)	(1)
Four Ef Renewables Private Limited - 164,271 (March 31, 2022 - 164,271) equity share of ₹ 100 each	16	16
Hinduja Renewables Two Private Limited - 5,913,566 equity shares (March 31, 2022 - 5,913,566) of ₹ 10 each	59	59
<b>Total unquoted investments in equity instruments</b>	<b>52,353</b>	<b>833</b>
<b>III. Unquoted preference shares</b>		
<b>In subsidiary company at fair value through profit or loss:</b>		
Biocon Biologics Limited (Formerly known as Biocon Biologics India Limited) :		
4% Optionally convertible redeemable- non cumulative preference shares of ₹ 10 each Nil (March 31, 2022 - 1,081,000,000) fully paid	-	10,810
9% Non cumulative redeemable preference shares of ₹ 10 each 205,420,000 (March 31, 2022 - 205,420,000) fully paid	2,054	2,054
Biocon Pharma Limited: 873,000,000 (March 31, 2022 - 873,000,000)		
0.01% Optionally convertible redeemable non- cumulative preference shares of ₹ 10 each fully paid.	8,862	8,862
Biocon Biosphere Limited: 115,320,069 (March 31, 2022 - 63,812,289)		
0.01% Optionally convertible Redeemable non- cumulative preference shares of ₹ 10 each fully paid	1,153	638
<b>In associate company at cost:</b>		
IATRICa Inc., USA - 4,285,714 (March 31, 2022 - 4,285,714) Series A preferred stock at US\$ 0.70 each, par value US \$ 0.00001 each	139	139
Less: Provision for decline, other than temporary, in the value of non-current investments	(139)	(139)
<b>Others at fair value through profit or Loss:</b>		
Four Ef Renewables Private Limited : 328,541 (March 31, 2022 - 328,541)		
0.001% Compulsorily convertible preference Shares of ₹ 100 each fully paid [refer note (a)]	33	33
Energon KN Wind Power Private Limited - 15,888 (March 31, 2022 - 14,666) compulsorily convertible preference shares, par value ₹ 100 each	1	1
Less: Provision for decline, other than temporary, in the value of non current investments	(1)	(1)
<b>Total unquoted investments in preference shares</b>	<b>12,102</b>	<b>22,397</b>
<b>IV. Inter corporate deposits with financial institutions and banks carried at amortised cost</b>	<b>4,187</b>	<b>226</b>
<b>Total non-current investments</b>	<b>89,498</b>	<b>50,178</b>
Aggregate book value of quoted investments	20,856	26,722
Aggregate market value of quoted investments	1,30,965	1,68,718
Aggregate value of unquoted investments	68,783	23,597
Aggregate amount of impairment in value of investments	141	141

(a) Terms of conversion: 1 compulsory convertible preference share of face value ₹ 100/- each will convert to 1 equity share of face value ₹ 100/- at end of the tenure of 20 years from allotment.

# Refer note 15 for investment pledged as security.

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



# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## 7. Loans

	March 31, 2023	March 31, 2022
<b>Unsecured considered good</b>		
(a) Non-current		
Loans to related parties [refer note 32]	-	190
	-	<b>190</b>
(b) Current		
Loans to related parties [refer note 32]	-	223
	-	<b>223</b>
Loans to related parties comprise loans to the following:		
(i) Biocon Biosphere Limited	-	190
Maximum amount outstanding during the year	200	251
(ii) Biofusion Therapeutics Limited	-	223
Maximum amount outstanding during the year	223	223

Loans are granted to related parties (as defined under Companies Act, 2013) that are repayable on demand:

Name of borrower	March 31, 2023		March 31, 2022	
	Amount of loan outstanding	Percentage to the total Loans	Amount of loan outstanding	Percentage to the total Loans
(i) Biocon Biosphere Limited	-	0%	190	46%
(ii) Biofusion Therapeutics Limited	-	0%	223	54%

The Company has not granted any advances in the nature of loans to promoters, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly.

## 8. Other financial assets

	March 31, 2023	March 31, 2022
(a) Non-current		
Derivative assets	131	132
Deposits	192	199
	<b>323</b>	<b>331</b>
(b) Current		
Derivative assets	86	29
Interest accrued but not due	122	232
Other receivables (considered good - unsecured) from:		
Related parties [refer note 32]	1,647	1,050
Others	4	7
	<b>1,859</b>	<b>1,318</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## 9. Other assets

	March 31, 2023	March 31, 2022
(Unsecured considered good, unless otherwise stated)		
<b>(a) Non-current</b>		
Capital advances	70	53
Duty drawback receivables	89	46
Balances with statutory/government authorities	223	213
Prepayments	54	19
	<b>436</b>	<b>331</b>
<b>(b) Current</b>		
Advance to suppliers	177	63
Balances with statutory/government authorities	811	262
Prepayments	220	220
	<b>1,208</b>	<b>545</b>
<b>10. Inventories</b>		
Raw materials, including goods-in-transit*	1,865	1,640
Packing materials	15	22
Work-in-progress	3,468	3,606
Finished goods	253	147
	<b>5,601</b>	<b>5,415</b>

\* includes goods in-transit ₹ 241 (March 31, 2022 - ₹ 68)

Write-down of inventories to net realisable value amounted to ₹ 197 (March 31, 2022 - ₹ 145). These were recognised as an expense during the year and included in 'changes in inventories of finished goods and work-in-progress' in the statement of profit and loss.

## 11. Current investments

	March 31, 2023	March 31, 2022
<b>Unquoted</b>		
<b>At fair value through profit or Loss:</b>		
Investment in mutual funds	1,509	72
<b>Unquoted</b>		
<b>At amortised cost:</b>		
Inter corporate deposits with financial institutions	1,700	2,550
<b>Total current investments</b>	<b>3,209</b>	<b>2,622</b>
Aggregate value of unquoted investments	3,209	2,622
<b>12. Trade receivables</b>		
(a) Trade receivables considered good - Unsecured	6,580	7,006
(b) Trade receivables - credit impaired	436	235
	<b>7,016</b>	<b>7,241</b>
Allowance for credit loss	(436)	(235)
<b>Total trade receivable</b>	<b>6,580</b>	<b>7,006</b>

(i) The Company's exposure to credit and currency risk, and loss allowances are disclosed in Note 36

(ii) Includes receivables from related parties [refer note 32]

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## Trade receivables ageing schedule

	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	9	4,044	2,433	94	-	-	-	6,580
Undisputed Trade receivables - credit impaired	122	-	8	-	118	157	31	436
<b>As at March 31, 2023</b>	<b>131</b>	<b>4,044</b>	<b>2,441</b>	<b>94</b>	<b>118</b>	<b>157</b>	<b>31</b>	<b>7,016</b>
Undisputed Trade Receivables – considered good	277	3,541	2,374	747	44	12	11	7,006
Undisputed Trade receivables - credit impaired	-	-	-	27	177	5	26	235
<b>As at March 31, 2022</b>	<b>277</b>	<b>3,541</b>	<b>2,374</b>	<b>774</b>	<b>221</b>	<b>17</b>	<b>37</b>	<b>7,241</b>

## 13 (a) Cash and cash equivalents

	March 31, 2023	March 31, 2022
<b>Balances with banks:</b>		
On current accounts	1,602	1,106
On unpaid dividend account	4	4
Deposits with original maturity of less than 3 months	360	-
<b>Total cash and cash equivalents</b>	<b>1,966</b>	<b>1,110</b>

## 13(b) Other bank balances

	March 31, 2023	March 31, 2022
Deposits with maturity of less than 12 months	5,234	5,780
Margin money deposit [refer note (a) below]	3	3
<b>Total other bank balances</b>	<b>5,237</b>	<b>5,783</b>

(a) Margin money deposits with carrying amount of ₹ 3 (March 31, 2022 - ₹ 3) are subject to first charge against bank guarantees obtained.

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

## 14 (a) Equity share capital

### Authorised

	March 31, 2023	March 31, 2022
1,250,000,000 (March 31, 2022 - 1,250,000,000) equity shares of ₹ 5 each (March 31, 2022 - ₹ 5 each)	6,250	6,250
<b>Issued, subscribed and fully paid-up</b>		
1,200,600,000 (March 31, 2022 - 1,200,600,000) equity shares of ₹ 5 each (March 31, 2022 - ₹ 5 each)	6,003	6,003

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

Equity shares	March 31, 2023		March 31, 2022	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	1,20,06,00,000	6,003	1,20,00,00,000	6,000
Equity share capital issued during the year	-	-	6,00,000	3
Outstanding at the end of the year	1,20,06,00,000	6,003	1,20,06,00,000	6,003

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## (ii) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

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

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

	March 31, 2023		March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹ 5 each fully paid				
Kiran Mazumdar-Shaw	47,61,36,622	39.66%	475,725,384	39.62%
Glentec International Limited	237,211,164	19.76%	237,211,164	19.76%

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

## (iv) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:

Particulars	Year ended March 31				
	2023	2022	2021	2020	2019
Equity shares of ₹ 5 each	-	-	-	60,00,00,000	-

The Company had allotted 600,000,000 equity shares of ₹ 5 each fully paid up as bonus shares on June 19, 2019 in the ratio of 1:1 (one equity shares of ₹ 5 each for every one equity share of ₹ 5 each held in the Company as on the record date i.e. June 13, 2019) by capitalisation of securities premium and general reserve.

## (v) Shares reserved for issue under options

For details of shares reserved for issue under the Share based payment plan of the Company, please refer note 30.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## (vi) Details of shares held by promoters

March 31, 2023

Name of the Promoter	No. of shares at the end of the year	% of Total Shares	% change during the year
Kiran Mazumdar Shaw	47,61,36,622	39.66%	0.03%
Yamini R Mazumdar	-	0.00%	-0.11%
J M M Shaw	84,45,348	0.70%	-
Ravi Mazumdar	53,01,321	0.44%	0.04%
Dev Mazumdar	9,29,721	0.08%	0.03%
Glentec International Limited	23,72,11,164	19.76%	-
<b>Total</b>	<b>72,80,24,176</b>	<b>60.64%</b>	<b>0.00%</b>

As at March 31, 2022

Name of the Promoter	No. of shares at the end of the year	% of Total Shares	% change during the year
Kiran Mazumdar Shaw	47,57,25,384	39.62%	-0.02%
Yamini R Mazumdar	13,08,712	0.11%	-
J M M Shaw	84,45,348	0.70%	-
Ravi Mazumdar	48,15,084	0.40%	-
Dev Mazumdar	5,18,484	0.04%	-
Glentec International Limited	23,72,11,164	19.76%	-0.01%
<b>Total</b>	<b>72,80,24,176</b>	<b>60.64%</b>	<b>-0.03%</b>

## 14 (b) Other equity

	March 31, 2023	March 31, 2022
Securities premium reserve	1,731	1,192
Revaluation reserve	9	9
General reserve	1,616	1,616
Retained earnings	99,506	71,328
Share based payment reserve	1,084	933
Treasury shares	(970)	(324)
Cash flow hedging reserve	129	114
Other items of other comprehensive income	52	58
	<b>1,03,157</b>	<b>74,926</b>

### Nature and purpose of reserve:

#### Securities premium

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

#### General reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

#### Retained earnings

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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## Share based payment reserve

The Company has established equity settled share based payment plans for certain categories of employees of the Company and its subsidiaries/ joint venture company. Refer note 30 for further details on these plans.

## Treasury shares

Own equity instruments that are reacquired [treasury shares] are recognised at cost and disclosed as deducted from equity.

## Cash flow hedging reserves

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

## Other Items of other comprehensive income

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

## 15. Borrowings

	March 31, 2023	March 31, 2022
(a) Non-current		
Loans from banks (secured)		
Term loan [refer note (a) below]	2,055	759
Non-convertible debenture [refer note (b) below]	10,922	-
	<b>12,977</b>	<b>759</b>

- (a) The Company has external commercial borrowing (ECB) from Bank repayable in 3 yearly instalments commencing from June 15, 2025 and carry interest @ Libor + agreed spread per annum. The loan is secured by exclusive charge on the property, plant and equipment created out of the term loan facility.
- (b) During the current year, the Company has issued 1,07,000 redeemable Non-Convertible Debentures (NCD) in 3 series each having a face value of ₹ 1,00,000 with a minimum return of 12% per annum plus agreed variable coupon payable upon redemption. The variable coupon is linked to the equity share price of a subsidiary. Tenure of the NCD is 5 years from the date of allotment or earlier based on put option terms. The NCD are secured by way of pledge over 3,81,13,557 equity shares of a subsidiary held by the Company. The NCD proceeds were utilised for repayment of mezzanine borrowing which was raised for investing in the subsidiary.
- (c) The Company's exposure to liquidity, interest rate and currency risks are disclosed in note 36.

## 16. Other financial liabilities

	March 31, 2023	March 31, 2022
(a) Non-current		
Derivative liabilities	176	141
	<b>176</b>	<b>141</b>
(b) Current		
Unpaid dividends	4	4
Capital creditors	523	673
Interest accrued but not due	7	2
Derivative liabilities	22	4
	<b>556</b>	<b>683</b>



# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## 17. Provisions

	March 31, 2023	March 31, 2022
<b>(a) Non-current</b>		
Provision for employee benefits		
Gratuity [refer note 35]	254	256
	<b>254</b>	<b>256</b>
<b>(b) Current</b>		
Provision for employee benefits		
Gratuity [refer note 35]	100	79
Compensated absences	182	169
	<b>282</b>	<b>248</b>
<b>(i) Movement in provisions</b>	<b>Gratuity</b>	<b>Compensated absences</b>
Opening balance as at April 01, 2022	335	169
Provision recognised/(utilised) during the year	19	13
<b>Closing balance as at March 31, 2023</b>	<b>354</b>	<b>182</b>
Opening balance as at April 01, 2021	348	170
Provision recognised/(utilised) during the year	(13)	(1)
Closing balance as at March 31, 2022	335	169
<b>18. Deferred tax liabilities/(assets) (net)</b>		
<b>Deferred tax liabilities</b>		
Property, plant and equipment, investment property and intangible assets	177	342
Derivative liabilities	44	54
<b>Gross deferred tax liabilities</b>	<b>221</b>	<b>396</b>
<b>Deferred tax assets</b>		
Employee benefit obligations	168	242
Allowance for doubtful debts	110	82
Other disallowable expenses	73	93
Deferred revenue	17	24
MAT credit entitlement	-	1,071
Others	81	84
<b>Gross deferred tax assets</b>	<b>449</b>	<b>1,596</b>
<b>Net deferred tax liabilities/(assets)</b>	<b>(228)</b>	<b>(1,200)</b>
<b>19. Other liabilities</b>		
<b>(a) Non-current</b>		
Contract liabilities	730	695
	<b>730</b>	<b>695</b>
<b>(b) Current</b>		
Contract liabilities	146	101
Advances from customers	57	73
Statutory taxes and dues payable	95	77
	<b>298</b>	<b>251</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## 20. Trade payables

	March 31, 2023	March 31, 2022
<b>Trade payables</b>		
Total outstanding dues of micro and small enterprises [refer note (a) below]	294	413
Total outstanding dues of creditors other than micro and small enterprises#	4,565	3,396
	<b>4,859</b>	<b>3,809</b>

#Includes dues to related parties [refer note 32]

### (a) Trade payables Ageing Schedule

	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	248	45	-	-	-	294
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,127	1,384	957	16	19	62	4,565
<b>As at March 31, 2023</b>	<b>2,127</b>	<b>1,632</b>	<b>1,002</b>	<b>16</b>	<b>19</b>	<b>62</b>	<b>4,859</b>
Total outstanding dues of micro enterprises and small enterprises	-	352	58	3	-*	-*	413
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,564	926	825	13	24	44	3,396
<b>As at March 31, 2022</b>	<b>1,564</b>	<b>1,278</b>	<b>883</b>	<b>16</b>	<b>24</b>	<b>44</b>	<b>3,809</b>

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

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

	March 31, 2023	March 31, 2022
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each year.		
Principal amount due to micro and small enterprises	294	413
Interest due on the above	-*	-*
(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.	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	3	3
(iv) The amount of interest accrued and remaining un-paid at the end of each accounting year.	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	3	3
The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.		

### (c) All Trade Payables are 'current'. The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 36.

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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## 21. Revenue from operations

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Sale of products</b>		
Finished goods	17,283	14,907
Traded goods	31	42
<b>Sale of services</b>		
Licensing and development fees	1	25
<b>Other operating revenue</b>		
Sale of process waste	304	203
Incentive from government	312	-
Others [refer note (a) below]	1,998	2,205
<b>Revenue from operations</b>	<b>19,929</b>	<b>17,382</b>

(a) Others include, rentals and cross charge of research and development, power and other facilities by the SEZ Developer/SEZ unit of the Company.

### 21.1 Disaggregated revenue information

	March 31, 2023	March 31, 2022
Set out below is the disaggregation of the Company's revenue from contracts with customers:		
<b>Revenues by Geography</b>		
India	7,255	6,260
Brazil	2,863	1,925
Singapore	1,184	465
Rest of the world	6,013	6,324
<b>Total revenues by Geography</b>	<b>17,315</b>	<b>14,974</b>
<b>Revenue from other sources</b>		
Other operating revenue	2,614	2,408
	<b>2,614</b>	<b>2,408</b>
<b>Total revenue from operations</b>	<b>19,929</b>	<b>17,382</b>

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

### 21.2 Changes in contract liabilities:

	March 31, 2023	March 31, 2022
<b>Balance at the beginning of the year</b>	<b>869</b>	<b>848</b>
Add:- Increase due to invoicing during the year	226	132
Less:- Amount recognised as revenue/other adjustments during the year	(162)	(111)
<b>Balance at the end of the year</b>	<b>933</b>	<b>869</b>
Expected revenue recognition from remaining performance obligations:		
- within one year	203	174
- More than one year	730	695
	<b>933</b>	<b>869</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## 21.3 Contract balances

	March 31, 2023	March 31, 2022
Trade receivables (including unbilled revenue)	6,580	7,006
Contract liabilities	933	869

Trade receivables are non-interest bearing.

Contract liabilities include deferred revenue and advance from customers.

## 21.4 Performance obligation:

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

## 22. Other income

	Year ended March 31, 2023	Year ended March 31, 2022
Interest income on:		
Deposits with banks and financial institutions	329	389
Others	25	26
Dividend income from subsidiaries [refer note 32]	495	-
Net gain on sale of current investments	239	30
Net gain on financial assets measured at fair value through profit or loss	6	1
Profit on property, plant and equipment sold, (net)	-	8
Foreign exchange gain, net	102	126
Other non-operating income [refer note (a)]	1,518	1,292
	<b>2,714</b>	<b>1,872</b>

(a) Others non operating income includes, rentals, cross charge of power and other facilities.

## 23. Cost of materials consumed

Inventory at the beginning of the year	1,662	1,614
Add: Purchases	10,007	9,171
Less: Inventory at the end of the year	(1,880)	(1,662)
Cost of materials consumed	<b>9,789</b>	<b>9,123</b>

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

Inventory at the beginning of the year		
Finished goods	147	1,212
Work-in-progress	3,606	1,483
	<b>3,753</b>	<b>2,695</b>
Inventory at the end of the year		
Finished goods	253	147
Work-in-progress	3,468	3,606
	<b>3,721</b>	<b>3,753</b>
	<b>32</b>	<b>(1,058)</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## 25. Employee benefits expenses

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	3,329	2,881
Contribution to provident and other funds	161	134
Gratuity [refer note 35]	55	54
Share based compensation expense [refer note 30]	417	295
Staff welfare expenses	376	313
	<b>4,338</b>	<b>3,677</b>

## 26. Finance costs

Interest expense on financial liability measured at amortised cost	471	-
Interest expense on financial liability measured at FVTPL	222	-
Interest on lease liabilities [refer note 38]	3	4
	<b>696</b>	<b>4</b>

## 27. Depreciation and amortisation expense

Depreciation on Property, plant and equipment [refer note 3]	1,032	954
Depreciation on Investment property [refer note 4 (a)]	40	40
Amortisation on intangible assets [refer note 5]	86	75
Depreciation on Right-of-use-assets [refer note 4(b)]	11	13
	<b>1,169</b>	<b>1,082</b>

## 28. Other expenses

Royalty and technical fees	1	-
Rent	3	4
Communication expenses	38	30
Travelling and conveyance	94	44
Professional charges	241	126
Payments to auditors [refer note 29 below]	10	8
Directors' fees including commission	43	39
Power and fuel	2,792	2,310
Insurance	113	108
Rates, taxes and fees	17	23
Lab consumables	150	186
Repairs and maintenance		
Plant and machinery	676	636
Buildings	143	106
Others	302	377
Selling expenses		
Freight outwards and clearing charges	106	119
Sales promotion expenses	32	7
Commission and brokerage (other than sole selling agents)	59	61
Provision for doubtful debts, net	201	201
Loss on property, plant and equipment sold, (net)	1	-
Net loss on derivative liability measured at fair value through profit or loss	14	-
Printing and stationery	33	32
Research and development expenses [refer note 28(a) below]	332	466
CSR expenditure [refer note 40]	58	70
Miscellaneous expenses [refer note 32]	82	59
	<b>5,541</b>	<b>5,012</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## 28 (a) Research and development expenses

		Year ended March 31, 2023	Year ended March 31, 2022
Research and development expenses	(a)	332	466
Other Research and development expenses included in other heads of account:			
Salaries, wages and bonus		293	236
Lab consumables		150	186
	(b)	<b>443</b>	<b>422</b>
	(a+b)	775	888
Less: Recovery of product development costs from co-development partners, net		(27)	-
		<b>748</b>	<b>888</b>

## 29. Payments to auditors

		Year ended March 31, 2023	Year ended March 31, 2022
As auditor:			
Statutory audit fee		4	3
Tax audit fee		1	1
Limited review		1	1
In other capacity:			
Other services (certification fees)		3	2
Reimbursement of out-of-pocket expenses		1	1
		<b>10</b>	<b>8</b>

## 30. Employee stock compensation

### (a) Biocon ESOP Plan

On September 27, 2001, Biocon's Board of Directors approved the Biocon Employee Stock Option Plan ('ESOP Plan 2000') for the grant of stock options to the employees of the Company and its subsidiaries / joint venture company. The Nomination and Remuneration Committee ('Remuneration Committee') administers the plan through a trust established specifically for this purpose, called the Biocon India Limited Employee Welfare Trust (ESOP Trust).

The ESOP Trust shall make additional purchase of equity shares of the Company using the proceeds from the loan obtained from the Company, other cash inflows from allotment of shares to employees under the ESOP Plan and shall subscribe, when allotted to such number of shares as is necessary for transferring to the employees. The ESOP Trust may also receive shares from the promoters for the purpose of issuance to the employees under the ESOP Plan. The Remuneration Committee shall determine the exercise price which will not be less than the face value of the shares.



# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## Grant VII

In July 2014, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. These options are exercisable at the closing market price of Company's shares existing on the date preceding to the date of grant.

Particulars	March 31, 2023		March 31, 2022	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	589,000	88	2,008,750	82
Granted during the year	-	-	-	-
Lapses/Forfeited during the year	(18,000)	124	(84,000)	77
Exercised during the year	(478,000)	88	(1,335,750)	79
Expired during the year	(67,250)	98	-	-
Outstanding at the end of the year	<b>25,750</b>	<b>79</b>	<b>589,000</b>	<b>88</b>
Exercisable at the end of the year*	25,750	79	103,000	82
Weighted average remaining contractual life (in years)	-	-	0.9	-
Weighted average fair value of options granted (Rs)	-	-	-	-
Range of exercise prices for outstanding options at the end of year	78-81	-	76-124	-

\* These shares were exercised by the employees on March 31, 2023 and were allotted subsequently in April 2023.

## Grant VIII

In July 2015, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. These options are exercisable at the closing price as per National Stock Exchange as on the last day of the month preceding the month of first grant.

Particulars	March 31, 2023		March 31, 2022	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	105,000	76	147,000	75
Granted during the year	-	-	-	-
Lapses/Forfeited during the year	-	-	-	-
Exercised during the year	-	-	(42,000)	73
Expired during the year	(105,000)	76	-	-
Outstanding at the end of the year	<b>-</b>	<b>-</b>	<b>105,000</b>	<b>76</b>
Exercisable at the end of the year	-	-	105,000	76
Weighted average remaining contractual life (in years)	-	-	-	-
Weighted average fair value of options granted (₹)	-	-	-	-
Range of exercise prices for outstanding options at the end of year	-	-	76	-

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## Grant IX

In June 2016, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. These options are exercisable at 50% of the closing price as per National Stock Exchange as on the preceding day to the date of grant.

Particulars	March 31, 2023		March 31, 2022	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	3,446,204	125	5,307,574	124
Granted during the year	-	-	-	-
Lapses/Forfeited during the year	(473,752)	119	(1,390,500)	135
Exercised during the year	(675,535)	107	(470,870)	95
Expired during the year	-	-	-	-
Outstanding at the end of the year	2,296,917	131	3,446,204	125
Exercisable at the end of the year	338,417	111	205,079	98
Weighted average remaining contractual life (in years)	2.2	-	3.0	-
Weighted average fair value of options granted (Rs)	-	-	-	-
Range of exercise prices for outstanding options at the end of year	76-173	-	69-173	-

## Employee stock compensation (continued)

### Grant X

In June 2016, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. These options are exercisable at 50% of the closing price as per National Stock Exchange as on the preceding day to the date of grant.

Particulars	March 31, 2023		March 31, 2022	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	2,631,874	151	4,857,076	142
Granted during the year	-	-	-	-
Lapses/Forfeited during the year	(52,500)	125	(256,125)	148
Exercised during the year	(1,232,725)	148	(1,969,077)	130
Expired during the year	-	-	-	-
Outstanding at the end of the year	1,346,649	154	2,631,874	151
Exercisable at the end of the year	1,346,649	154	951,249	139
Weighted average remaining contractual life (in years)	0.4	-	1.3	-
Weighted average fair value of options granted (₹)	-	-	-	-
Range of exercise prices for outstanding options at the end of year	83-156	-	69-167	-

The average market price of the Company's share during the year ended March 31, 2023 is ₹ 289 (March 31, 2022 - ₹ 373) per share.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## (b) RSU Plan 2015

On March 11, 2015, Biocon's Remuneration Committee approved the Biocon - Restricted Stock Units (RSUs) of Syngene ('RSU Plan 2015') for the grant of RSUs to the employees of the Company and its subsidiaries other than Syngene. The Remuneration Committee administers the plan through a trust, called the Biocon Limited Employee Welfare Trust. For this purpose, on March 31, 2015, the Company transferred 2,000,000 equity shares of Syngene to Biocon Limited Employees Welfare Trust.

In April 2015, the Company approved the grant to its employees under the RSU Plan 2015. The RSUs under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. Exercise price of RSUs will be Nil.

Particulars	March 31, 2023		March 31, 2022	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	103,758	-	285,974	-
Granted during the year	-	-	-	-
Lapses/Forfeited during the year	-	-	(50,398)	-
Exercised during the year	(87,286)	-	(122,640)	-
Expired during the year	(4,968)	-	(9,178.0)	-
Outstanding at the end of the year	<b>11,504</b>	-	<b>103,758</b>	-
Exercisable at the end of the year	11,504	-	58,797	-
Weighted average remaining contractual life (in years)	0.4	-	1.1	-
Weighted average fair value of options granted (Rs)	-	-	-	-

## (c) RSU Plan 2019

On January 7, 2019, Biocon's Nomination and Remuneration Committee ('NRC') and the Board of Directors approved the Biocon Biologics - Restricted Stock Units (RSUs) of Biocon Biologics India Limited ('RSU Plan 2019') for grant of RSUs to employees of the Group. The NRC administers the plan through a trust called, Biocon Limited Employee Welfare Trust. For this purpose on January 8, 2020, the Company transferred 2,161,904 equity shares of Biocon Biologics India Limited to Biocon Limited Employee Welfare Trust.

During the year modification in vesting was approved by NRC. Based on revised approval, the options under this grant would vest to the employees as 25% in first year after the grant date, 25% on the event of IPO, 25% after the expiry of one year from IPO date and 25% after the expiry of 2 years from the IPO date. The options are exercisable only on the event of an IPO and exercise period shall be one year from the date of last vesting.

Particulars	March 31, 2023		March 31, 2022	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	7,003,007	2	8,514,615	2
Granted during the year	-	-	-	-
Lapses/Forfeited during the year	(833,388)	2	(1,511,608)	2
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	<b>6,169,619</b>	<b>2</b>	<b>7,003,007</b>	<b>2</b>
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years)	5.0	-	6.0	-
Weighted average fair value of options granted (Rs)	-	-	244	-

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## Employee stock compensation (continued)

### (d) RSU Plan 2020

On May 14, 2020, Biocon's Nomination and Remuneration Committee ('NRC') and the Board of Directors approved the Biocon Restricted Stock Units (RSUs) Long Term Incentive Plan FY2020-24 ("RSU Plan 2020") for grant of RSUs to present and/or future employees of the Company and its present and future subsidiary companies. The plan is implemented through a trust called, Biocon India Limited Employee Welfare Trust wherein the Company will issue shares to the trust by way of fresh allotment over a period of time.

The RSUs granted under this Plan shall vest over a period of time (service condition) and based upon the performance of the employee. The period of vesting shall be determined as per the date of grant and the maximum period of vesting shall not extend beyond August 1, 2024. The actual number of RSUs to be vested each year for each Grantee shall be based on his individual performance conditions, the key parameters of which shall be measured through growth in revenue and profits, delivering on key strategic initiatives and shareholders' value creation and such other conditions as may be determined by the Managing Director and Chief Executive Officer of the Company in accordance with the overall terms set by the NRC.

Particulars	March 31, 2023		March 31, 2022	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	2,514,976	5	2,630,000.00	5
Granted during the year	43,709	5	724,083	5
Lapses/Forfeited during the year	(306,915)	5	(408,345)	5
Exercised during the year	(521,787)	5	(430,762)	5.0
Expired during the year	-	-	-	-
Outstanding at the end of the year	<b>1,729,983</b>	<b>5</b>	<b>2,514,976</b>	<b>5</b>
Exercisable at the end of the year	257,218	5	46,147	5.0
Weighted average remaining contractual life (in years)	2.4	-	3.3	-
Weighted average fair value of options granted (₹)	377	-	369	-

Assumptions used in determination of the fair value of the stock options under the Black Scholes Model are as follows:

	March 31, 2023	March 31, 2022
Weighted Average Exercise Price	5	5
Expected volatility	33.0% to 36.2%	33.0% to 36.2%
Life of the options granted (vesting and exercise period) in years	4.03	4.03
Average risk-free interest rate	5.6%	5.6%
Expected dividend rate	0.6%	0.6%

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Particulars	March 31, 2023	March 31, 2022
<b>Summary of movement in respect of shares held by ESOP Trust is as follows:</b>		
Opening balance	7,520,315	111,68,774
Add: Shares purchased by the ESOP trust	2,000,000	-
Add: Shares issued by the Company	-	600,000
Less: Shares exercised by employees	(2,908,047)	(4,248,459)
<b>Closing balance</b>	<b>6,612,268</b>	<b>7,520,315</b>
Options granted and eligible for exercise at end of the year	1,968,034	1,410,475
Options granted but not eligible for exercise at end of the year	3,431,265	7,876,579
<b>Summary of movement in respect of equity shares of Syngene held by the RSU Trust is as follows:</b>		
Opening balance	1,178,733	1,301,373
Less: Shares exercised by employees	(87,286)	(122,640)
Closing balance	1,091,447	1,178,733
Options granted and eligible for exercise at end of the year	11,504	58,797
Options granted but not eligible for exercise at end of the year	-	44,961
<b>Summary of movement in respect of equity shares of BBIL held by the RSU Trust is as follows:</b>		
<b>Opening balance</b>	<b>10,809,520</b>	<b>10,809,520</b>
Add: Shares purchased by the RSU Trust from Biocon Limited	-	-
Closing balance	10,809,520	10,809,520
Options granted and eligible for exercise at end of the year	-	-
Options granted but not eligible for exercise at end of the year	6,169,619	7,003,007
<b>31. Earnings per share (EPS)</b>		
Earnings		
Profit for the year	28,484	861
Shares		
Basic outstanding shares	1,200,600,000	1,200,550,000
Less: Weighted average shares held with the ESOP Trust	(7,504,055)	(9,475,319)
<b>Weighted average shares used for computing basic EPS</b>	<b>1,193,095,945</b>	<b>1,191,074,681</b>
Add: Effect of dilutive options granted but not yet exercised/not yet eligible for exercise	2,829,645	5,276,990
<b>Weighted average shares used for computing diluted EPS</b>	<b>1,195,925,590</b>	<b>1,196,351,671</b>
<b>Earnings per equity share:</b>		
Basic (in ₹)	23.87	0.72
Diluted (in ₹)	23.82	0.72

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## 32. Related party transactions

### List of related parties:

Particulars	Nature of relationship
Key management personnel	
Kiran Mazumdar Shaw	Executive Chairperson
Siddharth Mittal	Managing Director & Chief Executive Officer
Indranil Sen	Chief Financial Officer (w.e.f April 28, 2021)
Anupam Jindal	Chief Financial Officer (Upto April 28, 2021)
Mayank Verma	Company Secretary
Daniel Mark Bradbury	Independent director (Upto July 27, 2022)
Mary Harney	Independent director (Upto July 27, 2022)
Vijay Kumar Kuchroo	Independent director
Meleveetil Damodaran	Independent director
Bobby Kanubhai Parikh	Independent director
Ravi Rasendra Mazumdar	Non-executive director
Eric Vivek Mazumdar	Non-executive director (w.e.f November 01, 2021)
John Shaw	Non-executive director (upto July 23, 2021)
Naina Lal Kidwai	Independent director (w.e.f April 28, 2022)
Peter John Bains	Independent director (w.e.f December 12, 2022)
<b>Subsidiaries</b>	
Syngene International Limited	Subsidiary
Syngene USA Inc.	Wholly-owned subsidiary of Syngene International Limited
Biocon Pharma Limited	Wholly-owned subsidiary
Biocon Biologics Limited (Formerly known as Biocon Biologics India Limited)	Subsidiary
Biocon Academy	Wholly-owned subsidiary
Biocon SA	Wholly-owned subsidiary
Biocon Biologics UK Limited (Formerly known as Biocon Biologics Limited)	Wholly-owned subsidiary of Biocon Biologics Limited
Biocon FZ LLC	Wholly-owned subsidiary
Biocon Biologics Healthcare Malaysia Sdn Bhd (Formerly known as Biocon Healthcare Sdn Bhd)	Wholly-owned subsidiary of Biocon Biologics UK Limited
Biocon Biosphere Limited	Wholly-owned subsidiary
Biocon Pharma Inc	Wholly-owned subsidiary of Biocon Pharma Limited
Biocon Sdn.Bhd.	Wholly-owned subsidiary of Biocon Biologics UK Limited
Biocon Pharma Ireland Limited	Wholly-owned subsidiary of Biocon Pharma Limited
Biocon Pharma UK Limited	Wholly-owned subsidiary of Biocon Pharma Limited
Biocon Biologics Inc. USA	Wholly-owned subsidiary of Biocon Biologics UK Limited
Biocon Biologics FZ LLC	Wholly-owned subsidiary of Biocon Biologics UK Limited
Biocon Biologics Do Brasil Ltda	Wholly-owned subsidiary of Biocon Biologics UK Limited
Biocon Pharma Malta Limited	Wholly-owned subsidiary of Biocon Pharma Limited
Biocon Pharma Malta I Limited	Wholly-owned subsidiary of Biocon Pharma Limited



# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Particulars	Nature of relationship
Biofusion Therapeutics Limited	Wholly-owned subsidiary
Syngene Manufacturing Solutions Limited	Wholly-owned subsidiary of Syngene International Limited
Syngene Scientific Solutions Limited	Wholly-owned subsidiary of Syngene International Limited
Biosimilars Newco Limited	Wholly-owned subsidiary of Biocon Biologics Limited
Biosimilar Collaboration Ireland Limited	Wholly-owned subsidiary of Biocon Biologics UK Limited
Biocon Biologics Canada Inc.	Wholly-owned subsidiary of Biocon Biologics UK Limited
Biocon Biologics Germany GmbH	Wholly-owned subsidiary of Biocon Biologics UK Limited
<b>Associate</b>	
Bicara Therapeutics Inc.	Associate
<b>Joint Ventures</b>	
NeoBiocon FZ LLC	Joint-venture
<b>Other related parties</b>	
Biocon Foundation	Trust in which key management personnel are the Board of Trustees
Mazumdar Shaw Medical Foundation	Trust in which key management personnel are the Board of Trustees
Glentec International Limited	Enterprise owned by key management personnel
Narayana Hrudayalaya Limited	Enterprise in which a director of the Company is a member of board of directors
Immuneel Therapeutics Private Limited	Enterprise in which a director of the Company is a member of board of directors
Jeeves	Enterprise in which relative to a director of the Company is proprietor

## The Company has the following related parties transactions

Particulars	Transaction / Balances	Year ended March 31, 2023	Year ended March 31, 2022
Key management personnel	Salary and perquisites [refer note (d) & (e) below]	95	82
	Sitting fees and commission	43	39
	Outstanding as at the year end:		
	- Trade and other payables	-	-

## 32. Related party transactions (continued)

### The Company has the following related parties transactions

Particulars	Transaction / Balances	Year ended March 31, 2023	Year ended March 31, 2022
<b>Subsidiaries</b>	Sale of goods/other products	2,724	2,676
	Rent income [refer note (b) below]	325	300
	Cross charges towards facility and other expenses [refer note (a) & (b)]	2,835	2,562
	Interest income	22	11
	Expenses incurred on behalf of the related party [refer note (a)]	857	423
	Reimbursement of incentive from government	500	-
	Guarantee income	21	45
	Research services received	41	104
	Dividend received	495	-
	Purchase of goods	6	12

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Particulars	Transaction / Balances	Year ended March 31, 2023	Year ended March 31, 2022
	Settlement Income	-	370
	Professional charges	(3)	13
	CSR expenditure	48	33
	Expenses incurred by related party on behalf of the Company	22	25
	Funding received towards Property, plant and equipment	-	53
	Purchase of asset	15	-
	Transfer of Material	14	-
	Transfer of capital work in progress	19	85
	Transfer of Other intangible assets	-	12
	Investment in preference shares	515	517
	Investment in equity shares of Biocon Biologics limited	40,710	-
	Conversion of OCRPS into equity shares of Biocon Biologics limited	10,810	-
	Loans given [refer note (g) below for year ended March 31, 2022]	320	413
	Loans repaid	(223)	-
	Outstanding as at the year end:		
	- Trade and other receivables	3,840	3,892
	- Trade and other payables	826	243
	- Loans receivable [refer note (g) below]	-	413
	Guarantee given/(withdrawn), net	1,269	(10,689)
	Guarantee given on behalf of related party	4,668	3,398
<b>Associate</b>	Cross charges towards facility and other expenses [refer note (a) & (b)]	7	105
	Expenses incurred on behalf of the related party [refer note (a)]	-	10
	Interest income	-	-
	Outstanding as at the year end:		
	- Trade and other receivables	397	449
	- Provision for Expected credit loss	397	190
<b>Joint venture</b>	Expenses incurred on behalf of the related party [refer note (a)]	-	1
	Outstanding as at the year end:		
	- Trade and other receivables	-	-
<b>Other related parties</b>	CSR expenditure	10	37
	Other expenses	23	20
	Expenses towards Scientific and Research services	-	1
	Outstanding as at the year end:		
	- Trade and other receivables	1	1

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

- Expenses incurred on behalf of the related party include Salary cost, ESOP cost and amount paid on behalf of the related party to vendors.
- The Company's SEZ Developer division has entered into agreements to lease land and provide certain facilities such as power, utilities etc. to SEZ units of Biocon Biologics Limited, Biocon Pharma Limited and Syngene International Limited, in respect of which the Company recovers rent and facilities usage charges.
- The above disclosures include related parties as per Ind AS 24 on "Related Party Disclosures" and Companies Act, 2013.
- The remuneration to key management personnel doesn't include the provisions made for gratuity and compensated absences amounting to Rs 4, as they are obtained on an actuarial basis for the Company as a whole.
- Share based compensation expense allocable to key management personnel is ₹ 75 (March 31, 2022 - ₹ 65), which is not included in the remuneration disclosed above.
- All transactions with these related parties are priced on an arm's length basis and none of the balances are secured.
- The loans to related parties is presented net of repayments due to multiple transactions. Loans repaid includes loan subsequently converted into preference shares. The loan given to subsidiaries are for Business purposes and interest rates are at arm's length. The Loans are payables on demand.

## 33. Tax expense

	Year ended March 31, 2023	Year ended March 31, 2022
<b>(a) Amount recognised in Statement of profit and loss</b>		
Current tax	256	322
Deferred tax expense/(income) related to:		
MAT credit written off / utilisation	1,071	285
Origination and reversal of temporary differences:	(99)	(71)
<b>Tax expense for the year#</b>	<b>1,228</b>	<b>536</b>
<b>(b) Reconciliation of effective tax rate</b>		
Profit before tax and exceptional item	1,084	1,397
Add: Exceptional items, net	28,628	-
Profit before tax	29,712	1,397
Tax at statutory income tax rate 25.17% (March 31, 2022 - 34.94%)*	7,479	488
Tax effects of amounts which are not deductible/(taxable) in calculating taxable income:		
Exempt income and other deductions	(7,331)	(12)
MAT credit written off*	1,071	-
Non-deductible expense	22	24
Basis difference that will reverse during the tax holiday period	-	10
Reversal of provision for tax for earlier years	18	1
Deferred tax impact on rate change	(42)	-
Others	11	25
<b>Income tax expense</b>	<b>1,228</b>	<b>536</b>

\* Effective April 1, 2022, the Company has decided to select its option to adopt the new tax regime notified u/s 115BAA of the Income Tax Act, 1961. Consequently, the Company has written off Minimum Alternate Tax (MAT) balance of Rs. 1,071 million in the current year, which can no longer be carried forward.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## (c) Recognised deferred tax assets and liabilities

The following is the movement of deferred tax assets/liabilities presented in the balance sheet

Deferred tax liabilities

For the Year ended March 31, 2023	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant and equipment, investment property and intangible assets	342	(165)	-	177
Derivative liabilities	54	(7)	(3)	44
<b>Gross deferred tax liabilities</b>	<b>396</b>	<b>(172)</b>	<b>(3)</b>	<b>221</b>
Deferred tax assets				
Defined benefit obligations	242	(66)	(8)	168
Allowance for doubtful debts	82	28	-	110
Other disallowable expenses	93	(20)	-	73
MAT credit entitlement	1,071	(1,071)	-	-
Deferred revenue	24	(7)	-	17
Others	84	(8)	5	81
<b>Gross deferred tax assets</b>	<b>1,596</b>	<b>(1,144)</b>	<b>(3)</b>	<b>449</b>
<b>Net deferred tax assets</b>	<b>1,200</b>	<b>(972)</b>	<b>-</b>	<b>228</b>

For the Year ended March 31, 2022	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
<b>Deferred tax liability</b>				
Property, plant and equipment, investment property and intangible assets	343	(1)	-	342
Derivative liability	5	-	49	54
<b>Gross deferred tax liability</b>	<b>348</b>	<b>(1)</b>	<b>49</b>	<b>396</b>
Deferred tax assets				
Defined benefit obligations	248	2	(8)	242
Derivative assets	-	-	-	-
Allowance for doubtful debts	12	70	-	82
Other disallowable expenses	89	4	-	93
MAT credit entitlement	1,356	(285)	-	1,071
Deferred revenue	32	(8)	-	24
Others	75	2	8	84
<b>Gross deferred tax assets</b>	<b>1,812</b>	<b>(215)</b>	<b>-</b>	<b>1,596</b>
<b>Net deferred tax assets</b>	<b>1,464</b>	<b>(214)</b>	<b>(49)</b>	<b>1,200</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## 34. Contingent liabilities and commitments

	March 31, 2023	March 31, 2022
<i>(to the extent not provided for)</i>		
<b>(i) Contingent liabilities:</b>		
(a) Claims against the Company not acknowledged as debt	2,149	1,859
The above includes:		
(i) Direct taxation	1,058	775
ii) Indirect taxation (includes matters pertaining to disputes on central excise, custom duty, service tax, VAT, CST, Entry tax and GST)"	743	736
(iii) Other matters	348	348

The Company is subject to complexities with respect to various tax positions on deductibility of transactions and availability of tax incentives / exemptions, impact of group restructuring and on cross border transfer pricing arrangements. Judgment is required in assessing the range of possible outcomes for some of these tax matters, which could change over time as each of the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents. Based on its internal assessment supported by external legal counsel views, if any, the Company believes that it will be able to sustain its positions if challenged by the authorities and accordingly no additional provision is required for these matters.

Other than the matter disclosed above, the Company is involved in disputes, lawsuits, proceedings etc. including patent and commercial matters that arise from time to time in the ordinary course of business. Management is of the view that above matters are not tenable and will not have any material adverse effect on the Company's financial position and results of operations.

### (b) Guarantees:

	March 31, 2023	March 31, 2022
(i) Corporate guarantees given in favour of the Central Excise Department in respect of certain performance obligations of the subsidiaries Syngene International Limited	148	148
(ii) Corporate guarantees given in favour of banks towards loans obtained by subsidiaries/step-down subsidiaries	4,520	3,250

### Movement in corporate guarantee during the year:

Particulars	As at April 01, 2022	Given during the year	Withdrawn/Cancelled during the year	Exchange rate movement	As at March 31, 2023
Syngene International Limited	148	-	-	-	148
Biocon Biosphere Limited (Refer note a)	2,581	1,260	-	268	4,109
Biofusion Therapeutics Ltd (Refer note b)	290	91	(381)	-	-
Biocon Pharma Inc (Refer note b)	380	-	-	31	411
<b>Total</b>	<b>3,398</b>	<b>1,351</b>	<b>(381)</b>	<b>299</b>	<b>4,668</b>

a) Corporate guarantee given against loan obtained by subsidiary for development of new manufacturing facility.

b) Corporate guarantee given against loan obtained by subsidiary for working capital purpose.

### (ii) Commitments:

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances

	731	1,126

(b) During FY 2019-20, the Company and Biocon Biologics Limited had entered into an agreement with Active Pine LLP ("Investor I") whereby the Investor has infused ₹ 5,363 against issuance of equity shares of a subsidiary company, Biocon Biologics Limited. As per the agreement, the Company will be required to provide various options to enable the Investor to exit over a period of time. In the event, such exit events do not occur, the Investor may require the Company, to buy them out at certain prices agreed under the arrangement.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

- (c) During FY 2020-21, the Company and Biocon Biologics Limited had entered into an agreement with Beta Oryx Limited, a wholly owned subsidiary of ADQ (Investor II) whereby the Investor has infused ₹ 5,550 against issuance of equity shares of a subsidiary company, Biocon Biologics Limited. As per the agreement, the Company will be required to provide various options to enable the Investor to exit over a period of time. In the event, such exit events do not occur, the Investor may require the Company, to buy them out at certain prices agreed under the arrangement.
- (d) During FY 2020-21, the Company and Biocon Biologics Limited has entered into an agreement with Tata Capital Growth Fund II (Investor III) whereby the Investor has infused ₹ 2,250 against issuance of equity shares of a subsidiary company, Biocon Biologics Limited. As per the agreement, the Company will be required to provide various options to enable the Investor to exit over a period of time. In the event, such exit events do not occur, the Investor may require the Company, to buy them out at certain prices agreed under the arrangement.

## 35. Employee benefit plans

- (i) The Company has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972. Under this legislation, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement/termination age and does not have any maximum monetary limit for payments. The gratuity plan is a funded plan and the Company makes contributions to a recognised fund in India.

The plans assets are maintained with HDFC Life in respect of gratuity scheme for certain employees of the Company. The details of investments maintained by Life Insurance Corporation are not available with the Company, hence not disclosed. The expected rate of return on plan assets is 7.3 % p.a. (31 March 2022: 6.1% p.a.).

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

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

Particulars	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
<b>Balance as on April 01, 2022</b>	<b>342</b>	<b>(7)</b>	<b>335</b>
Current service cost	34	-	34
Interest expense/(income)	21	-0	20
<b>Amount recognised in Statement of profit and loss</b>	<b>55</b>	<b>-0</b>	<b>55</b>
Liability transferred in/ Acquisitions	-	-	-
Liability transferred out/ Divestments	-	-	-
<i>Remeasurements:</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	0	0
Actuarial (gain)/loss arising from:			
Financial assumptions	-21	-	-21
Experience adjustment	11	-	11
<b>Amount recognised in other comprehensive income</b>	<b>-11</b>	<b>0</b>	<b>-10</b>
Employers contribution	-	-	-
Benefits paid	-25	-	-25
<b>Balance as at March 31, 2023</b>	<b>361</b>	<b>(7)</b>	<b>354</b>



# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Particulars	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
<b>Balance as on April 01, 2021</b>	<b>355</b>	<b>(7)</b>	<b>348</b>
Current service cost	35	-	35
Interest expense/(income)	19	-*	19
<b>Amount recognised in Statement of profit and loss</b>	<b>54</b>	<b>-</b>	<b>54</b>
Liability transferred in/ Acquisitions	6	-	6
Liability transferred out/ Divestments	(10)	-	(10)
<i>Remeasurements:</i>			
Actuarial (gain)/loss arising from:			
Financial assumptions	(9)	-	(9)
Experience adjustment	(13)	-	(13)
<b>Amount recognised in other comprehensive income</b>	<b>(22)</b>	<b>-</b>	<b>(22)</b>
Employers contribution	-	-	-
Benefits paid	(41)	-	(41)
<b>Balance as at March 31, 2022</b>	<b>342</b>	<b>(7)</b>	<b>335</b>

Particulars	March 31, 2023	March 31, 2022
Non-current	254	256
Current	100	79
	354	335

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

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

	March 31, 2023	March 31, 2022
Interest rate	7.3%	6.1%
Discount rate	7.3%	6.1%
Expected return on plan assets	7.3%	6.1%
Salary increase	9.0%	9.0%
Attrition rate	14% - 30%	14% - 30%
Retirement age - Years	58	58

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

The weighted average duration of the defined benefit obligation was 6 years (March 31, 2022 - 6 years).

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

## (iii) Sensitivity analysis

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

Particulars	March 31, 2023		March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% Change)	(16)	17	(16)	18
Salary increase (1% Change)	17	(16)	18	(16)
Attrition rate (1% Change)	(2)	2	(3)	4

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Sensitivity of significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.

As of March 31, 2023 and March 31, 2022, the plan assets have been invested in insurer managed funds and the expected contribution to the fund during the year ending March 31, 2024, is approximately ₹ 74 (March 31, 2023 - ₹ 64).

Maturity profile of defined benefit obligation amount

Particulars	March 31, 2023	March 31, 2022
1 <sup>st</sup> Following year	74	64
2 <sup>nd</sup> Following year	42	36
3 <sup>rd</sup> Following year	40	37
4 <sup>th</sup> Following year	35	34
5 <sup>th</sup> Following year	40	30
Years 6 to 10	154	142
Years 11 and above	163	153

#### (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, 2023	March 31, 2022
Compensated absences	182	169

## 36. Financial instruments: Fair value and risk managements

### A. Accounting classification and fair values

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>March 31, 2023</b>								
<b>Financial assets</b>								
Non-current investments	12,177	10	77311*	89,498	10	-	12,177#	12,187
Loans	-	-	-	-	-	-	-	-
Current investments	1,509	-	1,700	3,209	1,509	-	-	1,509
Trade receivables	-	-	6,580	6,580	-	-	-	-
Cash and cash equivalents	-	-	1,966	1,966	-	-	-	-
Other bank balances	-	-	5,237	5,237	-	-	-	-
Other financial asset	-	217	1,965	2,182	-	217	-	217
	<b>13,686</b>	<b>227</b>	<b>94,759</b>	<b>1,08,672</b>	<b>1,519</b>	<b>217</b>	<b>12,177</b>	<b>13,913</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Particulars March 31, 2023	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>								
Lease liabilities	-	-	35	35	-	-	-	-
Borrowings	10,922	-	2,055	12,977	-	-	10,922	10,922
Trade payables	-	-	4,859	4,859	-	-	-	-
Other financial liabilities	154	44	534	732	-	44	154	198
	<b>11,076</b>	<b>44</b>	<b>7,483</b>	<b>18,603</b>	<b>-</b>	<b>44</b>	<b>11,076</b>	<b>11,120</b>

March 31, 2022	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Non-current investments	22,472	30	27,676*	50,178	30	-	22,472#	22,502
Loans	-	-	413	413	-	-	-	-
Current investments	72	-	2,550	2,622	72	-	-	72
Trade receivables	-	-	7,006	7,006	-	-	-	-
Cash and cash equivalents	-	-	1,110	1,110	-	-	-	-
Other bank balances	-	-	5,783	5,783	-	-	-	-
Other financial asset	-	161	1,488	1,649	-	161	-	161
	<b>22,544</b>	<b>191</b>	<b>46,026</b>	<b>68,761</b>	<b>102</b>	<b>161</b>	<b>22,472</b>	<b>22,735</b>

<b>Financial liabilities</b>								
Lease liabilities	-	-	10	10	-	-	-	-
Borrowings	-	-	759	759	-	-	-	-
Trade payables	-	-	3,809	3,809	-	-	-	-
Other financial liabilities	140	5	679	824	-	5	140	145
	<b>140</b>	<b>5</b>	<b>5,257</b>	<b>5,402</b>	<b>-</b>	<b>5</b>	<b>140</b>	<b>145</b>

(a) The fair value of trade receivables, trade payables and other financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short – term nature.

(b) There have been no transfers between level 1, 2 and 3 needs to be made.

(c) The Company enters into derivative financial instruments with various counterparties. Derivatives are valued using valuation techniques in consultation with market expert. The most frequently applied valuation technique include forward pricing, swap models and Black Scholes Merton Model (for options valuation), using present value calculations. The models incorporate various inputs including foreign exchange forward rates, interest rate curve and forward rates curve..

\* Investment in equity shares in subsidiaries, associate and joint venture and investment in preference shares of associates has been accounted at cost as per Ind AS 27 "Consolidated and Separate Financial Statements".

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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## B. Measurement of fair values

Fair value of liquid mutual funds are based on quoted price. Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

### Sensitivity analysis

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

Particulars	March 31, 2023		March 31, 2022	
	Impact on other equity		Impact on other equity	
Significant observable inputs	Increase	Decrease	Increase	Decrease
Spot rate of the foreign currency (1% movement)	(2)	2	(12)	6
Interest rates (100 bps movement)	61	(61)	74	(74)

## C. Significant Unobservable inputs used in Level 3 Fair Values

As at March 31, 2023	Valuation Techniques	Significant unobservable inputs	Sensitivity of input to fair value measurement
Non Convertible Debentures	Binomial Option Pricing Model - using risk free discount rate and growth rate.	a) Discount rate	A 1% increase in discount rate would have led to approximately ₹ 228 gain in Statement of Profit and loss. A 1% decrease would have led to approximately ₹ 235 loss in Statement of Profit and loss.
		b) Volatility rate	A 5% increase in volatility rate would have led to approximately ₹ 35 gain in Statement of Profit and loss. A 5% decrease would have led to approximately ₹ 36 loss in Statement of Profit and loss.

## D. Reconciliation of Level 3 fair values

	Non-current investments	Non Convertible Debentures	Gross liability on put options
<b>At April 01, 2021</b>	21,920	-	140
Gain/loss included in Statement of Profit and loss			
- Net change in fair value (unrealised)	-	-	-
Investment in subsidiary/group entity	552	-	-
Foreign currency translation adjustment	-	-	-
<b>At March 31, 2022</b>	<b>22,472</b>	<b>-</b>	<b>140</b>
Proceeds from Issue	-	10,700	-
- Net change in fair value loss (unrealised)	-	222	14
Derecognised on account of conversion to Equity shares	(10,810)	-	-
Investment in subsidiary	515	-	-
Foreign currency translation adjustment	-	-	-
<b>At March 31, 2023</b>	<b>12,177</b>	<b>10,922</b>	<b>154</b>

## E. Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## (i) Risk management framework

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

## (ii) Credit risk

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

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

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to ₹ 6,580 (March 31, 2022: ₹. 7,006). The movement in allowance for impairment in respect of trade and other receivables during the year was as follows:

Allowance for Impairment	March 31, 2023	March 31, 2022
Opening balance	235	34
Impairment loss recognised	201	201
Impairment loss reversed/transferred	-	-
<b>Closing balance</b>	<b>436</b>	<b>235</b>

Receivable from one customer of the Company's trade receivable is ₹ 1,634 (March 31, 2022 - Nil) which is more than 10 percent of the Company's total trade receivables as at March 31, 2023.

Refer note 12 for ageing of trade receivables.

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

The Company is no significantly exposed to geographical credit risk as the counterparties operate across various countries across the globe. Also refer geographical Revenues disclosure in Note 21.1.

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

## (iii) Liquidity risk

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

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

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

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## March 31, 2023

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Borrowings	-	-	12,977	-	12,977
Trade payables	4,859	-	-	-	4,859
Other financial liabilities	556	22	154	-	732
Lease Liabilities	15	13	15	-	43
<b>Total</b>	<b>5,430</b>	<b>35</b>	<b>13,146</b>	<b>-</b>	<b>18,611</b>

## March 31, 2022

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Borrowings	-	-	455	304	759
Trade payables	3,809	-	-	-	3,809
Other financial liabilities	683	1	140	-	824
Lease Liabilities	10	2	-	-	12
<b>Total</b>	<b>4,502</b>	<b>3</b>	<b>595</b>	<b>304</b>	<b>5,404</b>

### iv) Market risk

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

### Foreign currency risk

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

The currency profile of financial assets and financial liabilities as at March 31, 2023 and March 31, 2022 are as below:

March 31, 2023	USD	EUR	Others	Total
Financial assets				
Trade receivables	2,409	288	-	2,697
Cash and cash equivalents	1,150	180	7	1,337
Other financial assets	326	3	1	329
Financial liabilities				
Trade payables	(1,067)	(8)	(18)	(1,094)
Borrowings	(2,055)	-	-	(2,055)
Other financial liabilities	(53)	(6)	(5)	(64)
<b>Net assets/(liabilities)</b>	<b>709</b>	<b>456</b>	<b>(16)</b>	<b>1,149</b>



# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## Financial instruments: Fair value and risk managements (continued)

March 31, 2022	USD	EUR	Others	Total
Financial assets				
Trade receivables	2,717	294	1	3,012
Cash and cash equivalents	628	127	3	758
Other current financial assets	227	—*	-	227
Financial liabilities				
Trade payables	(615)	(14)	(42)	(671)
Borrowings	(759)	-	-	(759)
Other current financial liabilities	(88)	(10)	(9)	(107)
<b>Net assets/(liabilities)</b>	<b>2,110</b>	<b>397</b>	<b>(47)</b>	<b>2,460</b>

## Sensitivity analysis

The sensitivity of profit or loss to changes in exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign exchange forward/option contracts designated as cash flow hedges.

Particulars	Impact on profit or loss		Impact on other components of equity	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
USD Sensitivity				
INR/USD - Increase by 1%	7	21	5	10
INR/USD - Decrease by 1%	(7)	(21)	(5)	(15)
EUR Sensitivity				
INR/EUR - Increase by 1%	5	4	5	4
INR/EUR - Decrease by 1%	(5)	(4)	(5)	(4)

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

## Derivative financial instruments

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

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

Particulars	March 31, 2023	March 31, 2022
	(in Million)	
Interest rate swaps used for hedging LIBOR component in External Commercial Borrowings with periodical maturity dates between 0-5 Years	USD 25	USD 10
Foreign exchange forward contracts to sell USD maturity between 0-1 Years	USD 3	USD 12
European style range forward contracts with periodical maturity dates between 0-2 Years	USD 114	USD 56

## Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During the year ended March 31, 2023 the Company's borrowings at variable interest rate exposing to cash flow variability is mainly denominated in USD. Further, the NCD issued is at a minimum return of 12% per annum plus agreed variable coupon payable upon redemption. The variable coupon is linked to the equity share price of a subsidiary.

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

## (a) Interest rate risk exposure

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

Particulars	March 31, 2023	March 31, 2022
Fixed rate borrowings	2,055	759
Variable rate borrowings	10,922	-
<b>Total borrowings</b>	<b>12,977</b>	<b>759</b>

## (b) Sensitivity

The Company policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. They are therefore not subject to interest rate risk as defined under Ind AS 107.

## 37. Capital management

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

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

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

The capital structure as of March 31, 2023 and March 31, 2022 was as follows:

Particulars	March 31, 2023	March 31, 2022
Total equity attributable to the equity shareholders of the Company	1,09,160	80,929
<b>As a percentage of total capital</b>	<b>89%</b>	<b>99%</b>
Borrowings	12,977	759
<b>Total borrowings</b>	<b>12,977</b>	<b>759</b>
As a percentage of total capital	11%	1%
<b>Total capital (Equity and Borrowings)</b>	<b>1,22,137</b>	<b>81,688</b>

## 38. Lease

The Company has entered into lease agreements for use of land, buildings and vehicles which expires over a period ranging upto the year of 2117. Gross payments for the year aggregate to ₹15.

The following is the movement in lease liabilities during the year ended March 31, 2023:

Particulars	Land	Buildings	Vehicles	Total
Balance as the beginning	1	-	9	10
Addition during the year	-	-	38	38
Finance cost accrued during the year	0	-	3	3
Disposals	-	-	(2)	(2)
Payment of lease liabilities	(1)	-	(13)	(14)
<b>Balance as at March 31, 2023</b>	<b>-</b>	<b>-</b>	<b>35</b>	<b>35</b>

Particulars	Land	Buildings	Vehicles	Total
Balance as the beginning	2	-	22	24
Addition during the year	-	-	-	-
Finance cost accrued during the year	1	-	3	4
Disposals	-	-	-	-
Payment of lease liabilities	(2)	-	(16)	(18)
<b>Balance as at March 31, 2022</b>	<b>1</b>	<b>-</b>	<b>9</b>	<b>10</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

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

	March 31, 2023	March 31, 2022
Current lease liabilities	13	9
Non current lease liabilities	22	1
	<b>35</b>	<b>10</b>

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

	March 31, 2023	March 31, 2022
Less than one year	15	10
More than one less than five year	28	2
<b>Total</b>	<b>43</b>	<b>12</b>

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

	March 31, 2023	March 31, 2022
Depreciation expenses on right of use-assets	11	13
Interest expenses on lease liabilities	3	4
<b>Total amount recognised in Profit or loss</b>	<b>14</b>	<b>17</b>

## 39. Segmental information

In accordance with Ind AS 108 - Operating segments, segment information has been provided in the consolidated financial statements of the Company and therefore no separate disclosure on segment information is given in these standalone financial statements.

## 40. Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

Particulars	In Cash	Yet to be paid in cash	Total
<b>March 31, 2023</b>			
(i) Construction/acquisition of any asset*	-	-	-
(ii) On purposes other than (i) above	58	-	58
	<b>58</b>	<b>-</b>	<b>58</b>
<b>March 31, 2022</b>			
(i) Construction/acquisition of any asset*	-	-	-
(ii) On purposes other than (i) above	70	-	70
	<b>70</b>	<b>-</b>	<b>70</b>

\* Not owned by the Company.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Amount required to be spent by the Company during the year:	58	70
Amount of expenditure incurred	58	70
Shortfall at the end of the year	-	-
<b>Total of previous years shortfall</b>	<b>-</b>	<b>-</b>

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Nature of CSR activities conducted by the company during year ended March 31, 2023 and March 31, 2022 are as follows:

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

Refer Note 32 for details of related party transactions

**41.** The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the financial year. The Company is required to update and put in place the information latest by the due date of filing its income tax return. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for tax.

## 42. Other Statutory Information

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

**43.** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the company (Ultimate Beneficiaries).

Further, the company has not received any fund from any party(s) (Funding Party) with the understanding that the company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the funding party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 44. Ratio Analysis and its elements

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	3.68	4.07	-9.57%	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.12	0.01	1167.58%	Debt obtained
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Interest	Debt service = Interest & Lease Payments + Principal Repayments	1.18	51.95	-97.73%	Debt obtained
Return on Equity	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	29.97%	1.08%	2683.94%	Exceptional gain on sale of shares of a subsidiary
Inventory Turnover ratio	Cost of goods sold	Average Inventory	1.79	1.66	7.49%	
Trade Receivable Turnover Ratio	Net credit sales = Revenue from operations	Average Trade Receivable	2.93	2.66	10.21%	
Trade Payable Turnover Ratio	Net credit purchases = Purchases of traded goods + Purchases of raw materials and packing materials + other expenses excluding provision for doubtful debts	Average Trade Payables	3.55	3.72	-4.64%	

# Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% change	Reason for variance
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Average Working capital = Current assets – Current liabilities	1.08	1.01	6.90%	
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	142.93%	4.95%	2785.44%	Exceptional gain
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth (Total equity - Intangibles assets) + Total Borrowings - Deferred Tax Asset	25.01%	1.75%	1330.44%	Exceptional gain
Return on Investment	Interest income on deposits + Net gain on mutual funds	Average Investment in deposits and mutual funds	5.31%	5.00%	6.18%	

## 45. Exceptional item

During the current year, the Company has sold 61,789,164 equity shares of Syngene International limited in the open market. The gain arising from sale of aforesaid equity shares amounting to ₹28,628 has been recorded as an exceptional item.

**46.** On April 28, 2022, the Board of Directors of the Company proposed a final dividend of 10% i.e. ₹ 0.50 per equity share of face value of ₹ 5/- each as on the record date for distribution of final dividend. The same has been approved by the shareholders in the Annual General Meeting of the Company held on July 28, 2022 and distributed to the shareholders of the Company during the current year.

## 47. Events after reporting period

On May 23, 2023, the Board of Directors of the Company has proposed a final dividend of 30% i.e. ₹ 1.5 per equity share of face value of ₹ 5/- each as on the record date for distribution of final dividend. The proposed dividend is subject to approval of the shareholders in the ensuing Annual General Meeting of the Company. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

As per our report of even date attached.

As per our Report of even date attached

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

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

Chartered Accountants

Firm Registration Number: 101248W/W-100022

**Kiran Mazumdar-Shaw**

Executive Chairperson

DIN: 00347229

**Siddharth Mittal**

Managing Director & CEO

DIN: 03230757

**Sampad Guha Thakurta**

Partner

Membership No.: 060573

**Indranil Sen**

Chief Financial Officer

**Mayank Verma**

Company Secretary

Bengaluru  
May 23, 2023

Bengaluru  
May 23, 2023

# Independent Auditor's Report

## To the Members of Biocon Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Biocon Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint venture, which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements/financial information of such subsidiaries and joint venture as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and a joint venture as at 31 March 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and a joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Taxation	
See Note 2(n), 34 and 38 to consolidated financial statements	
The key audit matter	How the matter was addressed in our audit
<p>The Group operates across different tax jurisdictions around the world and is subject to complexities with respect to various tax positions on matters such as:</p> <ul style="list-style-type: none"> <li>- deductibility of transactions</li> <li>- availability of tax incentives / exemptions,</li> <li>- cross border transfer pricing arrangements etc.</li> </ul> <p>Uncertainty in a tax position may arise as tax laws are subject to interpretation.</p> <p>Judgment is required in assessing the range of possible outcomes for some of these tax matters. These judgments could change over time as each of the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents.</p> <p>The Group makes an assessment (including obtaining opinion from external legal experts) to determine the outcome of these uncertain tax positions and decides to make an accrual or consider it to be a possible contingent liability.</p> <p>Where the amount of tax liabilities are uncertain, the Group recognizes accruals which reflect its best estimate of the outcome based on the facts known in the relevant jurisdiction. Accordingly, we focused on this area.</p>	<p>Our audit procedures in relation to Taxation include the following:</p> <ul style="list-style-type: none"> <li>• We tested the design and operating effectiveness of the Group’s controls around the tax computation and tax matters;</li> <li>• We obtained an understanding of the key uncertain tax positions based on list of ongoing litigations and tax computations for the current year;</li> <li>• We analysed the implications of correspondence received by the Company from the relevant tax authorities to identify any additional uncertain tax positions;</li> <li>• We analysed the Group’s judgment regarding the eventual resolution of matters with various tax authorities. In this regard, we understood how the Group has considered past experience, where available, with the tax authorities in the respective jurisdictions;</li> <li>• We also considered external legal opinions and consultations made by the Group for key matters during current and past periods; and</li> <li>• We involved tax specialists to assist us in evaluating the technical merits of tax position to form a judgement and the key assumptions made by the Group in tax computations and assessing the adequacy of the Group’s disclosures in respect of contingent liabilities and provision for tax matters.</li> </ul>

Financial instrument- hedge accounting	
See Note 2(c) and 36 to consolidated financial statements	
The key audit matter	How the matter was addressed in our audit
<p>The Group enters into forward, option and interest rate swap contracts to hedge its foreign exchange and interest rate risks. Foreign exchange risks arise from sales to customers as significant part of its revenues are denominated in foreign currency with most of the costs denominated in Indian Rupees (INR). Foreign exchange risks also arise from foreign currency borrowings. The interest rate risks arises from the variable rate of interest on its foreign currency borrowings.</p> <p>The Group designates a significant portion of its derivatives as cash flow hedges of highly probable forecasted transactions. Derivative financial instruments are recognized at their fair value as of the balance sheet date on the basis of valuation report obtained from third party specialists. Basis such valuations, effective portion of derivative movements are recognized within equity.</p> <p>These matters are of importance to our audit due to complexity in the valuation of derivative contracts and complex accounting and documentation requirements under Ind AS 109: “Financial Instruments”.</p>	<p>Our audit procedures in relation to hedge accounting include the following, amongst others:</p> <ul style="list-style-type: none"> <li>• We tested the design and operating effectiveness of the Group’s controls around hedge accounting;</li> <li>• We involved valuation specialists (auditors expert) to assist in review of the valuation reports of the Company’s valuation specialists to assess the fair value of the derivatives by testing sample contracts;</li> <li>• We analyzed critical terms (such as nominal amount, maturity and underlying) of the hedging instrument and the hedged item to assess they are closely aligned;</li> <li>• We analysed the estimate of highly probable forecasted transactions and tested the impact of ineffective hedges, if any; and</li> <li>• We verified the accounting of derivative financial instruments including the effects on equity and earnings.</li> </ul>

Revenue	
See Note 2(l) to consolidated financial statements	
The key audit matter	How the matter was addressed in our audit
<p>Revenue from sale of goods is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer.</p> <p>Control is usually transferred upon shipment, delivery to certain named location, or upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers and other terms generally recognised under internationally accepted commercial arrangements. Additionally, under certain bill and hold arrangements revenues are recognised based on specific requests from the customer to invoice certain goods pending deliveries at period end based on the specific criteria as required under Ind AS 115: Revenue from Contracts with Customers.</p> <p>The amount of revenue to be recognised is based on the consideration expected to be received in exchange for goods, excluding trade discounts, volume discounts, sales returns and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, goods and services tax etc., where applicable.</p> <p>During the current year, the Group's biosimilar business has entered into a significant out-licensing arrangements and given the terms of these arrangements, the accounting is complex and requires significant judgement being applied to determine if the initial non-refundable fee received should be recognised upfront or deferred over the future periods considering other performance obligations, if any, are satisfied.</p> <p>With respect to out-licensing arrangements, the risk is to determine, whether all the identified performance obligations meet the criteria of being distinct and consequently its impact on timing and pattern of revenue recognition.</p> <p>Revenue is one of the key performance indicators of the Group and there could be a risk that revenue is recognized in the incorrect period or before the control has been transferred to the customer.</p>	<p>Our audit procedures in relation to revenue recognition includes the following:</p> <ul style="list-style-type: none"> <li>• We assessed the appropriateness of the Group's revenue recognition accounting policies and assessed compliance with the policies in terms of applicable accounting standards.</li> <li>• We tested the design and operating effectiveness of the Group's controls around revenue recognition including general IT controls and key IT application controls.</li> <li>• We performed substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year and verifying the underlying documents, which includes sales invoices/ contracts and shipping documents.</li> <li>• We substantively tested the specific requests from customers at the period end to evaluate transfer of control relating to the bill and hold arrangements.</li> <li>• Assessing journal entries posted to revenue to identify unusual items not already covered by our audit testing.</li> <li>• We assessed the appropriateness of audit procedures performed by the component auditor on revenues for the entities audited by them. We read their reporting to us including procedures in compliance with the requirements of SA 600: Using the Work of Another Auditor, for the purpose of our audit of consolidated financial statements.</li> <li>• For material out-licensing arrangements, we read the contract with the customer to determine the performance obligations agreed by the Company and assessed if they are distinct and / or they should be combined with other promises / performance obligations under the arrangement for revenue recognition.</li> <li>• We evaluated the timing of recognition of revenue from these arrangements proposed by the Group for compliance with Ind AS 115: Revenue from Contracts with Customers.</li> </ul>

Business Combination	
See Note 2(g) and 42 to consolidated financial statements	
The key audit matter	How the matter was addressed in our audit
<p>During the year, the Group has completed the acquisition of biosimilars business of Viartis Inc. and consequently recognised goodwill of Rs. 161,098 million in its consolidated financial statements.</p> <p>Accounting for the business combinations require the Group to determine the fair value of consideration transferred (including contingent consideration) and the fair value of net assets acquired as a part of acquisition. The acquisition of the biosimilar business of Viartis Inc., resulted in settlement of a pre-existing relationship, the impact of which had to be evaluated from a business combination accounting, which involved significant judgment.</p> <p>The purchase consideration paid / payable included contingent consideration (both liability and asset) which were recorded using a fair valuation model on the consummation date. Valuation of these contingent consideration involved application of complex option pricing models and other key assumptions. As of the acquisition date, the Group had Rs. 6,583 million in derivative liabilities and Rs. 8,993 million in derivative assets arising on account of contingent consideration, which represented a 'Level 3' fair value measurement in the fair value hierarchy due to the significant unobservable inputs used in determining the fair value and the use of management judgment about the assumptions market participants would use in pricing the financial instruments.</p> <p>The Group engaged third party valuation expert (management's expert) to perform the fair valuation of assets acquired and liabilities assumed to allocate the fair value of consideration transferred to the respective assets and liabilities (hereinafter referred to as "purchase price allocation" or the 'PPA'). The Group also engaged third party valuation experts to determine the value of financial instruments as described above.</p> <p>Auditing the purchase price allocation includes estimates and the assumptions require high degree of auditor judgement and an increased extent of effort. This includes involving valuation experts, performing audit procedures to evaluate the reasonableness of management's forecasts of future cashflows and selection of discount rates. Accordingly, this was a key audit matter for us.</p> <p>Further, auditing the valuation of derivative liabilities and assets are complex and requires significant auditor judgment due to the use of complex option pricing models and the high degree of subjectivity in evaluating certain assumptions required to estimate the fair value of derivative liabilities and assets. Accordingly, we have determined this also to be a key audit matter.</p>	<p>Our audit procedures in relation to the business combination includes the following:</p> <ul style="list-style-type: none"> <li>• We read the acquisition agreements, obtained an understanding of the transaction structure and evaluated the accounting treatment are in compliance with Ind AS 103: Business Combinations.</li> <li>• We tested the design and operating effectiveness of the Group's controls around the accounting of business combination. This included testing controls over management's review of the significant assumptions and other inputs used in the determination of estimated future revenues, the determination of future net cash flows and estimated growth rates for computing fair value of acquired assets.</li> <li>• We evaluated the appropriateness and consistency of the methods and assumptions used to forecast future cash flows and select the discount rates.</li> <li>• We evaluated the assumptions and judgments considering observable industry and standards, external data sources, and historical product trends to the extent applicable. Our procedures include evaluating the data sources used by management in determining its assumptions and, where necessary, includes an evaluation of available information assessed or contradicted management's conclusions</li> <li>• Involved valuation specialists (auditor's expert) and:             <ol style="list-style-type: none"> <li>i. tested the source information underlying the determination of the discount rates and testing the mathematical accuracy of the projected financial information calculation.</li> <li>ii. Developed a range of independent estimates and comparing those to the discount rates selected by management;</li> <li>iii. assessed the option pricing model used for valuing the financial instruments (contingent consideration asset and liability balances) and testing the key contractual inputs and significant assumptions and reasonableness on derivative components;</li> <li>iv. assessed the overall valuation methodology and perform the reasonableness of fair value calculations.</li> </ol> </li> <li>• We verified the appropriateness of working capital balances acquired with figures audited by the component auditor as per our group audit instructions. We read their reporting to us to evaluate the procedures performed by them are sufficient and adequate based on Standards on Auditing 600: Using the Work of Another Auditor, for the purpose of our audit of consolidated financial statements.</li> <li>• We verified the adequacy of disclosures made in consolidated financial statements, as required by relevant accounting standards.</li> </ul>

<b>Impairment of Goodwill, Intangible assets and Intangible assets under development</b>	
See Note 2(e) and 43 to consolidated financial statements	
<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>The Group has goodwill, intangible assets and intangible assets under development of INR Rs. 161,362 million, Rs. 57,964 million and Rs. 47,295 million respectively as at 31 March 2023. The carrying value of these assets have significantly increased during the year on account of acquisition consummated. These assets are subjected to impairment test as part of Cash Generating Units (CGU) which include goodwill.</p> <p>The annual impairment testing of goodwill, intangible assets and intangible assets under development within such CGU was considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement involved to estimate the recoverable amount. Further, in some cases, the products are yet to be launched or in their initial stages of commercialisation and hence revenue and profitability are yet to reach its desired levels. Hence, there is a risk of impairment in the event the carrying amount of the CGU is lower than its recoverable value. The recoverable amount of the CGU, which is the value in use has been derived from discounted forecast cash flow model. This model use several assumptions, including estimates of revenue growth, weighted-average cost of capital, expected market share and price erosion. Changes in these assumptions could lead to an impairment to the carrying value of these assets.</p> <p>Accordingly, we have determined this to be a key audit matter.</p>	<p>Our audit procedures in relation to impairment testing includes the following:</p> <ul style="list-style-type: none"> <li>• We tested the design and operating effectiveness of the Group's controls around the impairment testing;</li> <li>• We evaluated assumptions used by the Group in assessing the recoverability of assets - in particular, revenue and cash flow projections;</li> <li>• We involved valuation specialists to assist us in evaluating the valuation methodologies and assumptions used by the Group;</li> <li>• We evaluated the Group's assessment of key inputs by considering third party sources and the impact on future cash inflows due to actions by competitors or changes in relevant market conditions;</li> <li>• We performed the sensitivity analysis in respect of certain key assumptions to evaluate the impact of change on recoverable value.</li> <li>• We tested the adequacy of disclosures made in consolidated financial statements, as required by Ind AS 36 Impairment of assets.</li> </ul>

#### Key Audit Matters as reported by the Other auditor

<b>Chargebacks, rebates, returns, other adjustments and related accruals ("gross to net sales adjustments")</b>	
See Note 2(l) to consolidated financial statements	
<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>Estimating the amounts to be accrued for chargebacks requires significant estimation as management's model utilizes historical buying patterns, estimated end-user demand, estimated inventory levels in the distribution channel, contracted sales terms with customers, as well as other competitive factors. Given the volume of chargebacks and the level of estimation uncertainty involved, auditing management's judgments required a high degree of auditor judgment and an increased extent of effort.</p>	<p>In view of the significance of the matter, following audit procedures were applied, among others to obtain sufficient audit evidence:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding and evaluated management's assumptions and the computation of the estimate.</li> <li>• We developed an independent expectation of the chargeback accrual and compared those to the recorded amounts. Further, we tested the accuracy and completeness of the underlying data used in developing our expectation.</li> <li>• We compared prior period chargeback accruals to chargeback credits subsequently issued to evaluate management's ability to accurately forecast chargeback activity.</li> </ul>

The key audit matter	How the matter was addressed in our audit
<p>Estimating the amounts to be accrued for returns requires significant estimation as management’s model utilizes historical experience with actual returns and considers levels of inventory in the distribution channel, product dating and expiration period, size and maturity of the market prior to a product launch, entrance into the market of additional competitors, and changes in the regulatory environment. Given the volume of sales returns and the level of estimation uncertainty involved, auditing management’s judgments required a high degree of auditor judgment and an increased extent of effort.</p>	<ul style="list-style-type: none"> <li>• We tested the design and operating effectiveness of the relevant key controls in respect to the chargeback accrual.</li> <li>• We performed analytical procedures on accruals related to ‘gross-to-net’ sales adjustments recognized during the year to identify any unusual variances / relationships, if any.</li> </ul> <p>In view of the significance of the matter, following audit procedures were applied, among others to obtain sufficient audit evidence:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding and evaluated management’s assumptions and the computation of the estimate.</li> <li>• We developed an independent expectation of the sales returns accrual and compared those to the recorded amounts. Further, we tested the accuracy and completeness of the underlying data used in developing our expectation.</li> <li>• We tested the design and operating effectiveness of the relevant key controls in respect to the sales return accrual.</li> <li>• We performed analytical procedures on accruals related to ‘gross-to-net’ sales adjustments recognized during the year to identify any unusual variances / relationships, if any.</li> </ul>

### Information Other than Consolidated Financial Statements and Auditor’s Report Thereon

The Holding Company’s Management and Board of Directors are responsible for the other information. The other information comprises the Management reports such as Board Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report, but does not include the financial statements and auditor’s report thereon, which we obtained prior to the date of this auditor’s report, and the remaining sections of the Annual report, which are expected to be made available to us after that date.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other section of Annual Report (other than those mentioned above), if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulation.

## Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and a joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associates and a joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates and a joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and a joint venture are responsible for overseeing the financial reporting process of each company.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the



consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and a joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements/financial information of such entities or business activities within the Group and its associates and a joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements/financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

- a. We did not audit the financial statements / financial information of three subsidiaries, whose financial statements/financial information reflects total assets (before consolidation adjustments) of Rs. 75,381 million as at 31 March 2023, total revenues (before consolidation adjustments) of Rs. 34,758 million and net cash inflows (before consolidation adjustments) amounting to Rs. 73 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of Rs. 37 million for the year ended 31 March 2023, in respect of a joint venture, whose financial statements/financial information has not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture is based solely on the reports of the other auditors.
- b. These subsidiaries and joint venture are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements/financial information of such subsidiaries and joint venture located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and joint venture located

outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements / financial information of such subsidiaries and joint venture as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of subsidiaries and a joint venture, as noted in the "Other Matters" paragraph.
  - a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group, its associates and a joint venture. Refer Note 34 to the consolidated financial statements.
  - b. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 36 to the consolidated financial statements in respect of such items as it relates to the Group, its associates and a joint venture.

- c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2023.
  - d.
    - (i) The respective management has represented to us that, to the best of its knowledge and belief, as disclosed in the Note 45 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies, associate company and joint venture company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies, associate company and joint venture company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (ii) The respective management has represented to us that, to the best of its knowledge and belief, as disclosed in the Note 45 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies, associate company and joint venture company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies, associate company and joint venture 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. As stated in Note 48 to the consolidated financial statements, the respective Board of Directors of the Holding Company and its subsidiary company incorporated in India have proposed final dividend for the year which is subject to the approval of the respective members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
  - f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of such subsidiary companies, associate company and joint venture company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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

*For B S R & Co. LLP*

**Chartered Accountants**

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

**Sampad Guha Thakurta**

Partner

Membership No.: 060573

ICAI UDIN:23060573BGYNDJ7396

Place: Bangalore

Date: 23 May 2023

# Annexure A to the Independent Auditor's Report

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

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Sub subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Biocon Limited	L24234KA1978P LC003417	Holding Company	3(ix)(d)
2	Biocon Biosphere Limited	U24304KA2019 PLC130965	Subsidiary	3(xvii)
3	Biocon Biologics Limited	U24119KA2016 FLC093936	Subsidiary	3(xvii)
4	Syngene Scientific Solutions Limited	U73200KA2022 PLC164804	Subsidiary	3(xvii)
5	Syngene Manufacturing Solutions Limited	U24290KA2022 PLC165409	Subsidiary	3(xvii)

For B S R & Co. LLP

## Chartered Accountants

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

## Sampad Guha Thakurta

Partner

Membership No.: 060573

ICAI UDIN:23060573BGYNDJ7396

Place: Bangalore

Date: 23 May 2023

## **Annexure B to the Independent Auditor's Report on the consolidated financial statements of Biocon Limited for the year ended 31 March 2023**

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

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

### **Opinion**

In conjunction with our audit of the consolidated financial statements of Biocon Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### **Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The respective 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 respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

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

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

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

### **Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated 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 consolidated 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 consolidated financial statements.

#### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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

*For B S R & Co. LLP*

#### **Chartered Accountants**

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

#### **Sampad Guha Thakurta**

Partner

Membership No.: 060573

ICAI UDIN:23060573BGYNJ7396

Place: Bangalore

Date: 23 May 2023



# Consolidated Balance Sheet

as at March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)			
Particulars	Note	March 31, 2023	March 31, 2022
<b>Non-current assets</b>			
Property, plant and equipment	3	72,769	56,767
Capital work-in-progress	3	25,875	34,203
Right-of-use assets	4 (b)	2,582	2,673
Goodwill	4 (a)	1,61,362	264
Other intangible assets	4 (a)	57,964	5,986
Intangible assets under development	4 (a)	47,295	6,901
Investment in associates and a joint venture	39 (d)	1,378	80
Financial assets			
(i) Investments	5	6,045	3,622
(ii) Derivative assets		1,454	1,468
(iii) Other financial assets	6(a)(i)	10,830	454
Income-tax assets (net)		3,543	3,135
Deferred tax assets (net)	7	3,010	2,933
Other non-current assets	8(a)	2,981	1,631
<b>Total non-current assets</b>		<b>3,97,088</b>	<b>1,20,117</b>
<b>Current assets</b>			
Inventories	9	42,437	22,982
Financial assets			
(i) Investments	10	13,265	12,177
(ii) Trade receivables	11	35,732	20,582
(iii) Cash and cash equivalents	12	13,235	6,630
(iv) Bank balances other than (iii) above	12	10,766	10,845
(v) Derivative assets		704	1,223
(vi) Loans	6(b)	-	671
(vii) Other financial assets	6(a)(ii)	1,321	4,506
Other current assets	8(b)	5,880	4,207
<b>Total current assets</b>		<b>1,23,340</b>	<b>83,823</b>
<b>TOTAL</b>		<b>5,20,428</b>	<b>2,03,940</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13(a)	6,003	6,003
Other equity	13(b)	1,72,666	78,322
<b>Equity attributable to owners of the Company</b>		<b>1,78,669</b>	<b>84,325</b>
Non-controlling interests	13(b)	46,219	10,375
<b>Total equity</b>		<b>2,24,888</b>	<b>94,700</b>
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	14	1,52,905	39,985
(ii) Lease liabilities	15	2,091	2,215
(iii) Derivative liabilities		258	136
(iv) Other financial liabilities	16(a)	46,195	15,033
Provisions	17(a)	2,265	917
Deferred tax liabilities (net)	7	3,818	523
Other non-current liabilities	18(a)	2,901	12,151
<b>Total non-current liabilities</b>		<b>2,10,433</b>	<b>70,960</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	19	24,802	9,055
(ii) Lease liabilities	15	390	211
(iii) Trade payables	20		
- total outstanding dues of micro and small enterprises		1,491	1,036
- total outstanding dues of creditors other than micro and small enterprises		38,340	15,049
(iv) Derivative liabilities		586	124
(v) Other financial liabilities	16(b)	4,668	3,632
Provisions	17(b)	1,486	1,305
Current tax liabilities, net		2,250	1,618
Other current liabilities	18(b)	11,094	6,250
<b>Total current liabilities</b>		<b>85,107</b>	<b>38,280</b>
<b>TOTAL</b>		<b>5,20,428</b>	<b>2,03,940</b>

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

As per our Report of even date attached

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

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

Chartered Accountants

Firm Registration Number: 101248W/W-100022

**Kiran Mazumdar-Shaw**

Executive Chairperson

DIN: 00347229

**Siddharth Mittal**

Managing Director & CEO

DIN: 03230757

**Sampad Guha Thakurta**

Partner

Membership No.: 060573

**Indranil Sen**

Chief Financial Officer

**Mayank Verma**

Company Secretary

Bengaluru  
May 23, 2023

Bengaluru  
May 23, 2023

# Consolidated Statement of Profit and Loss for the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)			
Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
<b>Income</b>			
Revenue from operations	21	1,11,742	81,840
Other income	22	3,759	2,127
<b>Total income (I)</b>		<b>1,15,501</b>	<b>83,967</b>
<b>Expenses</b>			
Cost of materials consumed	23	31,911	28,139
Purchases of stock-in-trade		6,261	1,611
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(1,541)	(2,566)
Employee benefits expense	25	21,810	18,801
Finance costs	26	4,190	676
Depreciation and amortisation expense	27	11,131	8,142
Other expenses	28	32,106	20,917
		<b>1,05,868</b>	<b>75,720</b>
Less: Recovery of cost from co-development partners (net)		(3,922)	(4,764)
<b>Total expenses (II)</b>		<b>1,01,946</b>	<b>70,956</b>
<b>Profit before tax, share of profit/(loss) of joint venture and associates and exceptional items (I-II)</b>		<b>13,555</b>	<b>13,011</b>
Share of loss of joint venture and associates, net		(1,670)	(2,069)
<b>Profit before tax and exceptional items</b>		<b>11,885</b>	<b>10,942</b>
Exceptional items, net	32	(2,914)	(1,111)
<b>Profit before tax</b>		<b>8,971</b>	<b>9,831</b>
Tax expense			
Current tax	38	2,462	2,204
Deferred tax (credit) / charge			
MAT credit written off/ utilisation (net of entitlements) [refer note 38]		988	235
Other deferred tax		(909)	(324)
<b>Total tax expense</b>		<b>2,541</b>	<b>2,115</b>
<b>Profit for the year</b>		<b>6,430</b>	<b>7,716</b>
<b>Other comprehensive income (OCI)</b>			
(i) <b>Items that will not be reclassified subsequently to profit or loss</b>			
Re-measurement on defined benefit plans		38	103
Equity instruments through OCI		(460)	(736)
Income tax effect		24	75
		(398)	(558)
(ii) <b>Items that may be reclassified subsequently to profit or loss</b>			
Effective portion of gains/ (losses) on hedging instrument in cash flow hedges		(1,090)	1,410
Exchange difference on translation of foreign operations, including effective portion of net investment hedges		1,975	717
Income tax effect		279	(467)
		1,164	1,660
<b>Other comprehensive income for the year, net of taxes</b>		<b>766</b>	<b>1,102</b>
<b>Total comprehensive income for the year</b>		<b>7,196</b>	<b>8,818</b>
<b>Profit attributable to:</b>			
Shareholders of the Company		4,627	6,484
Non-controlling interests		1,803	1,232
<b>Profit for the year</b>		<b>6,430</b>	<b>7,716</b>
<b>Other comprehensive income attributable to:</b>			
Shareholders of the Company		1,138	967
Non-controlling interests		(372)	135
<b>Other comprehensive income for the year</b>		<b>766</b>	<b>1,102</b>
<b>Total comprehensive income attributable to:</b>			
Shareholders of the Company		5,765	7,451
Non-controlling interests		1,431	1,367
<b>Total comprehensive income for the year</b>		<b>7,196</b>	<b>8,818</b>
<b>Earnings per equity share</b>	31		
Basic (in Rs.)		3.88	5.44
Diluted (in Rs.)		3.87	5.42

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

As per our Report of even date attached

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

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

Chartered Accountants

Firm Registration Number: 101248W/W-100022

**Kiran Mazumdar-Shaw**

Executive Chairperson

DIN: 00347229

**Siddharth Mittal**

Managing Director & CEO

DIN: 03230757

**Sampad Guha Thakurta**

Partner

Membership No.: 060573

**Indranil Sen**

Chief Financial Officer

**Mayank Verma**

Company Secretary

Bengaluru  
May 23, 2023

Bengaluru  
May 23, 2023

# Consolidated Statement of Changes in Equity

as at March 31, 2023

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

(A) Equity share capital	March 31, 2023	March 31, 2022
Opening balance	6,003	6,000
Issued during the year	-	3
Closing balance	6,003	6,003

## (B) Other equity

Particulars	Attributable to owners of the Company													Non-controlling interests (NCI)	Total		
	Reserves and surplus						Items of other comprehensive income					Total other equity					
	Securities premium	Equity portion of optionally convertible debentures [refer note 14 (j)]	Revaluation reserve	Debt redemption reserve	Capital redemption reserve	Capital reserve	General reserve	Retained earnings	SEZ Re-investment reserve	Share based payment reserve	Treasury shares		Foreign currency translation reserve			Cash flow hedging reserves	Other items of other comprehensive income*
<b>Balance at April 01, 2021</b>	619	959	9	1,325	1,292	801	1,617	62,358	-	1,541	(1,343)	2,015	(207)	(717)	70,269	8,807	79,076
Profit for the year	-	-	-	-	-	-	-	6,484	-	-	-	-	-	-	6,484	1,232	7,716
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	-	-	717	786	(536)	967	135	1,102
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	-	<b>6,484</b>	-	-	-	<b>717</b>	<b>786</b>	<b>(536)</b>	<b>7,451</b>	<b>1,367</b>	<b>8,818</b>
Transfer to Special Economic Zone (SEZ) re-investment reserve	-	-	-	-	-	-	-	(1,603)	1,603	-	-	-	-	-	-	-	-
Transfer from SEZ re-investment reserve on utilisation	-	-	-	-	-	-	-	1,603	(1,603)	-	-	-	-	-	-	-	-
<b>Transactions with Owners directly recorded in equity:</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payment	-	-	-	-	-	-	-	-	1,257	-	-	-	-	-	1,257	-	1,257
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	(3)	-	-	-	-	(3)	-	(3)
Modification impact of OCD [refer note 14 (j)]	-	(959)	-	-	-	-	-	60	-	-	-	-	-	-	(899)	-	(899)
Transfer to debenture redemption reserve	-	-	-	38	-	-	-	(38)	-	-	-	-	-	-	-	-	-
Exercise of share options	573	-	-	-	-	-	-	(591)	-	(757)	1,022	-	-	-	247	201	448
<b>Balance at March 31, 2022</b>	<b>1,192</b>	<b>-</b>	<b>9</b>	<b>1,363</b>	<b>1,292</b>	<b>801</b>	<b>1,617</b>	<b>68,273</b>	<b>-</b>	<b>2,041</b>	<b>(324)</b>	<b>2,732</b>	<b>579</b>	<b>(1,253)</b>	<b>78,322</b>	<b>10,375</b>	<b>88,697</b>

Particulars	Attributable to owners of the Company													Non-controlling interests (NCI)	Total		
	Reserves and surplus						Items of other comprehensive income					Total other equity					
	Securities premium	Equity portion of optionally convertible debentures [refer note 14(j)]	Revaluation reserve	Debt redemption reserve	Capital redemption reserve	Capital reserve	General reserve	Retained earnings	SEZ Re-investment reserve	Share based payment reserve	Treasury shares		Foreign currency translation reserve			Cash flow hedging reserves	Other items of other comprehensive income*
Profit for the year	-	-	-	-	-	-	4,627	-	-	-	-	-	-	-	4,627	1,803	6,430
Other comprehensive income/(loss), net of tax	-	-	-	-	-	-	-	-	-	-	1,975	(420)	(417)	-	1,138	(372)	766
<b>Total comprehensive income/ (loss) for the year</b>	-	-	-	-	-	-	<b>4,627</b>	-	-	-	<b>1,975</b>	<b>(420)</b>	<b>(417)</b>	<b>(417)</b>	<b>5,765</b>	<b>1,431</b>	<b>7,196</b>
Transfer to Special Economic Zone ('SEZ') re-investment reserve	-	-	-	-	-	-	(1,100)	1,100	-	-	-	-	-	-	-	-	-
Transfer from SEZ re-investment reserve on utilisation	-	-	-	-	-	-	1,100	(1,100)	-	-	-	-	-	-	-	-	-
<b>Transactions with Owners directly recorded in equity:</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payment	-	-	-	-	-	-	-	-	1,415	-	-	-	-	-	1,415	-	1,415
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	(647)	-	-	-	-	(647)	-	(647)
Change in fair value of gross liability on written put options	-	-	-	-	-	-	995	-	-	-	-	-	-	-	995	-	995
Gain on sale of shares in a subsidiary	-	-	-	-	-	-	29,278	-	-	-	-	23	-	-	29,303	5,180	34,483
Issue of shares by a subsidiary	-	-	-	-	-	-	57,897	-	-	-	-	-	-	-	57,897	29,291	87,188
NCI impact on a common control transaction	-	-	-	-	-	-	90	-	-	-	-	-	-	-	90	(90)	-
Dividend paid on equity shares (including to NCI)	-	-	-	-	-	-	(600)	-	-	-	-	-	-	-	(600)	(119)	(719)
Exercise of share options	543	-	-	-	-	-	299	-	(716)	-	-	-	-	-	126	151	277
<b>Balance at March 31, 2023</b>	<b>1,735</b>	<b>-</b>	<b>9</b>	<b>1,363</b>	<b>1,292</b>	<b>801</b>	<b>1,617</b>	<b>1,60,859</b>	<b>-</b>	<b>2,740</b>	<b>(971)</b>	<b>4,707</b>	<b>182</b>	<b>(1,668)</b>	<b>1,72,666</b>	<b>46,219</b>	<b>2,18,885</b>

\* Refer Note 35 for remeasurement gain/(loss) on defined benefit obligations. The accompanying notes are an integral part of the consolidated financial statements.

As per our Report of even date attached

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

Chartered Accountants

Firm Registration Number: 101248W/W-100022

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

**Kiran Mazumdar-Shaw**

Executive Chairperson

DIN: 00347229

**Siddharth Mittal**

Managing Director & CEO

DIN: 03230757

**Sampad Guha Thakurta**

Partner

Membership No.: 060573

Bengaluru

May 23, 2023

**Indranil Sen**

Chief Financial Officer

**Mayank Verma**

Company Secretary

# Statement of Consolidated Cash Flows for the year ended March 31, 2023

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

Particulars	March 31, 2023	March 31, 2022
<b>I Cash flows from operating activities</b>		
Profit for the year	6,430	7,716
<i>Adjustments to reconcile profit for the year to net cash flows</i>		
Depreciation and amortisation expense	11,131	8,142
Tax expense	2,541	2,115
Unrealised foreign exchange loss	971	86
Share-based compensation expense	1,376	1,257
Provision of doubtful debts, net	54	240
Bad debts written off	10	8
Interest expense	4,190	676
Interest income	(1,124)	(1,121)
Net loss on financial assets/ liabilities measured at fair value through profit or loss	608	286
Net gain on sale of current investments	(416)	(133)
Loss on sale of property, plant and equipment (net)	52	23
Gain on dilution of interest in a associate	(2,170)	(299)
Share of loss of joint venture/ associates	1,670	2,069
Proceeds from insurance company	-	105
Exceptional items, net	498	1,111
<b>Operating profit before changes in operating assets and liabilities</b>	<b>25,821</b>	<b>22,281</b>
<b>Movement in operating assets and liabilities</b>		
Decrease / (Increase) in inventories	8,862	(4,140)
Decrease / (Increase) in trade receivables	15,905	(4,736)
Decrease / (Increase) in other assets	7,582	(637)
Increase / (Decrease) in trade payables, other liabilities and provisions	(37,359)	1,618
<b>Cash generated from operations</b>	<b>20,811</b>	<b>14,386</b>
Income taxes paid (net of refunds)	(2,286)	(2,620)
<b>Net cash flow generated from operating activities</b>	<b>18,525</b>	<b>11,766</b>
<b>II Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(15,960)	(16,978)
Payment of intangible assets	(1,303)	(2,270)
Proceeds from sale of property, plant and equipment	31	21
Proceeds from sale of equity interest in a subsidiary	34,474	-
Purchase of investments	(1,63,112)	(43,020)
Consideration paid for business acquisition [refer note 42]	(1,56,645)	-
Proceeds from sale of current investments	1,61,515	46,456
Investment in bank deposits and inter-corporate deposits	(24,031)	(34,916)
Redemption/ maturity of bank deposits and inter-corporate deposits	20,980	33,794
Loan given to associate	-	(674)
Interest received	1,233	596
<b>Net cash flow used in investing activities</b>	<b>(1,42,818)</b>	<b>(16,991)</b>
<b>III Cash flows from financing activities</b>		
Purchase of treasury shares	(647)	(3)
Proceeds from issuance of shares by subsidiary, net of expense	12,368	-
Proceeds from exercise of share options	295	428
Proceeds from non-current borrowings	1,09,399	10,701
Repayment of non-current borrowings	(281)	(10,949)
Proceeds from current borrowings (net of repayments)	15,041	3,461
Dividend paid on equity shares (including to NCI)	(718)	-
Repayment of lease liabilities, net	(114)	(121)
Interest paid	(4,856)	(1,096)
<b>Net cash flow generated from financing activities</b>	<b>1,30,487</b>	<b>2,421</b>

# Statement of Consolidated Cash Flows

for the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)		
Particulars	March 31, 2023	March 31, 2022
<b>IV Net increase/ (decrease) in cash and cash equivalents (I + II + III)</b>	6,194	(2,804)
<b>V</b> Effect of exchange differences on cash and cash equivalents held in foreign currency	217	33
<b>VI</b> Cash and cash equivalents at the beginning of the year	6,537	8,970
<b>VII</b> Cash and cash equivalents classified as held for sale	-	338
<b>VIII</b> Cash and cash equivalents at the end of the year (IV + V + VI + VII)	12,948	6,537
<b>Reconciliation of cash and cash equivalents as per statement of cash flows</b>		
<b>Cash and cash equivalents [note 12]</b>		
Balances with banks - on current accounts	12,872	6,326
Balances with Banks - on unpaid dividend accounts*	3	4
Deposits with original maturity of less than 3 months	360	300
	<b>13,235</b>	<b>6,630</b>
Cash credits [note 19]	(287)	(93)
<b>Balance as per statement of cash flows</b>	<b>12,948</b>	<b>6,537</b>

\*The Group can utilize these balances only towards settlement of the respective unpaid dividend liabilities.

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

	Opening balance April 1, 2022	Cash flows	Non-cash movement	Closing balance March 31, 2023
Non- current borrowings (including current maturities)	40,080	1,09,118	3,707	1,52,905
Current borrowings	8,867	15,041	607	24,515
Interest accrued but not due	140	(4,856)	4,918	202
<b>Total liabilities from financing activities</b>	<b>49,087</b>	<b>1,19,303</b>	<b>9,232</b>	<b>1,77,622</b>

	Opening balance April 1, 2021	Cash flows	Non-cash movement	Closing balance March 31, 2022
Non-current borrowings (including current maturities)	37,644	(248)	2,684	40,080
Current borrowings	5,381	3,461	25	8,867
Interest accrued but not due	125	(1,096)	1,111	140
<b>Total liabilities from financing activities</b>	<b>43,150</b>	<b>2,117</b>	<b>3,820</b>	<b>49,087</b>

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

As per our Report of even date attached

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

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

Chartered Accountants

Firm Registration Number: 101248W/W-100022

**Kiran Mazumdar-Shaw**

Executive Chairperson

DIN: 00347229

**Siddharth Mittal**

Managing Director & CEO

DIN: 03230757

**Sampad Guha Thakurta**

Partner

Membership No.: 060573

**Indranil Sen**

Chief Financial Officer

**Mayank Verma**

Company Secretary

Bengaluru  
May 23, 2023

Bengaluru  
May 23, 2023



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 1. Company Overview

### 1.1 Reporting entity

Biocon Limited (“Biocon” or the “parent company” or “the Company”), together with its subsidiaries, joint venture and associates (collectively, the “Group”) is engaged in the manufacture of biotechnology products and research services. The Company is a public limited company incorporated and domiciled in India and has its registered office in Biocon Campus, 20<sup>th</sup> KM, Hosur Road, Electronic City, Bengaluru – 560 100. The Company’s shares are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) in India.

### 1.2 Basis of preparation of financial statements

#### a. Statement of compliance

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

These consolidated financial statements have been prepared for the Group as a going concern on the basis of relevant Ind AS that are effective at the Company’s annual reporting date, March 31, 2023. These consolidated financial statements are approved for issuance by the Company’s Board of Directors on May 23, 2023.

Details of the Group’s accounting policies are included in Note 2.

#### b. Functional and presentation currency

These consolidated financial statements are presented in Indian rupees (INR), which is also the functional currency of the parent Company. All amounts have been rounded-off to the nearest million, unless otherwise indicated. In respect of subsidiaries and associates whose operations are self-contained and integrated, the functional currency has been determined to be the currency of the primary economic environment in which the entity operates.

#### c. Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis (i.e. on accrual basis), except for the following items:

- Derivative Financial Instruments at fair value

- Certain financial assets and liabilities are measured at fair value;
- Net defined benefit assets/(liability) are measured at fair value of plan assets, less present value of defined benefit obligations
- Employee stock compensation at fair value
- Contingent consideration assumed in a business combination at fair value
- Non-Convertible Debentures with variable coupon linked to equity shares of the subsidiary at fair value
- Non derivative financial instruments at Fair Value Through Profit and Loss (FVTPL)

#### d. Use of estimates and judgements

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

#### Judgements

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

- Note 1.2(b) — Assessment of functional currency;
- Note 2(c) and 36 — Financial instruments;
- Note 2(d), 2(e) and 3 — Useful lives of property, plant and equipment and other intangible assets

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

- Note 2(j) and 35 — Measurement of defined benefit obligation; key actuarial assumptions;
- Note 30 — Share based payments;
- Note 2(n), 7 and 38 — Provision for income taxes and related tax contingencies and evaluation of recoverability of deferred tax assets
- Note 2(l) and 21 — Revenue Recognition: whether revenue from sale of product and licensing income is recognized over time or at a point in time;
- Note 16 — Liability on written put options;

## e. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2023 is included in the following notes:

- Note 2(i) – impairment test of non-financial assets; key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets;
- Note 2(n), 7 and 38 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 2(l) and 21 - Revenue Recognition; estimate of expected returns, chargebacks, rebates and other allowances;
- Note 17 and 34– recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 2(j) and 35 – measurement of defined benefit obligations: key actuarial assumptions; and
- Note 36 – impairment of financial assets.

- Note 2(i) and 43 - impairment test of goodwill: key assumptions underlying recoverable amounts, including the recoverability of development costs;
- Note 42 - acquisition of business: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis.

## f. Measurement of fair values

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

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

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

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

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

When measuring the fair value of an asset or a liability, the Group uses observable market data

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

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

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

- Note 30 – Share-based payment arrangements
- Note 36 – Financial instruments
- Note 42 – Business Combination

## 2. Significant accounting policies

### a. Basis of consolidation

#### i. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The financial statements of the Group are consolidated on line-by-line basis. Intra-group transactions, balances and any unrealised gains arising from intra-group transactions, are eliminated. Unrealised losses are eliminated, but only to the extent that there is no evidence of impairment. All temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions are recognised as per Ind AS 12, Income Taxes.

For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

#### **Non-controlling interests (NCI)**

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

#### ii. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in statement of profit or loss.

#### iii. Associates and joint arrangements (equity accounted investees)

The Group's interests in equity accounted investees comprise interests in associates and a joint venture.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint venture are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income (OCI) of equity - accounted investees until the date on which significant influence or joint control ceases.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## iv. **Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## b. **Foreign currency**

### i. **Foreign currency transactions**

Transactions in foreign currencies are translated into the respective functional currencies of companies at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in statement of profit or loss, except exchange differences arising from the translation of the qualifying cash flow hedges to the extent that the hedges are effective which are recognised in OCI.

### ii. **Foreign operations**

The assets and liabilities of foreign operations (subsidiaries, associates, joint arrangements) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency

of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Foreign currency translation differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

## c. **Financial instruments**

### i. **Recognition and initial measurement**

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

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

### ii. **Classification and subsequent measurement**

#### *Financial assets*

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

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

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

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

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

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

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

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

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

*Financial assets: Subsequent measurement and gains and losses*

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit or loss. However, see Note 36 for derivatives designated as hedging instruments.
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Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit or loss. Any gain or loss on derecognition is recognised in statement of profit or loss.
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Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in statement of profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit or loss.
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Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.
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*Financial liabilities: Classification, subsequent measurement and gains and losses*

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

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

### iii. **De-recognition of financial instruments**

#### *Financial assets*

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

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

#### *Financial liabilities*

The Group de-recognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

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

### iv. **Offsetting**

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

### v. **Derivative financial instruments and hedge accounting**

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

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

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

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

#### **Cash flow hedges**

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



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

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

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

**vi. Net investment hedges**

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of changes in the fair value of a derivative or foreign exchange gains and losses for a non-derivative is recognised in OCI and presented in other equity within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognized immediately in profit or loss. The amount recognised in OCI is fully or partially reclassified to profit or loss as a reclassification adjustment on disposal or partial disposal of the foreign operation, respectively

**vii. Treasury shares**

The Group has created an Employee Welfare Trust (EWT) for providing share-based payment to its employees. Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. When the treasury shares are issued to the employees by EWT, the amount received is recognised as an increase in equity and the resultant gain / (loss) is transferred to / from securities premium.

**viii. Cash and cash equivalents**

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

**ix. Cash dividend to equity holders**

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

**d. Property, plant and equipment**

**i. Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price including import duty and non refundable taxes or levies, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

removing the item and restoring the site on which it is located.

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

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

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

Subsequent expenditure is capitalised only if it is probable that the future economic

benefits associated with the expenditure will flow to the Group.

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

## ii. Depreciation

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

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

Asset	Assets Classification	Management estimate of useful life	Useful life as per Schedule II
Building	Building	25-30 years	30 years
Roads	Building	5-12 years	5 years
Plant and equipment (including Electrical installation and Lab equipment )	Plant and Machinery	9-15 years	8-20 years
Computers and servers	Plant and Machinery	3 years	3-6 years
Office equipment	Plant and Machinery	3- 5 years	5 years
Research and development equipment	Research and development equipment	9 years	5-10 years
Furniture and fixtures	Furniture and fixtures	6 years	10 years
Vehicles	Vehicles	6 years	6-10 years
Leasehold improvements	Leasehold improvements	5 years or lease period whichever is lower	
Leasehold land	Land and Right to use-assets	90 years or lease period whichever is lower	

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

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

**iii. Reclassification to investment property**

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

**e. Goodwill and other intangible assets**

**i. Goodwill**

For measurement of goodwill that arises on a business combination. Subsequent measurement is at cost less any accumulated impairment losses.

**ii. Other intangible assets**

Internally generated: Research and development

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

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

*Others*

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

**iii. Subsequent expenditure**

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

**iv. Amortisation**

Goodwill is not amortised and is tested for impairment annually.

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

— Computer software	3-5 years
— Marketing and Manufacturing rights	8-15 years
— Developed technology rights	8-15 years
— Brands	8-15 years
— Customer related intangibles	5 years

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

**f. Investment property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

at cost less accumulated depreciation and accumulated impairment losses, if any.

Based on technical evaluation and consequent advice, the management believes a period of 25 years as representing the best estimate of the period over which investment properties (which are quite similar) are expected to be used. Accordingly, the Group depreciates investment properties over a period of 25 years on a straight-line basis. The useful life estimate of 25 years is different from the indicative useful life of relevant type of buildings mentioned in Part C of Schedule II to the Act i.e. 30 years.

Any gain or loss on disposal of an investment property is recognised in statement of profit or loss.

## g. Business combination

In accordance with Ind AS 103, Business combinations, the Group accounts for business combinations after acquisition date using the acquisition method when control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred in the acquisition is generally measured at fair value as at the date the control is acquired (acquisition date), as are the identifiable net assets acquired. Any gain on a bargain purchase is recognised in the OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, then gain on a bargain purchase is recognised directly in equity as capital reserve.

Transaction costs/ acquisition related costs are expensed as incurred and services are received, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in the statement of profit and loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration (or right to receive excess contingent consideration transferred) that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group reports in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the Group retrospectively adjusts the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date.

During the measurement period, the Group also recognises additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date.

The measurement period ends as soon as the Group receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable but does not exceed one year from the acquisition date.

## Business combinations – common control transaction

Business combination involving entities that are controlled by the group is accounted for at

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

## **h. Inventories**

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

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

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

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

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

## **i. Impairment**

### **i. Impairment of financial assets**

In accordance with Ind AS 109 Financial Instruments, the Group applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on following:

- financial assets measured at amortised cost; and
- financial assets measured at FVOCI - debt investments.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

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

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

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

Goodwill is tested annually for impairment. For the purpose of impairment testing, goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

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

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

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

**j. Employee benefits**

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

All employee benefits falling due within twelve months from the end of the period in which the employees

render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly."

**ii. Post-employment benefits**

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

**Gratuity**

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

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

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



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

income. The effect of any plan amendments are recognised in the statement of profit and loss.

### **Provident Fund**

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

### **iii. Compensated absences**

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

### **iv. Share-based compensation**

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate

of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

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

The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under "share based payment reserve". The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black-Scholes-Merton). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

### **k. Provisions (other than for employee benefits)**

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

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

## *Onerous contracts*

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

## **I. Revenue from contracts with customers**

The Group has implemented new standard Ind-AS 115 'Revenue from Contracts with Customers' effective April 1, 2018 using cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application. The Group has evaluated its open arrangements on out-licensing with reference to upfront non-refundable fees received in earlier periods and concluded that some of the performance obligations may not be distinct and hence would need to be bundled with the subsequent product supply obligations. Accordingly standard is applied retrospectively only to contracts that were not completed as at the date of initial application.

### **i. Sale of goods**

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. However, in certain cases,

revenue is recognized on sale of products where shipment is on hold at specific request of the customer provided performance obligation conditions has been satisfied and control is transferred, with customer taking title of the goods. The amount of revenue to be recognized (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices.

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

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

### *Provision for chargeback, rebates and discounts*

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

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

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

**ii. Milestone payments and out licensing arrangements**

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

Income from out-licensing agreements typically arises from the receipt of upfront, milestone and other similar payments from third parties for granting a license to product- or technology- related intellectual property (IP). These agreements may be entered into with no further obligation or may include commitments to regulatory approval, co-marketing or manufacturing. These may be settled by a combination of upfront payments, milestone payments and other fees. These arrangements typically also consist of subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in

the agreement. Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, if the milestones are considered substantive, or over the period of continuing performance obligations, if the milestones are not considered substantive. Whether to consider these commitments as a single performance obligation or separate ones, or even being in scope of Ind-AS 115 'Revenues from Contracts with Customers', is not straightforward and requires some judgement. Depending on the conclusion, this may result in all revenue being calculated at inception and either being recognised at point in time or spread over the term of a longer performance obligation. Where performance obligations may not be distinct, this will be bundled with the subsequent product supply obligations.

The new standard provides an exemption for sales-based royalties for licenses of intellectual property which will continue to be recognised as revenue as underlying sales are incurred.

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

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

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

### **iii. Contract research and manufacturing services income:**

Revenue is recognised upon transfer of control of promised services or compounds to customers in an amount that reflects the consideration we expect to receive in exchange for those services or compounds.

Arrangement with customers for Contract research and manufacturing services income are either on a time-and-material basis, fixed price or on a sale of compounds.

In respect of contracts involving research services, in case of 'time and materials' contracts, contract research fee are recognised as services are rendered, in accordance with the terms of the contracts.

Revenues relating to fixed price contracts are recognised based on the percentage of completion method determined based on efforts expended as a proportion to total estimated efforts. The Group monitors estimates of total contract revenue and cost on a routine basis throughout the contract period. The cumulative impact of any change in estimates of the contract revenue or costs is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.

In respect of contracts involving sale of compounds arising out of contract research, revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment to the customer. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other taxes directly linked to sales. If a contract contains more than one

performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

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

### **iv. Royalty income and profit share**

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

Revenue from contracts with customers (Continued)

### **v. Sales Return Allowances**

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

### **vi. Dividends**

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

### **vii. Rental income**

Rental income from investment property is recognised in statement of profit or loss on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

inflation. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

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

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

**ix. Interest income and expense**

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

**m. Government grants**

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

**n. Income taxes**

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

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

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

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

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

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Deferred income tax assets and liabilities are measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or substantive enactment

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

date. A deferred income tax assets is recognised to the extent it is probable that future taxable income will be available against which the deductible temporary timing differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future. The Group offsets income-tax assets and liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

**o. Borrowing cost**

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

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

**p. Earnings per share**

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

**q. Operating segments**

An operating segment is a component of the Group that engages in business activities from

which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chairperson and Managing Director of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the Chief Operating Decision Maker (CODM). All operating segments' operating results are reviewed regularly by the CODM to make decisions about resources to be allocated to the segments and assess their performance.

**r. Leases**

(i) *The Group as lessee:*

The Group assesses whether a contract contains a lease, at the inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assesses whether a contract conveys the right to control use of an identified asset, the Group assesses whether:

- The contract involves use of an identified asset;
- The Group has substantially all the economic benefits from the use of the asset through the period of lease; and
- The Group has the right to direct the use of an asset.

At the date of commencement of lease, the Group recognises a Right-of-use asset ("ROU") and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with the term of twelve months or less (short term leases) and low value leases. For short term and low value leases, the Group recognises the lease payment as an operating expense on straight line basis over the term of lease.



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Certain lease agreements include an option to extend or terminate the lease before the end of lease term. ROU assets and the lease liabilities includes these options when it is reasonably certain that they will be exercised.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., higher of fair value less cost to sell and the value-in-use) is determined on individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate explicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use assets if the Group changes its assessment if whether it will exercise an extension or a termination of option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and the lease payments have been classified as financing cash flows.

(ii) *The Group as a Lessor:*

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee, the contract is

classified as finance lease. All other leases are classified as operating lease.

**s. Operating cycle**

The Group classifies an asset as current asset when:

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

All other assets are classified as non-current.

A liability is classified as current when –

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

All other liabilities are classified as non-current.

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

**t. 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

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

separate disclosure is considered necessary to explain the performance of the Group.

**u. Recent accounting developments**

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1<sup>st</sup>, 2023, as below:

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 3. Property, plant and equipment and Capital work-in-progress

	Land	Buildings	Leasehold improvements	Plant and equipment	Research and development equipments	Furniture and fixtures	Vehicles	Total	Capital work-in-progress
	[Refer note (a)]			[Refer note (c)]					[Refer note (e)]
Gross carrying amount									
At April 01, 2021	2,695	18,880	81	64,706	3,523	1,479	157	91,521	22,535
Additions	61	644	35	6,218	105	183	42	7,288	18,886
Disposals/transfers	-	(5)	-	(302)	(103)	(2)	(13)	(425)	(7,288)
<i>Other adjustments</i>									
- Foreign currency translation adjustment	49	247	-	557	-	3	-	856	70
<b>At March 31, 2022</b>	<b>2,805</b>	<b>19,766</b>	<b>116</b>	<b>71,179</b>	<b>3,525</b>	<b>1,663</b>	<b>186</b>	<b>99,240</b>	<b>34,203</b>
Additions	-	600	2,402	18,682	398	590	44	22,716	14,178
Disposals/transfers	-	(123)	-	(280)	(13)	-	(46)	(462)	(22,716)
<i>Other adjustments</i>									
- Foreign currency translation adjustment	113	571	-	1,327	-	6	1	2,018	210
<b>At March 31, 2023</b>	<b>2,918</b>	<b>20,814</b>	<b>2,518</b>	<b>90,908</b>	<b>3,910</b>	<b>2,259</b>	<b>185</b>	<b>1,23,512</b>	<b>25,875</b>
Accumulated depreciation									
At April 01, 2021	-	4,358	13	28,480	2,114	902	81	35,948	-
Depreciation for the year	-	770	19	5,478	221	162	21	6,671	-
Disposals	-	(5)	-	(289)	(43)	(2)	(6)	(345)	-
<i>Other adjustments</i>									
- Foreign currency translation adjustment	-	43	-	154	-	2	-	199	-
<b>At March 31, 2022</b>	<b>-</b>	<b>5,166</b>	<b>32</b>	<b>33,823</b>	<b>2,292</b>	<b>1,064</b>	<b>96</b>	<b>42,473</b>	<b>-</b>
Depreciation for the year	-	807	68	6,682	216	214	23	8,010	-
Disposals	-	(72)	-	(200)	(13)	-	(32)	(317)	-
<i>Other adjustments</i>									
- Foreign currency translation adjustment	-	117	-	456	-	4	-	577	-
<b>At March 31, 2023</b>	<b>-</b>	<b>6,018</b>	<b>100</b>	<b>40,761</b>	<b>2,495</b>	<b>1,282</b>	<b>87</b>	<b>50,743</b>	<b>-</b>
Net carrying amount									
<b>At March 31, 2022</b>	<b>2,805</b>	<b>14,600</b>	<b>84</b>	<b>37,356</b>	<b>1,233</b>	<b>599</b>	<b>90</b>	<b>56,767</b>	<b>34,203</b>
<b>At March 31, 2023</b>	<b>2,918</b>	<b>14,796</b>	<b>2,418</b>	<b>50,147</b>	<b>1,415</b>	<b>977</b>	<b>98</b>	<b>72,769</b>	<b>25,875</b>

(a) Land includes land held on lease under perpetual basis: Gross carrying amount Rs 661 (March 31, 2022 - Rs 661); Net carrying amount Rs 661 (March 31, 2022 - Rs 661).

(b) Borrowing costs capitalised during the year amounted to Rs. 2,433 (March 31, 2022 - Rs. 1,610).

(d) Foreign exchange loss, net of Rs. Nil (March 31, 2022 - Rs. 66) on long term foreign currency monetary liabilities relating to acquisition of a depreciable capital asset has been adjusted with the cost of such asset pursuant to option available on long-term foreign currency monetary items which were obtained before the beginning of the first Ind AS financial reporting period as per the previous GAAP [refer note 2(b)(i)].

(e) Capital work-in-progress as on March 31, 2023 mainly comprises new biopharmaceutical and research manufacturing units.

(f) For details of security on certain property, plant and equipment, refer note 14

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

Capital work in progress ageing schedule :-

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	10,434	7,940	6,071	1,430	25,875
<b>As at March 31, 2023</b>	<b>10,434</b>	<b>7,940</b>	<b>6,071</b>	<b>1,430</b>	<b>25,875</b>
Projects in progress	16,598	8,474	5,280	3,851	34,203
<b>As at March 31, 2022</b>	<b>16,598</b>	<b>8,474</b>	<b>5,280</b>	<b>3,851</b>	<b>34,203</b>

(i) There are no capital work-in-process which is temporarily suspended as at March 31, 2023 and as on March 31, 2022.

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

Projects in progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 2	1,962	-	-	-	1,962
Project 3	-	6,269	-	-	6,269
Project 4	367	-	-	-	367
Project 5	1,275	-	-	-	1,275
Project 9	73	-	-	-	73
Project 10	297	-	-	-	297
Project 11	21	-	-	-	21
<b>As at March 31, 2023</b>	<b>3,994</b>	<b>6,269</b>	<b>-</b>	<b>-</b>	<b>10,263</b>
Project 1	13,481	-	-	-	13,481
Project 2	-	1,637	-	-	1,637
Project 3	-	4,527	-	-	4,527
Project 4	287	-	-	-	287
Project 5	1,547	-	-	-	1,547
Project 7	231	-	3	-	234
Project 8	1,030	-	-	-	1,030
<b>As at March 31, 2022</b>	<b>16,576</b>	<b>6,164</b>	<b>3</b>	<b>-</b>	<b>22,743</b>

Project 1, 7 and 8 was capitalised during the year.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 4 (a) Intangible assets

	Goodwill	Intangible assets							Intangible assets under development		
		Developed technology rights	Marketing and Manufacturing rights	Other intangible assets *	Customer related intangible	Brand / Trademark	IP under commercialisation	Total	Products under development (internally generated)	Marketing rights	Total
<b>Gross carrying amount</b>											
At April 01, 2021	264	5,790	1,479	1,236	77	-	81	8,663	5,070	502	5,572
Additions	-	345	154	335	-	-	-	834	1,467	146	1,613
Disposals/transfers	-	-	-	-	-	-	-	-	(345)	-	(345)
<b>Other adjustments</b>											
- Foreign currency translation adjustment	-	236	43	-	-	-	-	279	163	3	166
<b>At March 31, 2022</b>	<b>264</b>	<b>6,371</b>	<b>1,676</b>	<b>1,571</b>	<b>77</b>	<b>-</b>	<b>81</b>	<b>9,776</b>	<b>6,355</b>	<b>651</b>	<b>7,006</b>
Additions	-	-	-	252	-	-	-	252	1,678	152	1,830
Assets acquired through Business Combination	1,59,831	42,255	9,340	-	-	2,632	-	54,227	38,388	-	38,388
Disposals/transfers	-	-	-	-	-	-	-	-	-	(70)	(70)
impairment during the year [refer note 32]	-	-	-	-	-	-	-	-	(415)	-	(415)
<b>Other adjustments</b>											
- Foreign currency translation adjustment	1,267	889	169	-	-	16	-	1,074	649	12	661
<b>At March 31, 2023</b>	<b>1,61,362</b>	<b>49,515</b>	<b>11,185</b>	<b>1,823</b>	<b>77</b>	<b>2,648</b>	<b>81</b>	<b>65,329</b>	<b>46,655</b>	<b>745</b>	<b>47,400</b>
<b>Accumulated amortisation</b>											
At April 01, 2021	-	1,006	481	749	77	-	81	2,394	105	-	105
Amortisation for the year	-	889	225	196	-	-	-	1,310	-	-	-
- Foreign currency translation adjustment	-	71	15	-	-	-	-	86	-	-	-
<b>At March 31, 2022</b>	<b>-</b>	<b>1,966</b>	<b>721</b>	<b>945</b>	<b>77</b>	<b>-</b>	<b>81</b>	<b>3,790</b>	<b>105</b>	<b>-</b>	<b>105</b>
Amortisation for the year	-	2,012	519	309	-	74	-	2,914	-	-	-
impairment during the year [refer note 32]	-	-	324	-	-	-	-	324	-	-	-
- Foreign currency translation adjustment	-	288	49	-	-	-	-	337	-	-	-
<b>At March 31, 2023</b>	<b>-</b>	<b>4,266</b>	<b>1,613</b>	<b>1,254</b>	<b>77</b>	<b>74</b>	<b>81</b>	<b>7,365</b>	<b>105</b>	<b>-</b>	<b>105</b>
<b>Net carrying amount</b>											
<b>At March 31, 2022</b>	<b>264</b>	<b>4,405</b>	<b>955</b>	<b>626</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,986</b>	<b>6,250</b>	<b>651</b>	<b>6,901</b>
<b>At March 31, 2023</b>	<b>1,61,362</b>	<b>45,249</b>	<b>9,572</b>	<b>569</b>	<b>-</b>	<b>2,574</b>	<b>-</b>	<b>57,964</b>	<b>46,550</b>	<b>745</b>	<b>47,295</b>

(a) Borrowing cost capitalised during the year amounted to Rs 697 (March 31, 2022: Rs 142).

(b) Refer note 34 (ii) for contractual commitments for purchase of intangible assets.

(c) Refer note 43 for impairment assessment of Goodwill.

(d) During the current year, the Group reassessed the useful life of intangible assets which resulted in changes in the future expected economic benefit from the intangible assets for a period of 15 years (approx). The Management had previously considered life of 7 years to amortise the intangibles. The effect of these changes in useful life is as below

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Post FY 2027
(Decrease) increase in amortisation expense	(140)	(573)	(571)	(476)	(40)	1,800

\* Other intangible assets includes computer software and intellectual property rights.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 4 (a) Intangible assets under development (continued)

Intangible assets under development ageing schedule:-

Particulars	Amount in Intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	40,252	1,768	1,274	4,001	47,295
<b>As at March 31, 2023</b>	<b>40,252</b>	<b>1,768</b>	<b>1,274</b>	<b>4,001</b>	<b>47,295</b>
Projects in progress	1,724	1,348	2,626	1,203	6,901
<b>As at March 31, 2022</b>	<b>1,724</b>	<b>1,348</b>	<b>2,626</b>	<b>1,203</b>	<b>6,901</b>

(i) There are no intangible assets under development which are temporarily suspended as at March 31, 2023 and as at March 31, 2022.

Intangible assets under development completion schedule (projects whose completion is overdue or has exceeded its cost compared to its original plan)

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Projects in progress</b>					
Project 1	2,749	-	-	-	2,749
<b>As at March 31, 2023</b>	<b>2,749</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,749</b>
Projects in progress					
Project 1	2,288	-	-	-	2,288
<b>As at March 31, 2022</b>	<b>2,288</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,288</b>

## 4 (b) Right-of-use assets

	Right-of-use assets			
	Land	Buildings	Vehicles	Total
<b>Gross carrying amount</b>				
At April 01, 2021	374	1,290	97	1,761
Additions	-	1,369	22	1,391
Disposals	-	(74)	(28)	(102)
<b>At March 31, 2022</b>	<b>374</b>	<b>2,585</b>	<b>91</b>	<b>3,050</b>
Additions	-	96	70	166
Disposals	-	(165)	(41)	(205)
<b>At March 31, 2023</b>	<b>374</b>	<b>2,516</b>	<b>120</b>	<b>3,011</b>
<b>Accumulated depreciation</b>				
At April 01, 2021	4	191	33	228
Amortisation for the year	2	137	22	161
Disposals/transfer	-	-	(12)	(12)
<b>At March 31, 2022</b>	<b>6</b>	<b>328</b>	<b>43</b>	<b>377</b>
Amortisation for the year	12	191	4	207
Disposals/transfer	-	(155)	-	(155)
<b>At March 31, 2023</b>	<b>18</b>	<b>364</b>	<b>47</b>	<b>429</b>
<b>Net carrying amount</b>				
At March 31, 2022	368	2,257	48	2,673
<b>At March 31, 2023</b>	<b>356</b>	<b>2,152</b>	<b>73</b>	<b>2,582</b>



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 5. Non-current investments

	March 31, 2023	March 31, 2022
<b>I. Quoted equity instruments at fair value through other comprehensive income</b>		
Vaccinex Inc., USA - 299,226 (March 31, 2022 - 299,226) Common Stock, par value USD 0.0001 each	10	30
Equillum Inc., USA - 2,316,134 (March 31, 2022 - 2,316,134) Common Stock, par value USD 0.001 each	110	555
<b>Total quoted investments in equity instruments</b>	<b>120</b>	<b>585</b>
<b>II. Unquoted equity instruments at fair value through other comprehensive income</b>		
Immuneel Therapeutics Private Limited - 2,020 (March 2022: 2,020) equity shares of ₹ 10 each [refer note (i) below]	322	214
HR Kaveri Private Limited - 4,922,663 (March 31, 2022: 4,922,663) Equity shares of ₹ 10 each	49	49
<b>Total unquoted investments in equity instruments</b>	<b>371</b>	<b>263</b>
<b>III. Unquoted equity instruments at fair value through profit or loss</b>		
<b>In others:</b>		
Energion KN Wind Power Private Limited - 41,708 (March 31, 2022 - 38,500) equity shares of ₹ 10 each	1	1
Less: Provision for decline, other than temporary, in the value of non-current investments	(1)	(1)
Four Ef Renewables Private Limited - 287,474 (March 31, 2022 - 287,474) equity share of ₹ 100 each	29	29
O2 Renewable Energy II Private Limited - 858,000 (March 2022: Nil) equity shares of ₹ 10 each	9	-
Hinduja Renewables Two Private Limited - 5,913,566 equity shares (March 31, 2022 - 5,913,566) equity share of ₹ 10 each	59	59
<b>Total unquoted investments in equity instruments</b>	<b>97</b>	<b>88</b>
<b>IV. Unquoted shares/ instruments at fair value through profit or loss</b>		
<b>In others:</b>		
Energion KN Wind Power Private Limited - 15,888 (March 31, 2022 - 14,666) Compulsorily Convertible Preference Shares, par value ₹ 100 each	1	1
Less: Provision for decline, other than temporary, in the value of non-current investments	(1)	(1)
O2 Renewable Energy II Private Limited - 20,020 (March 2022: Nil) 0.01% compulsory convertible debentures of ₹ 1,000 each [refer note (iii) below]	20	-
Four Ef Renewables Private Limited - 574,947 (March 31, 2022 - 574,947) 0.001% Compulsorily convertible preference Shares of ₹ 100 each [refer note (ii) below]	57	57
<b>Total unquoted investments in preference shares</b>	<b>77</b>	<b>57</b>
<b>V. Investments in Certificates of deposits carried at amortized cost</b>		
<b>Others:</b>		
Inter corporate deposits with financial institutions *	5,380	2,629
<b>Total unquoted investments in deposits</b>	<b>5,380</b>	<b>2,629</b>
<b>Total non-current investments</b>	<b>6,045</b>	<b>3,622</b>
Aggregate value of quoted investments	120	585
Aggregate value of unquoted investments	5,927	3,039
Aggregate amount of impairment in value of investments	2	2

(i) During the year ended March 31, 2021, Syngene invested ₹ 100 in Immuneel Therapeutics Private Limited. During the year ended March 31, 2022, additional funding from external investors were received resulting in a dilution of Syngene's equity interest. The gain on fair valuation from ₹ 100 to ₹ 214 is recognised in Other comprehensive income. During the year ended 31 March 2023, the Company based on a fair valuation recorded a fair value increase in its investment carrying value by ₹ 108.



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 7. Deferred tax balances

	March 31, 2023	March 31, 2022
Deferred tax assets (net)	3,010	2,933
Deferred tax liabilities (net)	(3,818)	(523)
<b>Total</b>	<b>(808)</b>	<b>2,410</b>
<b>Deferred tax liabilities</b>		
Property, plant and equipment and intangible assets	3,771	2,648
Intangible assets acquired in business combination [note 42]	2,852	-
Goodwill	654	-
Derivative assets	250	359
Deferred consideration	385	-
Others	-	72
<b>Gross deferred tax liabilities</b>	<b>7,913</b>	<b>3,079</b>
<b>Deferred tax assets</b>		
Provision for employee benefits	525	544
Derivative liabilities	95	52
Allowance for doubtful debts	119	91
Other deductible expenses	180	93
MAT credit entitlement	2,723	3,714
Deferred revenue	93	54
Carry-forward losses	2,603	-
Others	767	941
<b>Gross deferred tax assets</b>	<b>7,105</b>	<b>5,489</b>
<b>Deferred tax assets (net) [refer note 38 (d)]</b>	<b>(808)</b>	<b>2,410</b>
<b>8. Other assets</b>		
(Unsecured considered good, unless otherwise stated)		
<b>(a) on-current</b>		
Capital advances	1,216	512
Duty drawback receivable	112	86
Balances with statutory / government authorities	1,486	737
Prepayments	167	296
	<b>2,981</b>	<b>1,631</b>
<b>(b) Current</b>		
Balances with statutory / government authorities	3,061	2,046
Advance to suppliers	1,503	1,288
Prepayments	1,316	873
	<b>5,880</b>	<b>4,207</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 9. Inventories

	March 31, 2023	March 31, 2022
Raw materials, including goods-in-bond *	8,962	6,018
Packing materials	3,767	2,539
Traded goods	11,983	255
Finished goods	4,013	3,546
Work-in-progress	13,712	10,624
	<b>42,437</b>	<b>22,982</b>

\* Inventories includes goods in-transit ₹ 326 (March 31, 2022 - ₹ 207)

Write-down of inventories to net realisable value and provision for stock obsolescence amounted to ₹ 719 (March 31, 2022 - ₹ 474). These were recognised as an expense during the year and included in 'changes in inventories of finished goods, work-in-progress and stock-in-trade' in statement of profit and loss.

## 10. Current investments

	March 31, 2023	March 31, 2022
<b>Quoted - Investments at fair value through profit or loss:</b>		
(a) Investment in mutual funds	4,414	2,416
(b) Investment in Adagio Therapeutics Inc. - 294,000 (March 31, 2022 - 294,000) Common Stock, par value USD 0.0001 each	29	102
	<b>4,443</b>	<b>2,518</b>
<b>Unquoted- Investment carried at amortised cost</b>		
Inter corporate deposits with financial institutions *	8,822	9,659
	<b>8,822</b>	<b>9,659</b>
<b>Total current investments</b>	<b>13,265</b>	<b>12,177</b>
* Inter corporate deposits with financial institutions yield fixed interest rate.		
Aggregate market/ fair value of quoted investments	4,443	2,518
Aggregate value of unquoted investments	8,822	9,659
The Group's exposure to credit and currency risks, and loss allowances are disclosed in note 36.		
<b>11. Trade receivables</b>		
(a) Trade Receivables considered good - Unsecured	35,732	20,582
(b) Trade Receivables - credit impaired	617	363
	<b>36,349</b>	<b>20,945</b>
Allowance for expected credit loss	(617)	(363)
	<b>35,732</b>	<b>20,582</b>

The Group's exposure to credit and currency risks, and loss allowances are disclosed in note 36.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## Trade receivables ageing schedule:

	Outstanding for following periods from due date of payment							Total
	Unbilled	Not overdue	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	2,613	39,226	3,871	2,507	300	-	-	48,518
Undisputed trade receivables - credit impaired	122	-	41	42	204	166	42	617
<b>As at March 31, 2023</b>	<b>2,735</b>	<b>39,226</b>	<b>3,912</b>	<b>2,549</b>	<b>504</b>	<b>166</b>	<b>42</b>	<b>49,135</b>
Less: Provision for chargebacks / discounts / rebates / incentives settled through issuance of credit note								(12,785)
								<b>36,349</b>
Undisputed trade receivables - considered good	3,114	14,155	2,724	270	319	-	-	20,582
Undisputed trade receivables - credit impaired	-	-	-	12	311	5	35	363
<b>As at March 31, 2022</b>	<b>3,114</b>	<b>14,155</b>	<b>2,724</b>	<b>282</b>	<b>630</b>	<b>5</b>	<b>35</b>	<b>20,945</b>

## 12. Cash and bank balances

	March 31, 2023	March 31, 2022
<b>Cash and cash equivalents</b>		
Balances with banks:		
On current accounts	12,872	6,326
On unpaid dividend account	3	4
Deposits with original maturity of less than 3 months	360	300
<b>Total cash and cash equivalents</b>	<b>13,235</b>	<b>6,630</b>
<b>Other bank balances</b>		
Deposits with maturity of less than 12 months	10,763	10,842
Margin money deposit [Refer note (a) below]	3	3
<b>Total other bank balances</b>	<b>10,766</b>	<b>10,845</b>
<b>Total cash and bank balances</b>	<b>24,001</b>	<b>17,475</b>

(a) Margin money deposits with carrying amount of ₹ 3 (March 31, 2022 - ₹ 3) are subject to first charge against bank guarantees obtained.

(b) The Group has cash in hand which are not disclosed above since amounts are rounded off to Rupees million.

## 13 (a) Equity share capital

	March 31, 2023	March 31, 2022
<b>Authorised</b>		
1,250,000,000 (March 31, 2022 - 1,250,000,000) equity shares of ₹ 5 each (March 31, 2022 - ₹ 5 each)	6,250	6,250
<b>Issued, subscribed and fully paid-up</b>		
1,200,600,000 (March 31, 2022 - 1,200,600,000) equity shares of ₹ 5 each (March 31, 2022 - ₹ 5 each)	6,003	6,003

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

	March 31, 2023		March 31, 2022	
	No. of shares	₹ Million	No. of shares	₹ Million
<b>Equity shares</b>				
At the beginning of the year	1,20,06,00,000	6,003	1,20,00,00,000	6,000
Issue of shares	-	-	6,00,000	3
<b>Outstanding at the end of the year</b>	<b>1,20,06,00,000</b>	<b>6,003</b>	<b>1,20,06,00,000</b>	<b>6,003</b>

## (ii) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

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

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

	March 31, 2023		March 31, 2022	
	No. of shares	₹ Million	No. of shares	₹ Million
<b>Equity shares of ₹ 5 each fully paid</b>				
Kiran Mazumdar-Shaw	47,61,36,622	39.66%	47,57,25,384	39.62%
Glentec International Limited	23,72,11,164	19.76%	23,72,11,164	19.76%

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

## (iv) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 30.

## (v) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:

Particulars	Year ended March 31				
	2023	2022	2021	2020	2019
Equity shares of ₹ 5 each	-	-	-	60,00,00,000	-

The Company had allotted 600,000,000 equity shares of ₹ 5 each fully paid up as bonus shares on June 19, 2019 in the ratio of 1:1 (one equity shares of ₹ 5 each for every one equity share of ₹ 5 each held in the Company as on the record date i.e. June 13, 2019) by capitalisation of securities premium and general reserve. In accordance with Ind AS 33, the Earnings per share data adjusted to give effect to the bonus issue.

## (vi) Details of shares held by promoters

### March 31, 2023

Name of the promoter	No. of equity shares	% of Total Shares	% change during the year
Kiran Mazumdar Shaw	47,61,36,622	39.66%	0.03%
Yamini R Mazumdar	-	0.00%	-0.11%
J M M Shaw	84,45,348	0.70%	0.00%
Ravi Mazumdar	53,01,321	0.44%	0.04%
Dev Mazumdar	9,29,721	0.08%	0.03%
Glentec International Limited	23,72,11,164	19.76%	0.00%
<b>Total</b>	<b>72,80,24,176</b>	<b>60.64%</b>	<b>0.00%</b>



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

March 31, 2022

Name of the promoter	No. of equity shares	% of Total Shares	% change during the year
Kiran Mazumdar Shaw	47,57,25,384	39.62%	- 0.02%
Yamini R Mazumdar	13,08,712	0.11%	-
J M M Shaw	84,45,348	0.70%	-
Ravi Mazumdar	48,15,084	0.40%	-
Dev Mazumdar	5,18,484	0.04%	-
Glentec International Limited	23,72,11,164	19.76%	- 0.01%
<b>Total</b>	<b>72,80,24,176</b>	<b>60.64%</b>	<b>- 0.03%</b>

## 13 (b) Other equity

### Securities premium

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

### General reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

### Retained earnings

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the standalone financial statements of the Company and also considering the requirements of the Act. Thus the amounts reported are not distributable in entirety.

### SEZ re-investment reserve

The SEZ re-investment reserve has been created out of profit of eligible SEZ units in terms of the provisions of section 10AA(1)(ii) of the Income-tax Act, 1961. The reserve has been utilised for acquiring new plant and machinery for the purpose of its business in terms of section 10AA(2) of the Income-tax Act, 1961.

### Share based payment reserve

The Group has established various equity settled share-based payment plans for certain categories of employees of the Group. Also refer note 30 for further details on these plans.

### Treasury shares

Own equity instruments that are reacquired (treasury shares) by the ESOP trusts of the Group are recognised at cost and deducted from equity.

### Foreign currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's reporting currency (i.e. Indian Rupees) are accumulated in the foreign currency translation reserve. This also includes effective portion of Group's net investment in foreign operations.

### Other Items of other comprehensive income

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

### Debenture redemption reserve

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

### Capital redemption reserve

The Group had redeemed intercompany Non Convertible Redeemable Preference Shares in prior years and as per the provisions of the Companies Act, 2013, a sum equal to the nominal value of the shares redeemed is transferred to the capital redemption reserve.

### Cash flow hedging reserves

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

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 14. Non-current borrowings

	March 31, 2023	March 31, 2022
<b>Loans from banks (secured)</b>		
Term loan [refer note (a), (b), (c), (d), (e), (f), (h), (k), and (m) below]	1,24,001	23,838
Redeemable Non-Convertible Debentures ("NCD") [refer note (i) and (l) below]	12,922	2,000
<b>Loans from banks (unsecured)</b>		
Term loan [refer note (g) below]	1,952	1,898
<b>Other loans and advances (unsecured)</b>		
Redeemable Optionally Convertible Debentures ("OCD") [refer note (j) below]	14,030	12,344
	<b>1,52,905</b>	<b>40,080</b>
Less: Amount disclosed under the head "Current borrowings" [refer note 19]	-	(95)
	<b>1,52,905</b>	<b>39,985</b>
The above amount includes		
Secured borrowings	1,36,923	25,838
Unsecured borrowings	15,982	14,242
Amount disclosed under the head "Current borrowings" [refer note 19]	-	(95)
<b>Net amount</b>	<b>1,52,905</b>	<b>39,985</b>

- (a) During the year ended March 31, 2021, HDFC bank has sanctioned external commercial borrowing (ECB) facility of USD 25 million to the Company. During the current year, the Company has drawn ECB of USD 15 million, carrying interest @ Libor + 1.75% per annum. The loan is repayable in 3 yearly instalments commencing from June 2025. The loan is secured by exclusive charge on the fixed assets to be created out of the term loan facility. The Company has entered into interest rate swap converting the floating rate to fixed rate of interest. Carrying value of the loan as at March 31, 2023 amounts to ₹ 2,055 (March 31, 2022: 759).
- (b) During the year ended March 31, 2021, Biocon Biosphere Limited ("BBSL") obtained an external commercial borrowing of USD 50 million from a bank. During the current year, the Company has drawn ECB of USD 16 million, carrying interest @ Libor + 1.75% per annum. The loan is repayable in 3 yearly instalments commencing from June 15, 2025. The loan is secured by first priority pari passu charge on the plant and machinery of the facility for the manufacture of pharmaceuticals. BBSL has entered into interest rate swap to convert floating rate to fixed rate. Carrying value of the loan as at March 31, 2023 amounts to ₹ 4,109 (March 31, 2022: 2,581).
- (c) During the year ended March 31, 2019, Biocon Biologics Limited ("BBL") had obtained an external commercial borrowing facility of USD 75 million from MUFG Bank Limited. This loan is repayable in 3 annual instalments commencing from April 2024 and carries an interest rate of LIBOR + 1% p.a. The term loan facility is secured by first priority pari-passu charge on the plant and machinery of the proposed facility for the manufacturing of pharmaceuticals. Carrying value of the loan as at March 31, 2023 amounts to ₹ 6,164 (March 31, 2021: 5,694).
- (d) During the year ended March 31, 2021, BBL had obtained a Term loan facility from The Hongkong and Shanghai Banking Corporation Limited amounting to ₹ 3,500 repayable in 2 equal annual instalments commencing from April 2024. Term loan carries an interest rate of 3 Months T Bill + 2.39% p.a. and are secured by first pari-passu charge on the present and future of movable fixed assets of the BBL. Carrying value of the loan as at March 31, 2023 amounts to ₹ 3,500 (March 31, 2022: 3,500).
- (e) During the year ended March 31, 2023, the Biosimilars Newco Limited (subsidiary of BBL) has entered into a USD 1.2 Billion long-term syndicated loan facility agreement for a tenure of 5 years. The term loan is repayable in quarterly instalments starting after 30 months of the execution of the agreement and carries an interest rate of SOFR + margin of 1.75% p.a to 1.35% p.a. The loan is secured by first pari-passu charge movable fixed assets of BBL, Biocon Sdn. Bhd., Malaysia. ("Biocon Malaysia"), Biocon Biologics UK Ltd ("Biocon UK"), Biosimilars Newco Limited and Biosimilars collaboration Ireland Limited. Further the loan is also secured by corporate guarantee by BBL, Biocon Malaysia, Biocon UK and Biosimilars Collaboration Ireland Limited. Carrying value of the loan as at March 31, 2023 amounts to ₹ 97,118 (March 31, 2022: Nil), net-off unamortised debt issuance cost of ₹ 1,497.

For the purpose of computing covenants, any infusion of funds subsequently through issue of equity shares or any other instrument which is subordinate to the term loans, will be considered retrospectively for all purposes. Accordingly funding raised by BBL in May 2023 has been considered to comply with the financial covenant requirements of BBL as at March 31, 2023. As at the date of adoption of these financial statements, BBL complies with the financial covenants as of March 31, 2023.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

- (f) During the year ended March 31, 2022, Biocon UK had obtained a term loan facility of USD 75 million from The Hongkong and Shanghai Banking Corporation Limited for a tenure of 5 years. The term loan is repayable over the period of 4 years and carries an interest rate of 1 month LIBOR + 1% p.a. and are secured by first pari-passu charge on the present and future Plant and Machineries of Biocon Malaysia. Carrying value of the term loan as at March 31, 2023 is ₹ 6,164 (March 31, 2022: 5,694).
- (g) During the year ended March 31, 2022, Biocon Biologics UK Limited ("Biocon UK") (formerly "Biocon Biologics Limited") had obtained a term loan facility of USD 25 million from The HDFC Bank Limited for a tenure of 5 years. The term loan is repayable in 5 annual installments starting from the end of year 1 and carries an interest rate of 3 months LIBOR + 1.25% p.a. Carrying value of the term loan as at March 31, 2023 is ₹ 1,952 (March 31, 2022: 1,898).
- (h) (i) Syngene International Limited ("Syngene") has entered into external commercial borrowing agreement dated September 21, 2020 to borrow USD 50 million (₹ 4,109) term loan facility. The facility is borrowed to incur capital expenditure at Bengaluru, Hyderabad and Mangaluru premises of Syngene and was used for this specific purpose. The facility carries an interest rate of Libor + 1.30% and are to be paid in three instalments of USD 7.5 million in September 2023, USD 12.5 million in September 2024 and USD 30 million in September 2025. The facility is secured by first priority pari passu charge on fixed assets (movable plant and machinery) and second charge on current assets of Syngene.
- (ii) Syngene has entered into foreign currency term loan agreement dated March 30, 2021 to borrow USD 20 million (₹ 1,644) term loan facility. The facility is borrowed to incur capital expenditure at Bengaluru, Hyderabad and Mangaluru premises of the Company and was used for this specific purpose. The facility carries an interest rate of Libor + 0.87% and are to be paid in three instalments of 15%, 25% and 60% from end of 3 years, 4 years and 5 years respectively from the date of origination. The facility is secured by first priority pari passu charge on fixed assets (movable plant and machinery) and second charge on current assets of Syngene.
- (i) During the year ended March 31, 2021, BBL had issued NCD of face value ₹ 10,00,000 each to HDFC Bank Limited amounting to ₹. 2,000 for a tenure of 43 months. The debentures are repayable at the end of the term in April 2024. The NCD carries call/put option on or after September 21, 2023. The debentures carries fixed coupon rate of 6.8949% p.a. and are secured by first pari-passu charge on the movable fixed assets of the BBL. Carrying value of the loan as at March 31, 2023 amounts to ₹ 2,000 (March 31, 2022: 2,000).
- (j) During the year ended March 31, 2021, BBL has entered into an agreement with Goldman Sachs India AIF Scheme-1("Investor") whereby the Investor has infused ₹ 11,250 against issuance of Optionally Convertible Debentures. The debentures are issued for a tenor of 61 months, are unsecured, redeemable at par and carry a conversion option at any time during the tenor at the option of the investor. It also bears a coupon rate of 5% per annum payable on compounded and cumulative basis only on redemption. The debentures were accounted in the consolidated financial statements as a compound financial instrument in line with Ind AS, given that it has both financial liability and equity feature. Accordingly, the consideration received was bifurcated into financial liability and equity in the consolidated financial statements.
- An amendment to the agreement, was entered during the year ended March 31, 2022 which resulted in modification of the compound financial instrument [refer note 32]
- (k) On October 5, 2021, the Biofusion Therapeutics Limited ("BTL") obtained an FCNR loan(Foreign Currency Non Resident ) of USD 5.5 million from a bank, carrying interest @ SOFR + 228 bps per annum. The loan is secured by first priority pari passu charge on the plant and machinery of the facility.
- During the year ended March 31, 2023, BTL has drawn additional USD 1 million of said loan. The loan was fully repaid during the year.
- (l) During the current year, the Company has issued 1,07,000 redeemable Non-Convertible Debentures (NCD) in 3 series each having a face value of ₹ 1,00,000 with a minimum return of 12% per annum plus agreed variable coupon payable upon redemption. The variable coupon is linked to the equity share price of a subsidiary. Tenure of the NCD is 5 years from the date of allotment or earlier based on put option terms. The NCD are secured by way of pledge over 3,81,13,557 equity shares of a subsidiary held by the Company. The NCD proceeds were utilised for repayment of mezzanine borrowing which was raised for investing in the subsidiary.
- (m) During the year, the Company issued Commercial Paper ('CP') of ₹ 22,500 at a discounted value of ₹ 22,073 which were listed in the National Stock Exchange in India. The same has been fully repaid by the Company at maturity value in the year ended March 31, 2023.
- (n) The Group has met all the covenants under these arrangements as at March 31, 2023 and March 31, 2022.
- (o) The Group's exposure to liquidity, interest rate and currency risks are disclosed in note 36.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 15. Leases

The Group has entered into lease agreements for use of land, buildings and vehicles which expires over a period ranging upto the year of 2117. Gross payments for the year aggregate to ₹ 294 (March 31, 2022: ₹ 199).

The following is the movement in lease liabilities:

Particulars	Land	Buildings	Vehicles	Total
Balance at April 01, 2021	2	1,167	56	1,225
Additions during the year	-	1,337	22	1,359
Finance cost accrued during the year	-	112	5	117
Deletions	-	(68)	(8)	(76)
Payment of lease liabilities	(2)	(162)	(35)	(199)
<b>Balance at March 31, 2022</b>	<b>-</b>	<b>2,386</b>	<b>40</b>	<b>2,426</b>
Additions during the year	-	111	76	188
Finance cost accrued during the year	-	163	6	169
Deletions	-	-	(8)	(8)
Payment of lease liabilities	-	(260)	(35)	(294)
<b>Balance at March 31, 2023</b>	<b>-</b>	<b>2,400</b>	<b>81</b>	<b>2,481</b>

The following is the break-up of current and non-current lease liabilities:

	March 31, 2023	March 31, 2022
Non current lease liabilities	2,091	2,215
Current lease liabilities	390	211
	<b>2,481</b>	<b>2,426</b>

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

Less than one year	447	261
One to five years	1,198	1,065
More than five years	2,626	3,019
<b>Total</b>	<b>4,271</b>	<b>4,345</b>

The following are the amounts recognised in Profit or loss:

Amortisation of right to use assets	207	161
Interest expenses on lease liabilities	169	117
Short-term lease payment [refer note (i) below]	29	38
<b>Total</b>	<b>405</b>	<b>316</b>

(i) The Group applies the short-term lease recognition exemption to its short-term leases of certain premises taken on lease (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

## 16. Other financial liabilities

(a) Non-current

Deferred consideration payable [refer note 42]	25,573	-
Gross liability on written put options [refer note (i) below]	14,039	15,033
Contingent consideration payable [refer note 36(D) and 42(a)]	6,583	-
	<b>46,195</b>	<b>15,033</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

- (i) During the year ended March 31, 2020, the Group had entered into an agreement with Activ Pine LLP ('Investor') whereby the Investor has infused ₹ 5,363 against issuance of equity shares of a subsidiary company, Biocon Biologics Limited ('BBL'), which represents 2.44 % shareholding of BBL. The consideration was received and equity shares were allotted on January 21, 2020.

During the year ended March 31, 2021, the Group had entered into an agreement with Tata Capital Growth Fund II ('Investor') whereby the Investor has infused ₹ 2,250 against issuance of equity shares of a subsidiary company, BBL, which represents 0.85% shareholding of BBL. The consideration was received and equity shares were allotted on September 03, 2020.

During the year ended March 31, 2021, the Group had entered into an agreement with Beta Oryx Limited ('Investor') whereby the Investor has infused ₹ 5,550 against issuance of equity shares of a subsidiary company, BBL, which represents 1.87% shareholding of BBL. The consideration was received and equity shares were allotted on March 09, 2021.

As per the above agreements, the Group will be required to provide various options to enable the Investor to exit over a period of time. In the event, such exit events do not occur, the Investor may require the parent company (Biocon Limited), to buy them out at certain prices agreed under the arrangement. Such an obligation to provide exit to the Investors required the Group to record a financial liability towards gross obligation amounting to ₹ 14,039 in the consolidated financial statements in accordance with the Indian Accounting Standards (Ind AS).

The Group in accordance with Ind AS has elected an accounting policy choice to follow an anticipated acquisition method on initial recognition which requires recognition of a gross obligation liability with a corresponding derecognition of non-controlling interest balance in its consolidated financial statements. Further, in accordance with the generally accepted accounting principles, the Group has made an accounting policy choice to present any subsequent change in the fair value of gross obligation liability in other equity. The fair value of the gross obligation is computed using the underlying share price of the unlisted subsidiary which is determined based on discounted cash flow approach and other factors.

## (b) Current

	March 31, 2023	March 31, 2022
Deferred consideration payable	2,014	-
Book overdraft	-	2
Unpaid dividends	4	4
Interest accrued but not due	202	140
Payables for capital goods	2,448	3,486
	<b>4,668</b>	<b>3,632</b>

## 17. Provisions

	March 31, 2023	March 31, 2022
<b>(a) Non-current</b>		
Provision for employee benefits		
Gratuity [refer note 35]	1,034	917
Provision for sales return	1,231	-
	<b>2,265</b>	<b>917</b>
<b>(b) Current</b>		
Provision for employee benefits		
Gratuity [refer note 35]	267	314
Compensated absences	935	855
Provision for sales return	284	136
	<b>1,486</b>	<b>1,305</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## (i) Movement in provisions

	For the year ended March 31, 2023		
	Gratuity	Compensated absences	Sales return
Opening balance	1,231	855	136
Acquired through business combination [refer note 42]	-	-	1,307
Provision recognised / (reversed) during the year	70	80	72
<b>Closing balance</b>	<b>1,301</b>	<b>935</b>	<b>1,515</b>

	For the year ended March 31, 2022		
	Gratuity	Compensated absences	Sales return
Opening balance	1,222	798	136
Provision recognised / (reversed) during the year	9	57	-
<b>Closing balance</b>	<b>1,231</b>	<b>855</b>	<b>136</b>

## 18. Other liabilities

	March 31, 2023	March 31, 2022
(a) Non-current		
Deferred revenues [refer note 21]	2,901	12,151
	<b>2,901</b>	<b>12,151</b>
(b) Current		
Deferred revenues [refer note 21]	1,915	1,053
Advances from customers [refer note 21]	5,409	4,445
Statutory taxes and dues payable	3,437	432
Other dues	334	320
	<b>11,094</b>	<b>6,250</b>

## 19. Current borrowings

### From banks/ financial institutions

Term loans		
Packing credit foreign currency loan (unsecured) [refer note (i) and (ii) below]	2,218	5,238
Packing credit rupee export loan (unsecured) [refer note (iii) below]	8,870	3,250
External commercial borrowings (secured) [refer note 14(h)(i) above]	616	-
Cash credit [refer note (iv) below]	287	93
Working capital loan (secured) [refer note (v) below]	411	379
Current maturities of non-current borrowings [refer note 14]	-	95
Inter Corporate Deposit ('ICD') [refer note (vi) below]	12,400	-
	<b>24,802</b>	<b>9,055</b>
The above amount includes		
Secured borrowings	1,561	474
Unsecured borrowings	23,241	8,581



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

- (i) Syngene had obtained foreign currency denominated short term unsecured pre-shipment credit loans of ₹ 2,862 (USD 35 million) and the balance as on 31 March 2023 is Nil [31 March 2022 : ₹ 2,581 (USD 34 million)] that carries interest rate of SOFR + 40 to 60 Bps (31 March 2022: SOFR + 0.20% to +0.30%).
- (ii) BBL has obtained foreign currency short term unsecured pre-shipment credit loans from various banks that carries fixed interest rate ranging from 5.62% p.a. to 6.23% p.a. Packing credit foreign currency loan tenure is upto 180 days from the date of draw down.
- (iii) BBL has obtained rupee denominated short term unsecured pre-shipment credit loans from various banks that carries interest rate ranging from 6.96% p.a. to 8.20% p.a. Packing credit rupee loan tenure is upto 180 days from the date of draw down.
- (iv) Biocon SDN. BHD, Malaysia had availed working capital facilities upto USD 10 million carrying an interest rate of Bank Lending Rate + 0.5% p.a. The loan is secured by corporate guarantee by BBL.
- (v) Biocon Pharma Inc. (BPI) has availed working capital facilities upto USD 5 million carrying an interest rate of 2.1% - 5.7% p.a. The working capital facilities are secured by a charge on inventories and accounts receivables of BPI.
- (vi) During the current year, Biocon Pharma Limited ('BPL') borrowed an unsecured loan of ₹ 12,400 from Serum Institute Life Sciences Pvt Ltd carrying interest rate of 8% for a period of six months. The same has been squared off subsequent to the year end by transfer of shares of Biocon Biologics Limited, held by BPL

## 20. Trade payables

### Trade and other payables

	March 31, 2023	March 31, 2022
- total outstanding dues of micro and small enterprises	1,491	1,036
- total outstanding dues of creditors other than micro and small enterprises*	38,340	15,049
	<b>39,831</b>	<b>16,085</b>

\* Includes Other payables comprising of allowances for Chargebacks / Discounts / Rebates / Incentives expected to be settled in cash  
All trade payable are 'current'. The Group's exposure to currency and liquidity risks related to trade payables is disclosed in Note 36.

### Trade payables aging schedule:

#### March 31, 2023

	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Outstanding dues of micro and small enterprises	-	648	838	4	1	-	1,491
Outstanding dues of creditors other than micro and small enterprises	22,728	4,236	11,225	52	41	58	38,340
	<b>22,728</b>	<b>4,884</b>	<b>12,063</b>	<b>56</b>	<b>42</b>	<b>58</b>	<b>39,831</b>

#### March 31, 2022

	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Outstanding dues of micro and small enterprises	-	768	261	4	2	1	1,036
Outstanding dues of creditors other than micro and small enterprises	8,223	3,874	2,750	94	42	66	15,049
	<b>8,223</b>	<b>4,642</b>	<b>3,011</b>	<b>98</b>	<b>44</b>	<b>67</b>	<b>16,085</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 21. Revenue from contracts with customers

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Sale of products</b>		
Finished goods*	66,564	51,866
Traded goods	9,881	2,849
<b>Sale of services</b>		
Contract research and manufacturing services income [Refer note (a)]	30,839	25,048
Licensing and development fees	2,057	485
<b>Other operating revenue</b>		
Sale of process waste	379	244
Incentives from government	999	-
Others	1,023	1,348
<b>Revenue from operations</b>	<b>1,11,742</b>	<b>81,840</b>

(a) Revenue for the year ended March 31, 2022 include manufacture and sale of remdesivir, a broad-spectrum antiviral medication for the treatment of Covid-19 infection under the brand name 'RemWin' in a voluntary licensing agreement received from Gilead Sciences Inc.

\* includes profit share

### 21.1 Disaggregated revenue information

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

	Year ended March 31, 2023				
	Generics	Biosimilars	Novels	Research	Total
<b>Revenue from contracts with customers</b>					
Sale of products	23,733	52,712	-	-	76,445
Sale of services	-	2,058	192	30,646	32,896
	<b>23,733</b>	<b>54,770</b>	<b>192</b>	<b>30,646</b>	<b>1,09,341</b>
<b>Revenue from other sources</b>					
Other operating revenue	827	828	-	746	2,401
	<b>827</b>	<b>828</b>	<b>-</b>	<b>746</b>	<b>2,401</b>
<b>Total Revenue from operations</b>	<b>24,560</b>	<b>55,598</b>	<b>192</b>	<b>31,392</b>	<b>1,11,742</b>

	Year ended March 31, 2022				
	Generics	Biosimilars	Novels	Research	Total
<b>Revenue from contracts with customers</b>					
Sale of products	21,195	33,520	-	-	54,715
Sale of services	25	460	510	24,538	25,533
	<b>21,220</b>	<b>33,980</b>	<b>510</b>	<b>24,538</b>	<b>80,248</b>
<b>Revenue from other sources</b>					
Other operating revenue	690	321	-	581	1,592
	<b>690</b>	<b>321</b>	<b>-</b>	<b>581</b>	<b>1,592</b>
<b>Total Revenue from operations</b>	<b>21,910</b>	<b>34,301</b>	<b>510</b>	<b>25,119</b>	<b>81,840</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 21.2 Changes in contract liabilities - advances from customers and deferred revenues

	March 31, 2023	March 31, 2022
Balance at the beginning of the year	17,649	15,289
Add:- Increase due to invoicing during the year	10,989	7,922
Add:- foreign currency translation	710	262
Less:- Contract liabilities derecognised as pre-existing relationship pursuant to business combination	(9,260)	-
Less:- Amounts recognised as revenue during the year	(9,863)	(5,824)
<b>Balance at the end of the year</b>	<b>10,225</b>	<b>17,649</b>
Expected revenue recognition from remaining performance obligations:		
- Within one year	7,324	5,498
- More than one year	2,901	12,151
	<b>10,225</b>	<b>17,649</b>

## 21.3 Contract balances

	March 31, 2023	March 31, 2022
Trade receivables including unbilled revenue	35,732	20,582
Contract liabilities	10,225	17,649
Trade receivables are non-interest bearing. Refer note 11 and note 18. Contract liabilities include deferred revenue and advance from customers.		

## 21.4 Performance obligation:

In relation to information about Group's performance obligations in contracts with customers refer note 2(l).

## 21.5 Reconciliation of revenue from contracts with customers

	March 31, 2023	March 31, 2022
<b>Revenue from contracts with customers as per contract price</b>	<b>1,73,230</b>	<b>84,532</b>
Adjustments made to contract price on account of :-		
a) Chargebacks / Discounts / Rebates / Incentives	(62,864)	(4,042)
b) Sales returns/ reversals	(1,025)	(242)
<b>Revenue from Contracts with customers as per statement of profit and loss*</b>	<b>1,09,341</b>	<b>80,248</b>

\* Includes revenue from sale of products and sale of services.

## 22. Other income

	Year ended March 31, 2023	Year ended March 31, 2022
Interest income on:		
Deposits with banks and financial institutions	1,109	1,081
Others	15	40
Net gain on sale of current investments	416	133
Net gain on financial assets measured at fair value through profit or loss	10	(12)
Gain on dilution of interest in an associate [refer note 44]	2,170	299
Foreign exchange gain, net	-	579
Other non-operating income	39	7
	<b>3,759</b>	<b>2,127</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 23. Cost of materials consumed

	Year ended March 31, 2023	Year ended March 31, 2022
Inventory at the beginning of the year	8,557	6,807
Add: Purchases	36,083	29,889
Less: Inventory at the end of the year	(12,729)	(8,557)
Cost of materials consumed	<b>31,911</b>	<b>28,139</b>

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

	Year ended March 31, 2023	Year ended March 31, 2022
Inventory at the beginning of the year		
Stock-in-trade	255	221
Finished goods	3,546	4,289
Work-in-progress	10,624	7,349
	<b>14,425</b>	<b>11,859</b>
Inventory acquired through business combination [refer Note 42]	13,742	-
Inventory at the end of the year		
Stock-in-trade	11,983	255
Finished goods	4,013	3,546
Work-in-progress	13,712	10,624
	<b>29,708</b>	<b>14,425</b>
	<b>(1,541)</b>	<b>(2,566)</b>

## 25. Employee benefits expense

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	18,282	15,584
Contribution to provident and other funds	918	762
Gratuity [refer note 35]	237	257
Share-based compensation expense [refer note 30]	1,376	1,257
Staff welfare expenses	997	941
	<b>21,810</b>	<b>18,801</b>

## 26. Finance costs

	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense on financial liabilities measured at amortised cost	3,799	559
Interest expense on financial liability measured at FVTPL	222	-
Interest on finance lease obligation [refer note 15]	169	117
	<b>4,190</b>	<b>676</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 27. Depreciation and amortisation expense

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment [refer note 3]	8,010	6,671
Amortisation of intangible assets [refer note 4 (a)]	2,914	1,310
Depreciation of right of use assets [refer note 4 (b)]	207	161
	<b>11,131</b>	<b>8,142</b>

## 28. Other expenses

	Year ended March 31, 2023	Year ended March 31, 2022
Royalty and technical fees	37	52
Rent	29	38
Communication expenses	143	95
Travelling and conveyance	957	509
Professional charges	1,875	1,301
Transition Support Agreement ('TSA') expense [refer note 42(j)]	4,063	-
Payment to auditors	45	30
Directors' fees including commission	151	133
Power and fuel	4,148	3,164
Insurance	588	443
Rates, taxes and fees	436	306
Lab consumables	2,688	1,655
Repairs and maintenance		
Plant and machinery	3,573	2,682
Buildings	397	292
Others	1,524	1,571
Selling expenses		
Freight outwards and clearing charges	551	563
Sales promotion expenses	1,482	1,692
Commission and brokerage (other than sole selling agents)	183	183
Bad debts written off	10	8
Provision/ (reversal) for doubtful debts, net	54	240
Net loss on financial assets/ liabilities measured at fair value through profit or loss	618	274
Printing and stationery	130	115
Loss on sale of assets, net	52	23
Foreign exchange loss, net	1,605	-
Research and development expenses	6,779	6,121
Clinical trial and development expenses	111	62
CSR expenditure	202	207
Miscellaneous expenses	433	313
	<b>32,864</b>	<b>22,072</b>
Less: Expenses capitalized to intangible assets	(758)	(1,155)
	<b>32,106</b>	<b>20,917</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 29. Research and development expenses

	Year ended March 31, 2023	Year ended March 31, 2022
Research and development expenses	6,779	6,121
Lab consumables	2,688	1,655
Employee benefits expense	1,769	1,703
Depreciation	216	221
Other research and development expenses included in other heads	2,289	983
	<b>13,741</b>	<b>10,683</b>
Less: Recovery of product development costs from co-development partners (net)	(1,789)	(3,578)
Less: Expenses capitalized to intangible assets	(758)	(1,155)
	<b>11,194</b>	<b>5,950</b>

## 30. Employee stock compensation

### (a) Biocon ESOP Plan

On September 27, 2001, Biocon's Board of Directors approved the Biocon Employee Stock Option Plan ('ESOP Plan 2000') for the grant of stock options to the employees of the Company and its subsidiaries / joint venture company. The Nomination and Remuneration Committee ('Remuneration Committee') administers the plan through a trust established specifically for this purpose, called the Biocon India Limited Employee Welfare Trust (ESOP Trust).

The ESOP Trust shall make additional purchase of equity shares of the Company using the proceeds from the loan obtained from the Company, other cash inflows from allotment of shares to employees under the ESOP Plan and shall subscribe, when allotted to such number of shares as is necessary for transferring to the employees. The ESOP Trust may also receive shares from the promoters for the purpose of issuance to the employees under the ESOP Plan. The Remuneration Committee shall determine the exercise price which will not be less than the face value of the shares.

### Grant VII

In July 2014, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. These options are exercisable at the closing market price of Company's shares existing on the date preceding to the date of grant.

Particulars	March 31, 2023		March 31, 2022	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	5,89,000	88	20,08,750	82
Granted during the year	-	-	-	-
Lapses/forfeited during the year	(18,000)	124	(84,000)	77
Exercised during the year	(4,78,000)	88	(13,35,750)	79
Expired during the year	(67,250)	98	-	-
Outstanding at the end of the year	25,750	79	5,89,000	88
Exercisable at the end of the year*	25,750	79	1,03,000	82
Weighted average remaining contractual life (in years)	-	-	0.9	-
Weighted average fair value of options granted (₹)	-	-	-	-
Range of exercise prices for outstanding options at the end of the year	78-81	-	76-124	-

\*These options were exercised by the employees on March 31, 2023 and were allotted subsequently in April 2023.



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## Grant VIII

In July 2015, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. These options are exercisable at the closing price as per National Stock Exchange as on the last day of the month preceding the month of first grant.

Particulars	March 31, 2023		March 31, 2022	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	1,05,000	76	1,47,000	75
Granted during the year	-	-	-	-
Lapses/forfeited during the year	-	-	-	-
Exercised during the year	-	-	(42,000)	73
Expired during the year	(1,05,000)	76	-	-
Outstanding at the end of the year	-	-	1,05,000	76
Exercisable at the end of the year	-	-	1,05,000	76
Weighted average remaining contractual life (in years)	-	-	-	-
Weighted average fair value of options granted (₹)	-	-	-	-
Range of exercise prices for outstanding options at the end of the year	-	-	76	-

## Grant IX

In June 2016, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. These options are exercisable at 50% of the closing price as per National Stock Exchange as on the preceding day to the date of grant.

Particulars	March 31, 2023		March 31, 2022	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	34,46,204	125	53,07,574	124
Granted during the year	-	-	-	-
Lapses/forfeited during the year	(4,73,752)	119	(13,90,500)	135
Exercised during the year	(6,75,535)	107	(4,70,870)	95
Expired during the year	-	-	-	-
Outstanding at the end of the year	22,96,917	131	34,46,204	125
Exercisable at the end of the year	3,38,417	111	2,05,079	98
Weighted average remaining contractual life (in years)	2.2	-	3.0	-
Weighted average fair value of options granted (₹)	-	-	-	-
Range of exercise prices for outstanding options at the end of the year	76-173	-	69-173	-

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## Grant X

In June 2016, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. These options are exercisable at 50% of the closing price as per National Stock Exchange as on the the preceding day to the date of grant.

Particulars	March 31, 2023		March 31, 2022	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	26,31,874	151	48,57,076	142
Granted during the year	-	-	-	-
Lapses/forfeited during the year	(52,500)	125	(2,56,125)	148
Exercised during the year	(12,32,725)	148	(19,69,077)	130
Expired during the year	-	-	-	-
Outstanding at the end of the year	13,46,649	154	26,31,874	151
Exercisable at the end of the year	13,46,649	154	9,51,249	139
Weighted average remaining contractual life (in years)	0.4	-	1.3	-
Weighted average fair value of options granted (₹)	-	-	-	-
Range of exercise prices for outstanding options at the end of the year	83-156	-	69-167	-

The average market price of the Company's share during the year ended March 31, 2023 is ₹ 289 (March 31, 2022 - ₹ 373) per share .

## (b) RSU Plan 2015

On March 11, 2015, Biocon's Remuneration Committee approved the Biocon - Restricted Stock Units (RSUs) of Syngene ('RSU Plan 2015') for the grant of RSUs to the employees of the Company and its subsidiaries other than Syngene. The Remuneration Committee administers the plan through a trust, called the Biocon Limited Employee Welfare Trust. For this purpose, on March 31, 2015, the Company transferred 2,000,000 equity shares of Syngene to Biocon Limited Employees Welfare Trust.

In April 2015, the Company approved the grant to its employees under the RSU Plan 2015. The RSUs under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. Exercise price of RSUs will be Nil.

Particulars	March 31, 2023		March 31, 2022	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	1,03,758	-	2,85,974	-
Granted during the year	-	-	-	-
Lapses/forfeited during the year	-	-	(50,398)	-
Exercised during the year	(87,286)	-	(1,22,640)	-
Expired during the year	(4,968)	-	(9,178)	-
Outstanding at the end of the year	11,504	-	1,03,758	-
Exercisable at the end of the year	11,504	-	58,797	-
Weighted average remaining contractual life (in years)	0.4	-	1.1	-
Weighted average fair value of options granted (₹)	-	-	-	-

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## (c) RSU Plan 2019

On January 7, 2019, Biocon's Nomination and Remuneration Committee ('NRC') and the Board of Directors approved the Biocon Biologics - Restricted Stock Units (RSUs) of Biocon Biologics Limited ('RSU Plan 2019') for grant of RSUs to employees of the Group. The NRC administers the plan through a trust called, Biocon Limited Employee Welfare Trust. For this purpose on January 8, 2020, the Company transferred 2,161,904 equity shares of Biocon Biologics Limited to Biocon Limited Employee Welfare Trust.

During the year modification in vesting was approved by NRC. Based on revised approval, the options under this grant would vest to the employees as 25% in first year after the grant date, 25% on the event of IPO, 25% after the expiry of one year from IPO date and 25% after the expiry of 2 years from the IPO date. The options are exercisable only on the event of an IPO and exercise period shall be one year from the date of last vesting.

Particulars	March 31, 2023		March 31, 2022	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	70,03,007	2	85,14,615	2
Granted during the year	-	-	-	-
Lapses/forfeited during the year	(8,33,388)	2	(15,11,608)	2
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	61,69,619	2	70,03,007	2
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years)	5.0	-	6.0	-
Weighted average fair value of options granted (₹)	-	-	-	-

## (d) RSU Plan 2020

On May 14, 2020, Biocon's Nomination and Remuneration Committee ('NRC') and the Board of Directors approved the Biocon Restricted Stock Units (RSUs) Long Term Incentive Plan Financial Year 2020-24 ('RSU Plan 2020') for grant of RSUs to present and/or future employees of the Company and its present and future subsidiary companies. The plan is implemented through a trust called, Biocon India Limited Employee Welfare Trust wherein the Company will issue shares to the trust by way of fresh allotment over a period of time.

The RSUs granted under this Plan shall vest over a period of time (service condition) and based upon the performance of the employee. The period of vesting shall be determined as per the date of grant and the maximum period of vesting shall not extend beyond August 1, 2024. The actual number of RSUs to be vested each year for each Grantee shall be based on his individual performance conditions, the key parameters of which shall be measured through growth in revenue and profits, delivering on key strategic initiatives and shareholders' value creation and such other conditions as may be determined by the Managing Director and Chief Executive Officer of the Company in accordance with the overall terms set by the NRC.

Particulars	March 31, 2023		March 31, 2022	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	25,14,976	5	26,30,000	5
Granted during the year	43,709	5	7,24,083	5
Lapses/forfeited during the year	(3,06,915)	5	(4,08,345)	5
Exercised during the year	(5,21,787)	5	(4,30,762)	5
Expired during the year	-	-	-	-
Outstanding at the end of the year	17,29,983	5	25,14,976	5
Exercisable at the end of the year	2,57,218	5	46,147	5
Weighted average remaining contractual life (in years)	2.4	-	3.3	-
Weighted average fair value of options granted (₹)	377	-	369	-

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Assumptions used in determination of the fair value of the stock options under the Black Scholes Model for grants during the year are as follows:

Particulars	March 31, 2023	March 31, 2022
Weighted Average Exercise Price	5	5
Expected volatility	33.0% to 36.2%	33.0% to 36.2%
Life of the options granted (vesting and exercise period) in years	4.03	4.03
Average risk-free interest rate	5.6%	5.6%
Expected dividend rate	0.6%	0.6%

## (e) Syngene ESOP Plan 2011

On July 20, 2012, Syngene Employee Welfare Trust ('Trust') was created for the welfare and benefit of the employees and directors of Syngene and administered by the Nomination and Remuneration Committee. The Board of Directors approved the employee stock option plan of Syngene. On October 31, 2012, the Trust subscribed into the equity shares of the Syngene using the proceeds from interest free loan of ₹ 150 obtained from Syngene.

### Grant

Pursuant to the Scheme, Syngene has granted options to eligible employees of the Company under Syngene Employee Stock Option Plan - 2011. Each option entitles for one equity share. The options under this grant will vest to the employees as 25%, 35% and 40% of the total grant at end of second, third and fourth year from the date of grant, respectively, with an exercise period of three years for each grant. The vesting conditions include service terms and performance of the employees. These options are exercisable at an exercise price of ₹ 11.25 [March 31, 2022 : ₹ 11.25] per share (Face Value of ₹ 10 per share).

### Details of Grant

Particulars	March 31, 2023	March 31, 2022
	No of Options	No of Options
Outstanding at the beginning of the year	13,42,140	19,58,084
Granted during the year	-	-
Lapses/forfeited during the year	(30,883)	(1,26,792)
Exercised during the year	(7,01,066)	(4,89,152)
Outstanding at the end of the year	6,10,191	13,42,140
Exercisable at the end of the year	5,49,377	4,82,332
Weighted average exercise price	11.25	11.25
Weighted average share price at the date of exercise (In ₹)	572.7	589.6

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2023 is 0.9 years [March 31, 2022- 1.9 years].

## (f) Syngene Restricted Stock Unit Long Term Incentive Plan 2020

The Board of Directors of Syngene on April 24, 2019 and the Shareholders of the Company in the Annual General Meeting held on July 24, 2019 approved the Syngene Restricted Stock Unit Long Term Incentive Plan FY 2020. Each option entitles for one equity share. The options under this grant will vest to the employees as 25%, 25%, 25% and 25% of the total grant at the end of first, second, third and fourth year from the date of first grant, respectively, with an exercise period of 5 years for each grant. The vesting conditions include service terms and performance of the employees. These options are exercisable at an exercise price of ₹ 10 per share (Face Value of ₹ 10 per share).

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## Details of Grant

Particulars	March 31, 2023	March 31, 2022
	No of Options	No of Options
Outstanding at the beginning of the year	26,27,537	31,03,825
Granted during the year	89,704	4,18,132
Lapses/forfeited during the year	(3,26,215)	(4,67,068)
Exercised during the year	(8,17,184)	(4,27,352)
Outstanding at the end of the year	15,73,842	26,27,537
Exercisable at the end of the year	5,05,928	2,31,837
Weighted average exercise price	10	10
Weighted average fair value of shares granted during the year under Black Scholes Model (In ₹)	570.01	615.00
Weighted average share price at the date of exercise (In ₹)	569.78	584.30

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2023 is 4 years [March 31, 2022 - 5.19].

Assumptions used in determination of the fair value of the stock options under the Black Scholes Model are as follows:

Particulars	March 31, 2023	March 31, 2022
Dividend yield (%)	0.0%	0.1%
Exercise Price (In ₹)	10	10
Expected volatility	30.4%	32.9%
Life of the options granted (vesting and exercise period) in years	4.5	5.5
Average risk-free interest rate	7.3%	5.0%

## (g) Biocon Biologics Limited Restricted Stock Units Long Term Incentive Plan FY 2022-24

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

In August 2021, based on the approval of the Board of BBL, BBL granted RSUs to its employees under this Plan. For grants made before August 1, 2021, the options would vest to the employees as 33%, 33% and 34% of the total grant at the end of first, second and third year, respectively from the date of grant. Where the grant is made after August 01, 2021 and before July 31, 2022, the vesting would be 50% and 50% of the total grant at the end of first and second year, respectively from the date of grant. For grants made after August 1, 2022 and before March 31, 2023, 100% would vest in one year from the date of grant. Exercise period is 3 years for each grant. These options are exercisable at ₹ 10 per RSU. The RSU Plan provides for certain market and non-market conditions for vesting which are measured through revenue, profit, achievement of key milestones and share price increase.

## Details of Grant

Particulars	March 31, 2023		March 31, 2022	
	No. of Options	Weighted Average Exercise Price (₹)	No. of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	51,42,857	10	-	-
Granted during the year	13,15,802	10	51,42,857	10
Lapses/forfeited during the year	(8,05,518)	10	-	-
Exercised during the year	(15,911)	10	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	56,37,231	10	51,42,857	10
Exercisable at the end of the year	12,72,862	10	-	-
Weighted average remaining contractual life (in years)	4.3	-	5.3	-
Weighted average fair value of options granted (₹)	214.3	-	208.1	-

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

Particulars	March 31, 2023	March 31, 2022
Dividend yield (%)	0.0%	0.0%
Exercise Price (In ₹)	10	10
Expected volatility	39.9% - 43.5%	49.2% - 50.2%
Life of the options granted (vesting and exercise period) in years	5	6
Average risk-free interest rate	5.4% - 6.7%	5.3% - 5.6%

## (h) Biocon Biologics Limited Restricted Stock Units Long Term Incentive Plan FY 2023

On February 22, 2023, Board of Directors of the Company approved the Biocon Biologics Limited Restricted Stock Units Long Term Incentive Plan FY 2023 ('RSU Plan 2023') for the grant of Restricted stock units to the employees of the Company and its subsidiaries. The Nomination and Remuneration Committee ('Remuneration Committee') administers the plan through a trust established specifically for this purpose, called the Biocon Biologics Employees Welfare Trust (ESOP Trust).

In March 2023, based on the approval of the Board, the Company granted RSUs to its employees under this Plan. The options under this grant would vest to the employees as 25% in first year after the grant date, 25% on the event of IPO, 25% after the expiry of one year from IPO date and 25% after the expiry of 2 years from the IPO date. The options are exercisable only on the event of an IPO and exercise period shall be one year from the date of last vesting. These options are exercisable at ₹ 10 per RSU.

Particulars	March 31, 2023		March 31, 2022	
	No. of Options	Weighted Average Exercise Price (₹)	No. of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	20,39,997	10	-	-
Lapses/forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	20,39,997	10	-	-
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years)	5.0	-	-	-
Weighted average fair value of options granted (₹)	229.3	-	-	-

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

Particulars	March 31, 2023	March 31, 2022
Dividend yield (%)	0.0%	-
Exercise Price (In ₹)	10	-
Expected volatility	39.5% - 44.7%	-
Life of the options granted (vesting and exercise period) in years	5	-
Average risk-free interest rate	7.1% - 7.4%	-



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Particulars	March 31, 2023	March 31, 2022
<b>Summary of movement in respect of shares held by ESOP Trust is as follows:</b>		
Opening balance	75,20,315	1,11,68,774
Add: Shares purchased by the ESOP trust	20,00,000	-
Add: Shares issued by the Company	-	6,00,000
Less: Shares exercised by employees	(29,08,047)	(42,48,459)
<b>Closing balance</b>	<b>66,12,268</b>	<b>75,20,315</b>
Options granted and eligible for exercise at end of the year	19,68,034	14,10,475
Options granted but not eligible for exercise at end of the year	34,31,265	78,76,579
<b>Summary of movement in respect of equity shares of Syngene held by the RSU Trust is as follows:</b>		
Opening balance	11,78,733	13,01,373
Less: Shares exercised by employees	(87,286)	(1,22,640)
<b>Closing balance</b>	<b>10,91,447</b>	<b>11,78,733</b>
Options granted and eligible for exercise at end of the year	11,504	58,797
Options granted but not eligible for exercise at end of the year	-	44,961
<b>Summary of movement in respect of equity shares of Biocon Biologics Limited held by the RSU Trust is as follows:</b>		
Opening balance*	1,08,09,520	1,08,09,520
Add: Shares purchased by the RSU Trust from Biocon Limited	-	-
<b>Closing balance</b>	<b>1,08,09,520</b>	<b>1,08,09,520</b>
Options granted but not eligible for exercise at end of the year	61,69,619	70,03,007
*adjusted for the effect of bonus shares		

## 31. Earnings per share ('EPS')

Particulars	March 31, 2023	March 31, 2022
Earnings		
<b>Profit for the year</b>	<b>4,627</b>	<b>6,484</b>
<i>Shares</i>		
Basic outstanding shares	1,20,06,00,000	1,20,05,50,000
Less: Weighted average shares held with the ESOP Trust	(75,04,055)	(94,75,319)
<b>Weighted average shares used for computing basic EPS</b>	<b>1,19,30,95,945</b>	<b>1,19,10,74,681</b>
Add: Effect of dilutive options granted but not yet exercised / not yet eligible for exercise	28,29,645	52,76,990
<b>Weighted average shares used for computing diluted EPS</b>	<b>1,19,59,25,590</b>	<b>1,19,63,51,671</b>
<b>Earnings per equity share</b>		
Basic (in ₹)	3.88	5.44
Diluted (in ₹)	3.87	5.42

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 32. Exceptional items (net)

- (a) Biocon Biologics Limited (“BBL”) obtained services of professional experts (like advisory, legal counsel, valuation experts etc.) for the transactions referred in note 42 and 48(c). The Group has recorded ₹ 2,374 during the year ended March 31, 2023, and ₹ 410 for the year ended March 31, 2022, as an expense in the consolidated statement of profit and loss under the head ‘Exceptional items’. Consequential tax impact of ₹ 231 and ₹ 169 is included within tax expense for the year ended March 31, 2023 and March 31, 2022, respectively.
- (b) Pursuant to the acquisition, as mentioned in note 42, the Group also reassessed the value of certain licensed products for development and commercialization and recorded an impairment of certain intangible assets amounting to ₹ 470. The impairment has been recognized as an exceptional item for the year ended March 31, 2023. Consequential tax impact of ₹ 62 is included within tax expense for the year.
- (c) During the year ended March 31, 2021, BBL had entered into an agreement with Goldman Sachs India AIF Scheme-1(‘Investor’) whereby the Investor had infused ₹ 11,250 against issuance of Optionally Convertible Debentures. The debentures were issued for a tenor of 61 months, were unsecured, redeemable at par and carry a conversion option at any time during the tenor at the option of the investor. It also bears a coupon rate of 5% (on USD basis, payable only on redemption). The consideration was received, and debentures were issued during year ended March 31, 2021. The debentures were accounted in the consolidated financial statements as a compound financial instrument in line with Ind AS, given that it has both financial liability and equity feature. Accordingly, the consideration received was bifurcated into financial liability and equity in the consolidated financial statements.
- An amendment to the agreement, was entered during the year ended March 31, 2022 which resulted in modification of the compound financial instrument. Resulting gain / loss on the modification was recorded within statement of profit and loss and reserves. The amount of ₹ 274 was charged in the statement of profit and loss and had been disclosed as an exceptional item. Consequential tax impact of ₹ 49 was included within tax expense in consolidated financial statements for the year ended March 31, 2022.
- (d) The Ministry of Commerce and Industry, Government of India issued a Gazette notification number 29/2015-2020 dated 23 September 2021 on Service Exports from India Scheme (SEIS) for services rendered in financial year 2019 - 2020 with the total entitlement capped at ₹ 50 per exporter for the period. The Group during the year ended March 31, 2022, reversed the SEIS claim receivables of ₹ 427 for the financial year 2019-2020 and presented the same under exceptional items in the consolidated financial statements for the year ended March 31, 2022. Consequential tax impact of ₹ 75 was included within tax expense. Further non-controlling interest of ₹ 77 was included within non-controlling interest in consolidated financial statements for the year ended March 31, 2022.

## 33. Related party transactions

List of related parties with whom the Group had transactions during the year:

Name of related parties	Nature of relationship
<b>Key management personnel</b>	
Kiran Mazumdar-Shaw	Executive Chairperson
Siddharth Mittal	Managing Director & CEO
Indranil Sen	Chief Financial Officer (w.e.f April 28, 2021)
Anupam Jindal	Chief Financial Officer (Upto April 28, 2021)
Mayank Verma	Company Secretary
Daniel Mark Bradbury	Independent director (Upto July 27, 2022)
Mary Harney	Independent director (Upto July 27, 2022)
Vijay Kumar Kuchroo	Independent director
Meleveetil Damodaran	Independent director
Bobby Kanubhai Parikh	Independent director
Ravi Rasendra Mazumdar	Non-executive director
Eric Vivek Mazumdar	Non-executive director (w.e.f November 01, 2021)
John Shaw	Non-executive director (upto July 23, 2021)
Naina Lal Kidwai	Independent director (w.e.f April 28, 2022)
Peter John Bains	Independent director (w.e.f December 12, 2022)
<b>Associate</b>	
Bicara Therapeutics Inc.	Associate

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Name of related parties	Nature of relationship
<b>Joint Ventures</b>	
NeoBiocon FZ LLC	Joint-venture
<b>Other related parties</b>	
Mylan Inc. (w.e.f November 29, 2022)	Investor whose director has significant influence over a subsidiary
Biocon Foundation	Trust in which key management personnel are the Board of Trustees
Immuneel Therapeutics Private Limited	Enterprise in which a director of the Company is a member of board of directors
Mazumdar Shaw Medical Foundation	Trust in which key management personnel are the Board of Trustees
Glentec International Limited	Enterprise owned by key management personnel
Catherine Rosenberg	Relative of a director
Claire Mazumdar	Relative of a director
Jeeves	Enterprise in which relative to a director of the Company is proprietor
Narayana Hrudayalaya Limited	Enterprise in which a director of the Company is a member of board of directors

## The Group has the following related party transactions

Particulars	Transactions / Balances	March 31, 2023	March 31, 2022
<b>Key management personnel</b>	Salary and perquisites [refer note (a) & (b) below]	123	107
	Sitting fees and commission	78	76
	Outstanding as at the year end:		
	- Trade and other payables	4	21
<b>Associate</b>	Sale of services	630	593
	Cross charges towards facility and other expenses	19	117
	Interest income	-	15
	Loan given to associate	-	683
	Outstanding as at the year end:		
	- Trade and other receivables	631	1,255
	- Loan (excluding losses recognized by using equity metho of ₹ 12)	-	683
	- Allowance for expected credit loss	397	278
<b>Joint Venture</b>	Purchase of goods	167	364
	Sales promotion expenses	10	25
	Professional charges	-	1
	Expenses incurred on behalf of the related party	-	1
	Outstanding as at the year end:		
	- Trade and other payables	374	474
<b>Other related parties</b>	Sale of goods	53	78
	Sale of services	.*	2
	Salary and perquisites (includes sitting fees)	-	69
	Expense cross charge in relation to Transition Support Agreement ('TSA') [refer note 42(j)] ^	5,503	-
	Health services availed	3	5
	CSR Expenditure	166	121
	Other expenses	64	54
	Outstanding as at the year end:		
	- Trade and other receivables	22	24
	- Trade and other payables	553	3

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

^ For closing receivables and payable balances arising from business combination, refer note 6(a) and note 16.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

- (a) The remuneration to key management personnel doesn't include the provisions made for gratuity and compensated absences amounting to ₹ 4, as they are obtained on an actuarial basis for the Company as a whole.
- (b) Share-based compensation expense allocable to key management personnel is ₹ 75 (March 31, 2022 - ₹ 65) which is not included in the remuneration disclosed above.
- (c) The above disclosures include related parties as per Ind AS 24 on "Related Party Disclosures" and Companies Act, 2013.
- (d) All transactions with these related parties are priced on an arms length basis and none of the balances are secured.

## 34. Contingent liabilities and commitments

(to the extent not provided for)

	March 31, 2023	March 31, 2022
(i) Contingent liabilities:		
Claims against the Company not acknowledged as debt	9,478	8,444
The above includes:		
(i) Direct taxation	8,249	7,215
(ii) Indirect taxation (includes matters pertaining to disputes on central excise, custom duty and service tax)	881	881
(iii) Other matters	348	348

In light of recent judgment of Honorable Supreme Court dated February 28, 2019 on the definition of "Basic Wages" under the Employees Provident Funds & Misc. Provisions Act, 1952 and based on Group's evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence It is unclear as to whether the clarified definition of Basic Wages would be applicable prospectively or retrospectively. The amount of the obligation therefore cannot be measured with sufficient reliability for past periods and hence has currently been considered to be a contingent liability in one of its subsidiary.

The Group is involved in taxation matters that arise from time to time in the ordinary course of business. Judgment is required in assessing the range of possible outcomes for some of these tax matters, which could change over time as each of the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents. Based on its internal assessment supported by external legal counsel views, if any, the Group believes that it will be able to sustain its positions if challenged by the authorities and accordingly no additional provision is required for these matters. Other than the matter disclosed above, the Company is involved in disputes, lawsuits, proceedings etc. including patent and commercial matters that arise from time to time in the ordinary course of business. Management is of the view that above matters are not tenable and will not have any material adverse effect on the Group's financial position and results of operations.

### (ii) Commitments:

	March 31, 2023	March 31, 2022
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	10,431	7,406

## 35. Employee benefit plans

- (i) The Group has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972. Under this legislation, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement/termination age and does not have any maximum monetary limit for payments. The gratuity plan is primarily a funded plan and the Group makes contributions to a recognised fund in India.

The plan assets are maintained with HDFC Life Insurance Company Limited (HDFC Life) in respect of gratuity scheme for employees of the Group. The details of investments maintained by the HDFC Life are not available with the Group and not disclosed. The expected rate of return on plan assets is 7.3% p.a. (March 31, 2022: 5.7% - 6.4% p.a.). The Group actively monitors how the duration and expected yield of the investments are matching the expected outflows arising from the employee benefit obligations.

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

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Group's financial statements as at balance sheet date:

Particulars	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability
<b>Balance as on April 01, 2022</b>	<b>1,238</b>	<b>(7)</b>	<b>1,231</b>
Current service cost	163	-	163
Interest expense / (income)	74	-	74
<b>Amount recognised in Statement of profit and loss</b>	<b>237</b>	<b>-</b>	<b>237</b>
<i>Remeasurements:</i>			
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-
Actuarial (gain) / loss arising from:			
Demographic assumptions	(11)	-	(11)
Financial assumptions	(102)	-	(102)
Experience adjustment	75	-	75
<b>Amount recognised in other comprehensive income</b>	<b>(38)</b>	<b>-</b>	<b>(38)</b>
Employers contribution	-	-	-
Benefits paid	(129)	-	(129)
<b>Balance as at March 31, 2023</b>	<b>1,308</b>	<b>(7)</b>	<b>1,301</b>

Particulars	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability
<b>Balance as on April 01, 2021</b>	<b>1,229</b>	<b>(7)</b>	<b>1,222</b>
Current service cost	181	-	181
Interest expense / (income)	76	-	76
<b>Amount recognised in Statement of profit and loss</b>	<b>257</b>	<b>-</b>	<b>257</b>
<i>Remeasurements:</i>			
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-
Actuarial (gain) / loss arising from:			
Demographic assumptions	(44)	-	(44)
Financial assumptions	(56)	-	(56)
Experience adjustment	(3)	-	(3)
<b>Amount recognised in other comprehensive income</b>	<b>(103)</b>	<b>-</b>	<b>(103)</b>
Employers contribution	-	-	-
Benefits paid	(145)	-	(145)
<b>Balance as at March 31, 2022</b>	<b>1,238</b>	<b>(7)</b>	<b>1,231</b>

Particulars	March 31, 2023	March 31, 2022
Non-current	1,034	917
Current	267	314
	<b>1,301</b>	<b>1,231</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

	March 31, 2023	March 31, 2022
Interest rate	7.3%	5.7% - 6.4%
Discount rate	7.3%	5.7% - 6.4%
Expected return on plan assets	7.3%	5.7% - 6.4%
Salary increase	8% - 10%	9% - 10%
Attrition rate	8% - 30%	8% - 30%
Retirement age - Years	58	58

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

The weighted average duration of Group's defined benefit obligation was 6-9 years (March 31, 2022 - 6-9 years).

These defined benefit plans expose the Group to actuarial risks, such as longevity and interest rate risk.

## (iii) Sensitivity analysis

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

Particulars	March 31, 2023		March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% change)	(60)	67	(64)	72
Salary increase (1% change)	65	(60)	70	(63)
Attrition rate (1% change)	(9)	9	(14)	16

Sensitivity of significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. Although, the analysis does not take account of the full distribution of the cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

As of March 31, 2023 and March 31, 2022, the plan assets have been invested in insurer managed funds and the expected contribution to the fund during the year ending March 31, 2024, is approximately ₹ 147 (March 31, 2023 - ₹ 125).

Maturity profile of defined benefit obligation

Particulars	March 31, 2023	March 31, 2022
1 <sup>st</sup> Following year	209	177
2 <sup>nd</sup> Following year	163	131
3 <sup>rd</sup> Following year	153	138
4 <sup>th</sup> Following year	147	127
5 <sup>th</sup> Following year	139	118
Years 6 to 10	759	507
Years 11 and above	448	674

## (iv) Risk Exposure

These defined benefit plans typically expose the Group 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.



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## (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, 2023	March 31, 2022
Compensated absences	935	855

## 36. Financial instruments: Fair value and risk managements

### A. Accounting classification and fair values

	Carrying amount					Fair value			
	FVTPL	FVTOCI	Amortised Cost	FVTOE*	Total	Level 1	Level 2	Level 3	Total
<b>March 31, 2023</b>									
<b>Financial assets</b>									
Non-current investments	174	491	5,380	-	6,045	120	-	545	665
Derivative assets	-	2,158	-	-	2,158	-	2,158	-	2,158
Current investments	4,443	-	8,822	-	13,265	4,443	-	-	4,443
Trade receivables	-	-	35,732	-	35,732	-	-	-	-
Cash and cash equivalents	-	-	13,235	-	13,235	-	-	-	-
Other bank balances	-	-	10,766	-	10,766	-	-	-	-
Other financial assets^	8,993	-	3,158	-	12,151	-	-	8,993	8,993
	<b>13,610</b>	<b>2,649</b>	<b>77,093</b>	<b>-</b>	<b>93,352</b>	<b>4,563</b>	<b>2,158</b>	<b>9,538</b>	<b>16,259</b>
<b>Financial liabilities</b>									
Borrowings	10,922	-	1,66,785	-	1,77,707	-	-	10,922	10,922
Trade payables	-	-	39,831	-	39,831	-	-	-	-
Derivative liabilities	-	844	-	-	844	-	844	-	844
Other financial liabilities^	6,583	-	30,241	14,039	50,863	-	-	20,622	20,622
Lease liabilities	-	-	2,481	-	2,481	-	-	-	-
	<b>17,505</b>	<b>844</b>	<b>2,39,338</b>	<b>14,039</b>	<b>2,71,726</b>	<b>-</b>	<b>844</b>	<b>31,544</b>	<b>32,388</b>

	Carrying amount					Fair value			
	FVTPL	FVTOCI	Amortised Cost	FVTOE*	Total	Level 1	Level 2	Level 3	Total
<b>March 31, 2022</b>									
<b>Financial assets</b>									
Non-current investments	145	848	2,629	-	3,622	585	-	408	993
Derivative assets	-	2,691	-	-	2,691	-	2,691	-	2,691
Current investments	2,518	-	9,659	-	12,177	2,518	-	-	2,518
Loan to associate	-	-	671	-	671	-	-	-	-
Trade receivables	-	-	20,582	-	20,582	-	-	-	-
Cash and cash equivalents	-	-	6,630	-	6,630	-	-	-	-
Other bank balances	-	-	10,845	-	10,845	-	-	-	-
Other financial assets	-	-	4,960	-	4,960	-	-	-	-
	<b>2,663</b>	<b>3,539</b>	<b>55,976</b>	<b>-</b>	<b>62,178</b>	<b>3,103</b>	<b>2,691</b>	<b>408</b>	<b>6,202</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

	Carrying amount					Fair value			
	FVTPL	FVTOCI	Amortised Cost	FVTOE*	Total	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>									
Borrowings	-	-	49,040	-	49,040	-	-	-	-
Trade payables	-	-	16,085	-	16,085	-	-	-	-
Derivative liabilities	-	260	-	-	260	-	260	-	260
Other financial liabilities	-	-	3,632	15,033	18,665	-	-	15,033	15,033
Lease liabilities	-	-	2,426	-	2,426	-	-	-	-
	-	<b>260</b>	<b>71,183</b>	<b>15,033</b>	<b>86,476</b>	-	<b>260</b>	<b>15,033</b>	<b>15,293</b>

\*Refer note 16 for measurement of non current financial liabilities carried at fair value through other equity (FVTOE).

^ Refer note 42 for assets and liabilities arising from business combination

- 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
- There have been no transfers between level 1, 2 and 3 needs to be made.
- The Group enters into derivative financial instruments with various counterparties. Derivatives are valued using valuation techniques in consultation with market expert. The most frequently applied valuation technique include forward pricing, swap models and Black Scholes Merton Model (for options valuation), using present value calculations. The models incorporate various inputs including foreign exchange forward rates, interest rate curve and forward rates curve.

## B. Measurement of fair values

Fair value of liquid investments are based on quoted price. Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place. Contingent consideration arising from business acquisition and Non-Convertible Debentures are valued based on option pricing models, as disclosed in note 36C.

### Sensitivity analysis

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

	March 31, 2023		March 31, 2022	
	Impact on other components of equity		Impact on other components of equity	
Significant observable inputs	Increase	Decrease	Increase	Decrease
Spot rate of the foreign currency (1% movement)	(825)	730	(736)	779
Interest rates (100 bps movement)	202	(202)	182	(182)

## C. Significant Unobservable inputs used in Level 3 Fair Values

As at March 31, 2023	Valuation Techniques	Significant unobservable inputs	Sensitivity of input to fair value measurement
a) Contingent consideration receivable (refer note 42)	Binomial Option Pricing Model - using risk free discount rate and growth rate.	a) Discount rate	A 1% increase in discount rate would have led to approximately ₹ 100 gain in Statement of Profit and loss. A 1% decrease would have led to approximately ₹ 107 loss in Statement of Profit and loss.
		b) Volatility rate	A 5% increase in volatility rate would have led to approximately ₹ 467 loss in Statement of Profit and loss. A 5% decrease would have led to approximately ₹ 530 gain in Statement of Profit and loss.

# Notes to the Consolidated Financial Statements

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As at March 31, 2023	Valuation Techniques	Significant unobservable inputs	Sensitivity of input to fair value measurement
b) Contingent consideration payable (refer note 42)	Binomial Option Pricing Model - using risk free discount rate and growth rate. The fair value is equal to the present value of the probability - weighted future payoffs	a) Discount rate	A 1% increase in discount rate would have led to approximately ₹ 265 gain in Statement of Profit and loss. A 1% decrease would have led to approximately ₹ 268 loss in Statement of Profit and loss.
		b) Volatility rate	A 5% increase in volatility rate would have led to approximately ₹ 78 gain in Statement of Profit and loss. A 5% decrease would have led to approximately ₹ 365 loss in Statement of Profit and loss.
c) Non Convertible Debentures [refer note 14(l)]	Binomial Option Pricing Model - using risk free discount rate and growth rate.	a) Discount rate	A 1% increase in discount rate would have led to approximately ₹ 228 gain in Statement of Profit and loss. A 1% decrease would have led to approximately ₹ 235 loss in Statement of Profit and loss.
		b) Volatility rate	A 5% increase in volatility rate would have led to approximately ₹ 35 gain in Statement of Profit and loss. A 5% decrease would have led to approximately ₹ 36 loss in Statement of Profit and loss.

## D. Reconciliation of Level 3 fair values

	Non-current investments	Contingent consideration receivable	Contingent consideration payable	Non Convertible Debentures [refer note 14(l)]	Gross liability on written put options [refer note 16(a)(i)]
<b>At April 01, 2021</b>	<b>210</b>	-	-	-	<b>15,033</b>
Investment made in the current year	184	-	-	-	-
Gain/loss included in Statement of Profit and loss					
- Net change in fair value (unrealised)	14	-	-	-	-
Foreign currency translation adjustment		-	-	-	-
<b>At March 31, 2022</b>	<b>408</b>	-	-	-	<b>15,033</b>
Assumed in a business combination [refer note 42]	-	10,251	7,366	-	-
Investment made in the current year	29	-	-	-	-
Proceeds from Issue		-	-	10,700	-
- Net change in fair value loss (unrealised)	108	(1,323)	-	222	-
- Net change in fair value gain (unrealised)	-	-	(783)	-	(994)
Derecognised on account of conversion to Equity shares	-	-	-	-	-
Foreign currency translation adjustment	-	65	-	-	-
<b>At March 31, 2023</b>	<b>545</b>	<b>8,993</b>	<b>6,583</b>	<b>10,922</b>	<b>14,039</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## E. Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

### (i) Risk management framework

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

### (ii) Credit risk

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

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

The Group establishes an allowance for impairment that represents its estimate of expected credit loss in respect of trade and other receivables. The maximum exposure to credit risk at reporting date is primarily from trade receivables amounting to ₹ 20,582 (March 31, 2020: ₹ 15,033). The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

	March 31, 2023	March 31, 2022
<b>Allowance for credit loss</b>		
Opening balance	363	123
Allowance for credit loss recognised / (reversed)	254	240
<b>Closing balance</b>	<b>617</b>	<b>363</b>

Refer note 11 for details of aging of trade receivables and allowance for credit losses.

Trade receivables including unbilled revenue from one individual customer is ₹ 3,583 (March 31, 2022 - ₹ 4,483) which is individually more than 10 percent of the Group's trade receivables including unbilled revenue.

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

### (iii) Liquidity risk

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

The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. In addition, the Group maintains lines of credit as stated in note 14 and note 19.

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

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## March 31, 2023

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Borrowings	24,802	9,441	1,43,464	-	1,77,707
Trade payables	39,831	-	-	-	39,831
Lease liabilities	447	305	893	2,626	4,271
Derivative liabilities	586	127	87	44	844
Other financial liabilities	4,668	46,171	24	-	50,863
<b>Total</b>	<b>70,334</b>	<b>56,044</b>	<b>1,44,468</b>	<b>2,670</b>	<b>2,73,516</b>

## March 31, 2022

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Borrowings	9,055	1,424	37,224	1,337	49,040
Trade payables	16,085	-	-	-	16,085
Lease liabilities	261	250	815	3,019	4,345
Derivative liabilities	124	8	46	82	260
Other financial liabilities (including derivative liabilities)	3,632	-	15,033	-	18,665
<b>Total</b>	<b>29,157</b>	<b>1,682</b>	<b>53,118</b>	<b>4,438</b>	<b>88,395</b>

### (iv) Market risk

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

#### Foreign currency risk

The Group operates internationally and a major portion of the business is transacted in several currencies and consequently, the Group is exposed to foreign exchange risk through operating and borrowing activities in foreign currency. The Group holds derivative instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates and foreign currency exposure.

The currency profile of financial assets and financial liabilities as at March 31, 2023 and March 31, 2022 are as below:

## March 31, 2023

	USD	EUR	Others	Total
<b>Financial assets</b>				
Investments	29	-	-	29
Trade receivables	22,487	6,106	3,218	31,811
Cash and cash equivalents	8,088	2,574	694	11,356
Other bank balances	26	-	-	26
Other financial assets	11,354	219	78	11,651
<b>Financial liabilities</b>				
Non- current borrowings (including current maturities)	(1,31,386)	-	-	(1,31,386)
Current borrowings	(8,342)	-	(287)	(8,629)
Trade payables	(17,021)	(7,988)	(3,959)	(28,968)
Other financial liabilities	(35,641)	(102)	(163)	(35,906)
<b>Net financial assets / (liabilities)</b>	<b>(1,50,406)</b>	<b>809</b>	<b>(419)</b>	<b>(1,50,016)</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

March 31, 2022

	USD	EUR	Others	Total
<b>Financial assets</b>				
Investments	102	-	-	102
Loans	683			683
Trade receivables	16,993	382	396	17,771
Cash and cash equivalents	3,891	203	510	4,604
Other bank balances	64	-	-	64
Other financial assets	4,230	-	26	4,256
<b>Financial liabilities</b>				
Non- current borrowings (including current maturities)	(34,575)	-	-	(34,575)
Current borrowings	(5,711)	-	-	(5,711)
Trade payables	(5,075)	(337)	(1,294)	(6,706)
Other financial liabilities	(945)	(131)	(118)	(1,194)
<b>Net financial assets / (liabilities)</b>	<b>(20,343)</b>	<b>117</b>	<b>(480)</b>	<b>(20,706)</b>

## Sensitivity analysis

The sensitivity of profit or loss to changes in exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign exchange forward/option contracts designated as cash flow hedges.

Particulars	Impact on profit or loss		Impact on other components of equity"	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>USD Sensitivity</b>				
INR/USD - Increase by 1%	(283)	(154)	(2,329)	(939)
INR/USD - Decrease by 1%	283	154	2,234	982
<b>EUR Sensitivity</b>				
INR/EUR - Increase by 1%	8	1	8	1
INR/EUR - Decrease by 1%	(8)	(1)	(8)	(1)

## Derivative financial instruments

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

Particulars	March 31, 2023	March 31, 2022
	(in Million)	
Foreign exchange forward contracts to buy USD with maturity between 0-1 years	USD 116	USD 151
Foreign exchange forward contracts to sell USD with maturity between 0-8 years	USD 669	USD 643
European style option contracts with periodical maturity between 0-8 years	USD 289	USD 338
European style range forward contracts with periodical maturity between 1-2 years	USD 222	USD 119
Interest rate swaps used for hedging SOFR component in external commercial borrowings with maturity between 0-6 years	USD 200	USD 155



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During the year ended March 31, 2023 and March 31, 2022 the Group's borrowings at variable rate were mainly denominated in USD.

### (a) Interest rate risk exposure

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

Particulars	March 31, 2023	March 31, 2022
Variable rate borrowings	1,62,794	16,035
Fixed rate borrowings	14,913	33,005
<b>Total borrowings</b>	<b>1,77,707</b>	<b>49,040</b>

### (b) Sensitivity

The Group policy is to maintain a optimum balance between fixed and variable rate borrowings using interest rate swaps to achieve this when necessary. The Group has taken Interest Rate Swaps against above borrowings to the extent of USD 200 million to hedge the interest rate exposure. The Group is therefore subject to interest rate risk as defined under Ind AS 107.

A reasonably possible change of 100 basis points in interest rates for variable rate borrowings at the reporting date would have increased/ (decreased) equity and profit or loss by ₹ 1,628 (March 31, 2022 : ₹ 160)

## Net Investment hedges

A foreign currency exposure arises from the Group's net investment in its foreign subsidiaries that have a USD functional currency. The risk arises from the fluctuation in spot exchange rates between the USD and the INR, which causes the amount of the net investment to vary.

The hedged risk in the net investment hedge is the risk of a weakening USD against the INR that will result in a reduction in the carrying amount of the Group's net investment in its foreign subsidiaries.

During the current year, the Group designated a USD denominated loan as a hedging instrument to hedge its net investment in foreign operation of its foreign subsidiaries, which mitigates the foreign currency risk arising from the subsidiary's net assets.

To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item by comparing changes in the carrying amount of the debt that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate (the offset method). The Group's policy is to hedge the net investment only to the extent of the debt principal.

	March 31, 2023					
	Nominal Amount	Assets	Liabilities	Balance sheet item where the hedging instrument is included	Change in value of hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss
<b>Hedging Instrument</b>						
Foreign exchange denominated debt (USD)	7,349	-	(7,349)	Borrowings	(605)	-
<b>Hedged item</b>						
USD net investment	7,349	7,349	-	Net investment	605	-

## 37. Capital management

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

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

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

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

The capital structure as of March 31, 2023 and 2022 was as follows:

Particulars	March 31, 2023	March 31, 2022
Total equity attributable to owners of the Company	1,78,669	84,325
<b>As a percentage of total capital</b>	<b>50%</b>	<b>63%</b>
Long-term borrowings	1,52,905	39,985
Short-term borrowings	24,802	9,055
Total borrowings	1,77,707	49,040
<b>As a percentage of total capital</b>	<b>50%</b>	<b>37%</b>
<b>Total capital (Equity and Borrowings)</b>	<b>3,56,376</b>	<b>1,33,365</b>

## 38. Tax expenses

### (a) Amount recognised in Statement of profit and loss

	March 31, 2023	March 31, 2022
Current tax	2,462	2,204
Deferred tax expense / (income) related to:		
MAT credit written off/ entitlement	988	235
Origination and reversal of temporary differences	(909)	(324)
<b>Tax expense for the year</b>	<b>2,541</b>	<b>2,115</b>
<b>(b) Reconciliation of effective tax rate</b>		
Profit before tax	8,971	9,831
Tax at statutory income tax rate 25.17% (March 31, 2022- 34.94%)	2,258	3,435
<i>Tax effects of amounts which are not deductible / (taxable) in calculating taxable income</i>		
Difference in overseas/domestic tax rates	207	(402)
Exempt income and other deductions	(1,478)	(1,717)
Non-deductible expense	98	46
Tax losses on which no deferred tax has been recognised	402	(14)
MAT write off on account of adoption of new tax regime [refer note a below]	1,071	-
Gain on dilution of interest in associate	(546)	(104)
Share in loss/ (profit) of joint venture and associate	420	723
Others	108	148
<b>Income tax expense</b>	<b>2,541</b>	<b>2,115</b>

- (a) Effective April 1, 2022, the Parent company has decided to elect its option to adopt the new tax regime notified u/s 115BAA of the Income Tax Act, 1961. Consequently, the Parent company has written off Minimum Alternate Tax (MAT) balance of ₹ 1,071 in the consolidated financial statements for the year ended March 31, 2023, which can no longer be carried forward. Further, the Company has remeasured all existing deferred tax balances using the reduced income tax rates expected to be applied under the new regime.

### (c) Tax losses

	March 31, 2023	March 31, 2022
Unused temporary differences for which no deferred tax asset has been recognised	1,775	2,261
Potential tax impact	534	705
Expiry date [Financial year]	2023-24 to 2028-29	2022-23 to 2028-29

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## (d) Recognised deferred tax assets and liabilities

The following is the movement of deferred tax assets / liabilities presented in the consolidated balance sheet

For the year ended March 31, 2023

	Opening balance	Impact of Business combination [note 42]	Recognised in profit or loss	Recognised in OCI	Exchange difference	Closing balance
<b>Deferred tax liabilities</b>						
Property, plant and equipment and intangible assets	2,648	-	1,021	-	102	3,771
Intangible assets acquired in business combination [note 42]	-	2,879	(27)	-	-	2,852
Goodwill	-	-	654	-	-	654
Derivative assets	359	-	-	(109)	-	250
Deferred consideration	-	478	(95)	-	2	385
Others	72	-	(72)	-	-	-
<b>Gross deferred tax liabilities</b>	<b>3,079</b>	<b>3,357</b>	<b>1,481</b>	<b>(109)</b>	<b>104</b>	<b>7,913</b>
<b>Deferred tax assets</b>						
Provision for employee benefits	544	-	(43)	24	-	525
Derivative liabilities	52	-	(127)	170	-	95
Allowance for doubtful debts	91	-	28	-	-	119
Other deductible expenses	93	-	87	-	-	180
MAT credit entitlement	3,714	-	(991)	-	-	2,723
Deferred revenue	54	-	39	-	-	93
Carry forward losses	-	-	2,603	-	-	2,603
Others	941	-	(193)	-	19	767
<b>Gross deferred tax assets</b>	<b>5,489</b>	<b>-</b>	<b>1,403</b>	<b>194</b>	<b>19</b>	<b>7,105</b>
	<b>2,410</b>	<b>(3,357)</b>	<b>(79)</b>	<b>303</b>	<b>(85)</b>	<b>(808)</b>

For the year ended March 31, 2022

	Opening balance	Impact of Business combination [note 42]	Recognised in profit or loss	Recognised in OCI	Exchange difference	Closing balance
<b>Deferred tax liabilities</b>						
Property, plant and equipment and intangible assets	2,033	-	580	-	35	2,648
Derivative assets	67	-	-	292	-	359
Others	114	-	24	(66)	-	72
<b>Gross deferred tax liabilities</b>	<b>2,214</b>	<b>-</b>	<b>604</b>	<b>226</b>	<b>35</b>	<b>3,079</b>
<b>Deferred tax assets</b>						
Provision for employee benefits	423	-	112	9	-	544
Derivative liabilities	156	-	71	(175)	-	52
Allowance for doubtful debts	20	-	71	-	-	91
Other deductible expenses	89	-	4	-	-	93
MAT credit entitlement	3,949	-	(235)	-	-	3,714
Deferred revenue	114	-	(54)	-	(6)	54
Others	217	-	724	-	-	941
<b>Gross deferred tax assets</b>	<b>4,968</b>	<b>-</b>	<b>693</b>	<b>(166)</b>	<b>(6)</b>	<b>5,489</b>
	<b>2,754</b>	<b>-</b>	<b>89</b>	<b>(392)</b>	<b>(41)</b>	<b>2,410</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Particulars	March 31, 2023	March 31, 2022
<b>Deferred tax balances</b>		
Deferred tax assets (net)	3,010	2,933
Deferred tax liabilities (net)	(3,818)	(523)
	(808)	2,410

## 39. Interest in other entities

### (a) Subsidiaries

The Group's subsidiaries as at March 31, 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held by the Group, and proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

No.	Name of entity	Country of incorporation	Ownership interest held by the group		Ownership interest held by the non-controlling interest		Principal activities
			March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	
			%	%	%	%	
1	Syngene International Limited	India	54.9	70.1	45.1	29.9	Contract research and manufacturing services
2	Biocon Pharma Limited	India	100.0	100.0	-	-	Biopharmaceutical manufacturing
3	Biocon Biologics Limited*	India	78.6	93.5	21.4	6.5	Biopharmaceutical manufacturing
4	Biocon Biosphere Limited	India	100.0	100.0	-	-	Biopharmaceutical manufacturing
5	Biofusion Therapeutics Limited	India	100.0	100.0	-	-	Research services
6	Biocon Academy	India	100.0	100.0	-	-	Not for profit organisation
7	Syngene Scientific Solutions Limited	India	54.9	-	45.1	-	CRAMS and clinical research services
8	Syngene Manufacturing Solutions Limited	India	54.9	-	45.1	-	Manufacture of enzyme products and medicinal goods
9	Biocon SA	Switzerland	100.0	100.0	-	-	Research and development
10	Biocon Sdn Bhd	Malaysia	78.6	93.5	21.4	6.5	Biopharmaceutical manufacturing and sale of biosimilar products
11	Biocon Biologics Healthcare Malaysia SDN. BHD	Malaysia	78.6	93.5	21.4	6.5	Sale of biopharmaceutical products
12	Biocon Biologics UK Limited	United Kingdom	78.6	93.5	21.4	6.5	Sale of biosimilar products
13	Biocon Pharma UK Limited	United Kingdom	100.0	100.0	-	-	Sale of pharmaceutical products
14	Biosimilars Newco Limited	United Kingdom	78.6	-	21.4	-	Sale of biopharmaceutical products
15	Biocon Biologics Inc.	United States	78.6	93.5	21.4	6.5	Business support and marketing for Biosimilar products
16	Biocon Pharma Inc.	United States	100.0	100.0	-	-	Sale of pharmaceutical products
17	Syngene USA Inc.	United States	54.9	70.1	45.1	29.9	Marketing and business development support services
18	Biocon Biologics do Brasil Ltda.	Brazil	78.6	93.5	21.4	6.5	Sale of biopharmaceutical products

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

No.	Name of entity	Country of incorporation	Ownership interest held by the group		Ownership interest held by the non-controlling interest		Principal activities
			March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	
19	Biocon Biologics FZ-LLC	Dubai	78.6	93.5	21.4	6.5	Sale of biopharmaceutical products
20	Biocon FZ LLC.	Dubai	100.0	100.0	-	-	Sale of pharmaceutical products
21	Biocon Pharma Ireland Limited	Ireland	100.0	100.0	-	-	Sale of pharmaceutical products
22	Biosimilars Collaborations Ireland Limited	Ireland	78.6	-	21.4	-	Sale of biopharmaceutical products
23	Biocon Pharma Malta Limited	Malta	100.0	100.0	-	-	Sale of pharmaceutical products
24	Biocon Pharma Malta I Limited	Malta	100.0	100.0	-	-	Sale of pharmaceutical products
25	Biocon Biologics Canada Inc.	Canada	78.6	-	21.4	-	Sale of biopharmaceutical products
26	Biocon Biologics Germany GmbH	Germany	78.6	-	21.4	-	Sale of biopharmaceutical products

\* Also refer note 16

## (b) Non-controlling interests

Below is the summarised consolidated financial information for Syngene International Limited and Biocon Biologics Limited that has non-controlling interests that is material to the Group as on March 31, 2023. The amounts disclosed for the subsidiary are before inter-company eliminations.

### Syngene International Limited

#### Summarised balance sheet

Particulars	March 31, 2023	March 31, 2022
Non-current assets	34,057	33,579
Current assets	24,253	22,059
<b>Total assets</b>	<b>58,310</b>	<b>55,638</b>
Non-current liabilities	10,248	10,373
Current liabilities	11,882	12,289
<b>Total liabilities</b>	<b>22,130</b>	<b>22,662</b>
<b>Net assets</b>	<b>36,180</b>	<b>32,976</b>
<b>Accumulated non-controlling interest</b>	<b>16,737</b>	<b>10,263</b>
<b>Summarised statement of profit and loss</b>		
Revenue from operations	31,929	26,042
Profit for the year	4,644	3,958
Other comprehensive income	(972)	433
<b>Total comprehensive income</b>	<b>3,672</b>	<b>4,391</b>
Total comprehensive income allocated to non-controlling interests	1,353	1,313
Dividends (including dividend distribution tax) paid to non-controlling interests	(119)	-
<b>Summarised statement of cash flows</b>		
Cash flows generated from operating activities	8,235	5,806
Cash flows used in investing activities	(6,564)	(6,115)
Cash flows (used in) from financing activities	(3,425)	(313)
<b>Net (decrease) in cash and cash equivalents</b>	<b>(1,754)</b>	<b>(622)</b>

# Notes to the Consolidated Financial Statements

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Particulars	March 31, 2023	March 31, 2022
<b>Biocon Biologics Limited</b>		
<b>Summarised balance sheet</b>		
Non-current assets	3,32,389	65,051
Current assets	69,259	31,900
<b>Total assets</b>	<b>4,01,648</b>	<b>96,951</b>
Non-current liabilities	1,71,985	43,680
Current liabilities	53,587	31,163
<b>Total liabilities</b>	<b>2,25,572</b>	<b>74,843</b>
<b>Net assets</b>	<b>1,76,076</b>	<b>22,108</b>
<b>Accumulated non-controlling interest</b>	<b>29,482</b>	<b>112</b>
<b>Summarised statement of profit and loss</b>		
Revenue from operations	55,838	34,643
Profit for the year	1,335	3,825
Other comprehensive income	1,537	959
<b>Total comprehensive income</b>	<b>2,872</b>	<b>4,784</b>
Total comprehensive income allocated to non-controlling interests	78	54
<b>Summarised statement of cash flows</b>		
Cash flows generated from operating activities	8,542	5,443
Cash flows used in investing activities	(1,63,123)	(4,884)
Cash flows (used in) / generated from financing activities	1,61,627	(1,183)
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>7,046</b>	<b>(624)</b>

## (c) Interest in joint venture

The Group has only one joint venture in the name of NeoBiocon FZ LLC ("NeoBiocon"), incorporated in Dubai as at March 31, 2023 holding 49% (March 31, 2022: 49%) of the equity stake and accounted for using the equity method. NeoBiocon has share capital solely consisting of equity shares, which are held directly by ownership interest in the same proportion of voting rights held. Also refer note 42.

**Summarised balance sheet of NeoBiocon is as follows:**

Particulars	March 31, 2023	March 31, 2022
Non-current assets	2	3
Current assets	557	616
<b>Total assets</b>	<b>559</b>	<b>619</b>
Non-current liabilities	17	17
Current liabilities	148	167
<b>Total liabilities</b>	<b>165</b>	<b>184</b>
<b>Net assets</b>	<b>394</b>	<b>435</b>
<b>Percentage ownership interest</b>	<b>49%</b>	<b>49%</b>
<b>Accumulated Group's share of net assets</b>	<b>43</b>	<b>80</b>
<b>Summarised statement of profit and loss of NeoBiocon</b>		
Revenue from operations	166	367
Profit/(Loss) for the year	(75)	76
<b>Total comprehensive income</b>	<b>(75)</b>	<b>76</b>
Share of Profit/(loss) from joint venture	(37)	37



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## (d) Interest in associates

Particulars	March 31, 2023	March 31, 2022
IATRICa Inc. - 4,285,714 (March 31, 2021 - 4,285,714) Series A Preferred Stock at US\$ 0.70 each, par value US \$ 0.00001 each	131	131
Less: Provision for decline, other than temporary, in the value of non-current investments	(131)	(131)
Bicara Therapeutics Inc.: 1,070,000 (March 31, 2022 - 1,070,000) equity shares of USD 0.0001 each 49,990,144 (March 31, 2022 - 40,000,000) preference shares of USD 1 each [Refer note 44]	1,335	-
	<b>1,335</b>	<b>-</b>
<b>Total investment in associate and joint venture (c+d)</b>	<b>1,378</b>	<b>80</b>

## 40. Segment Reporting

Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker ("CODM") evaluates the Group's performance based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments and geographic segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

### April 1, 2022 to March 31, 2023

Particulars	Generics	Biosimilars	Novels	Research	Unallocated/ Eliminations	Total
<b>Revenues</b>						
External revenue	24,559	55,599	192	31,392	-	1,11,742
Inter-segment revenue	1,808	239	-	537	(2,584)	-
<b>Total revenues</b>	<b>26,367</b>	<b>55,838</b>	<b>192</b>	<b>31,929</b>	<b>(2,584)</b>	<b>1,11,742</b>
<b>Costs</b>						
Segment costs	(24,116)	(40,034)	(417)	(22,058)	-	(86,625)
Inter-segment costs	(152)	(2,543)	-	(527)	3,222	-
<b>Results</b>						
Other income including interest	2,135	120	2,234	709	(1,439)	3,759
<b>Operating profit</b>						<b>28,876</b>
Depreciation / Amortisation	(1,485)	(6,382)	(23)	(3,665)	424	(11,131)
Finance costs	(68)	(2,969)	(35)	(452)	(666)	(4,190)
Share of profit/(loss) of joint venture and associate	(37)		(1,633)		-	(1,670)
<b>Segment results</b>	<b>2,644</b>	<b>4,030</b>	<b>318</b>	<b>5,936</b>	<b>(1,043)</b>	<b>11,885</b>
Exceptional items, net	-	-	-	-	(2,914)	(2,914)
Income taxes - Current and deferred	-	-	-	-	(2,541)	(2,541)
Non-controlling interests	-	-	-	-	(1,803)	(1,803)
<b>Profit after taxes attributable to shareholders</b>						<b>4,627</b>
<b>Other Information</b>						
Segment assets	58,526	4,01,589	1,896	58,310	107	5,20,428
<b>Total assets</b>						<b>5,20,428</b>
Segment liabilities	17,496	2,36,789	299	22,130	18,826	2,95,540
<b>Total liabilities</b>						<b>2,95,540</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

April 1, 2021 to March 31, 2022

Particulars	Generics	Biosimilars	Novels	Research	Unallocated/ Eliminations	Total
<b>Revenues</b>						
External revenue	21,910	34,301	510	25,119	-	81,840
Inter-segment revenue	1,499	342	-	923	(2,764)	-
<b>Total revenues</b>	<b>23,409</b>	<b>34,643</b>	<b>510</b>	<b>26,042</b>	<b>(2,764)</b>	<b>81,840</b>
<b>Costs</b>						
Segment costs	(21,152)	(21,887)	(802)	(18,297)	-	(62,138)
Inter-segment costs	(278)	(2,567)	4	(333)	3,174	-
<b>Results</b>						
Other income including interest	1,985	(61)	293	1,077	(1,167)	2,127
<b>Operating profit</b>						<b>21,829</b>
Depreciation / Amortisation	(1,379)	(4,028)	(52)	(3,097)	414	(8,142)
Finance costs	(9)	(668)	(44)	(241)	286	(676)
Share of profit of joint venture and associate	38	-	(2,107)	-	-	(2,069)
<b>Segment results</b>	<b>2,614</b>	<b>5,432</b>	<b>(2,198)</b>	<b>5,151</b>	<b>(57)</b>	<b>10,942</b>
Exceptional items, net	-	-	-	-	(1,111)	(1,111)
Income taxes - Current and deferred	-	-	-	-	(2,115)	(2,115)
Non-controlling interests	-	-	-	-	(1,232)	(1,232)
<b>Profit after taxes attributable to shareholders</b>						<b>6,484</b>
<b>Other Information</b>						
Segment assets	52,849	96,951	2,279	55,638	(3,777)	2,03,940
<b>Total assets</b>						<b>2,03,940</b>
Segment liabilities	13,357	76,415	1,375	22,662	(4,569)	1,09,240
<b>Total liabilities</b>						<b>1,09,240</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## Geographical segments

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Revenue from operations</b>		
India	16,737	13,563
United States of America	41,430	29,946
Ireland	11,784	16,863
Rest of the world	41,791	21,468
<b>Total</b>	<b>1,11,742</b>	<b>81,840</b>
	March 31, 2023	March 31, 2022
<b>Non-current assets</b>		
India	75,701	76,956
Ireland	65,756	-
United Kingdom	2,02,690	6,547
Malaysia	27,547	24,717
Rest of the world	512	285
<b>Total</b>	<b>3,72,206</b>	<b>1,08,505</b>

Note: Non-current assets excludes financial instruments, income tax and deferred tax assets.

## Significant clients

One customer group of Biosimilar segment individually accounted for ₹ 18,861 (March 31, 2022: ₹ 17,337 ) which is more than 10% of the total revenue of the Group.

## Segment revenue and results

The expenses that are not directly attributable and that can not be allocated to a business segment on a reasonable basis are shown as unallocated corporate expenses. Further, the Group has classified interest on loans raised by the Parent company and its wholly owned subsidiary to fund the business acquisition as unallocable corporate expenses.

## Segment assets and liabilities

Segment assets include all operating assets used by the business segment and consist principally of fixed assets and current assets. Segment liabilities comprise of liabilities which can be directly allocated against the respective segments. Assets and liabilities that have not been allocated between segments are shown as part of unallocated corporate assets and liabilities respectively.

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 41. Additional information, as required under Schedule III of the Act, of enterprises consolidated as subsidiary/associates/joint venture

Name of Entity	Net assets as at March 31, 2023		Share in profit or loss for the year ended March 31, 2023		Share in other comprehensive income for the year ended March 31, 2023		Share in total comprehensive income for the year ended March 31, 2023	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated other comprehensive income	Amount
Holding Company								
Biocon Limited	19%	1,09,160	89%	28,484	-1%	9	91%	28,493
<b>Subsidiaries</b>								
<i>Indian</i>								
Syngene International Limited	3%	19,452	9%	2,997	74%	(592)	8%	2,405
Syngene Scientific Solutions Limited	-	168	-	(41)	-	-	-	(41)
Syngene Manufacturing Solutions Limited	-	10	-	-	-	-	-	-
Biocon Pharma Limited	-	(661)	1%	452	6%	(46)	1%	406
Biocon Biologics Limited	25%	1,38,388	-14%	(4,530)	-1%	8	-15%	(4,523)
Biocon Biosphere Limited	-	295	-	(11)	-23%	188	1%	177
Biofusion Therapeutics Limited	-	270	1%	259	-	1	-	260
Biocon Academy	-	-	-	-	-	-	-	-
<i>Foreign</i>								
Biocon SA	1%	5,249	-	5	-	-	-	5
Biocon Sdn Bhd	-	(624)	6%	1,905	-	-	6%	1,905
Biocon Biologics UK Limited	17%	95,730	13%	4,190	-	-	13%	4,190
Biosimilars Newco Limited	17%	96,365	-10%	(3,237)	-	-	-10%	(3,237)
Biosimilars Collaboration Ireland Limited	9%	49,579	4%	1,258	-	-	4%	1,258
Biocon Biologics Canada Inc.	-	-	-	-	-	-	-	-
Biocon Biologics Germany GmbH	-	-	-	-	-	-	-	-
Biocon Pharma Inc.	-	1,964	-	28	-	-	-	28
Biocon FZ LLC.	-	98	-	12	-	-	-	12
Biocon Biologics Healthcare Malaysia SDN. BHD	-	(1)	-	(0)	-	-	-	(0)
Syngene USA Inc.	-	81	-	28	-	-	-	28
Biocon Pharma UK Limited	-	88	-	0	-	-	-	0
Biocon Pharma Ireland Limited	-	24	-	(3)	-	-	-	(3)
Biocon Biologics Inc.	-	57	-	14	-	-	-	14
Biocon Biologics do Brasil Ltda.	-	80	-	1	-	-	-	1
Biocon Biologics FZ-LLC	-	83	-	5	-	-	-	5
Biocon Pharma Malta Limited	-	(4)	-	(2)	-	-	-	(2)
Biocon Pharma Malta I Limited	-	0	-	-	-	-	-	-
<b>Joint venture</b>								
<i>Foreign</i>								
NeoBiocon FZ LLC.	-	43	-	(37)	-	-	-	(37)
<b>Associates</b>								
<i>Foreign</i>								
IATRICa Inc., USA	-	-	-	-	-	-	-	-
Bicara Therapeutics Inc.	-	1,335	-5%	(1,633)	-	-	-5%	(1,633)
Non-controlling interest	8%	46,219	6%	1,803	45%	(372)	5%	1,431
<b>Gross Total</b>	<b>100%</b>	<b>5,63,449</b>	<b>100%</b>	<b>31,946</b>	<b>100%</b>	<b>(804)</b>	<b>100%</b>	<b>31,141</b>
Adjustment arising on consolidation		(3,38,561)		(25,516)		1,570		(23,945)
<b>Total</b>		<b>2,24,888</b>		<b>6,430</b>		<b>766</b>		<b>7,196</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Name of Entity	Net assets as at March 31, 2022		Share in profit or loss for the year ended March 31, 2022		Share in other comprehensive income for the year ended March 31, 2022		Share in total comprehensive income for the year ended March 31, 2022	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated other comprehensive income	Amount
Holding Company								
Biocon Limited	50%	80,929	14%	861	8%	80	13%	941
<b>Subsidiaries</b>								
Indian								
Syngene International Limited	14%	22,657	45%	2,775	29%	304	43%	3,078
Biocon Pharma Limited	-1%	(1,067)	17%	1,056	1%	9	15%	1,065
Biocon Biologics Limited	13%	21,094	13%	811	32%	335	16%	1,146
Biocon Biosphere Limited	-	117	-	(4)	12%	125	2%	121
Biofusion Therapeutics Limited	-	10	-	9	-	-	-	9
Biocon Academy	-	-	-	-	-	-	-	-
<i>Foreign</i>								
Biocon SA	3%	4,843	-	(1)	-	-	-	(1)
Biocon Sdn Bhd	-3%	(4,834)	-17%	(1,080)	5%	50	-14%	(1,031)
Biocon Biologics UK Limited	16%	26,840	41%	2,524	-	-	35%	2,524
Biosimilars Newco Limited	-	-	-	-	-	-	-	-
Biosimilars Collaboration Ireland Limited	-	-	-	-	-	-	-	-
Biocon Biologics Canada Inc.	-	-	-	-	-	-	-	-
Biocon Biologics Germany GmbH	-	-	-	-	-	-	-	-
Biocon Pharma Inc.	1%	1,794	3%	209	-	-	3%	209
Biocon FZ LLC.	-	80	-	2	-	-	-	2
Biocon Biologics Healthcare Malaysia SDN. BHD	-	(1)	-	(0)	-	-	-	(0)
Syngene USA Inc.	-	56	-	20	-	-	-	20
Biocon Pharma UK Limited	-	66	-	(0)	-	-	-	(0)
Biocon Pharma Ireland Limited	-	26	-	(1)	-	-	-	(1)
Biocon Biologics Inc.	-	(72)	-2%	(110)	-	-	-2%	(110)
Biocon Biologics do Brasil Ltda.	-	(16)	-1%	(49)	-	-	-	(49)
Biocon Biologics FZ-LLC	-	74	-	1	-	-	-	1
Biocon Pharma Malta Limited	-	(1)	-	(1)	-	-	-	(1)
Biocon Pharma Malta I Limited	-	-	-	-	-	-	-	-
<b>Joint venture</b>								
<i>Foreign</i>								
NeoBiocon FZ LLC.	-	80	1%	37	-	-	1%	37
<b>Associates</b>								
<i>Foreign</i>								
IATRICa Inc., USA	-	-	-	-	-	-	-	-
Bicara Therapeutics Inc.	-	-	-34%	(2,107)	-	-	-29%	(2,107)
Non-controlling interest	6%	10,375	20%	1,232	13%	135	19%	1,367
<b>Gross Total</b>	<b>100%</b>	<b>1,63,049</b>	<b>100%</b>	<b>6,183</b>	<b>100%</b>	<b>1,038</b>	<b>100%</b>	<b>7,219</b>
Adjustment arising on consolidation		(68,349)		1,533		64		1,599
<b>Total</b>		<b>94,700</b>		<b>7,716</b>		<b>1,102</b>		<b>8,818</b>

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 42 Business combination

- a. On February 27, 2022, BBL entered into a definitive agreement with its collaboration partner Viatriis Inc. to acquire Viatriis' biosimilars business to create a fully integrated global biosimilars enterprise, at a total consideration of Rs. 247,255, including cash of Rs. 156,645 and Compulsorily Convertible Preference Shares ('CCPS') in BBL of Rs. 82,181. The said transaction obtained necessary regulatory and other approvals and the closing conditions were satisfied on November 29, 2022 pursuant to which, the BBL acquired control over the Viatriis' biosimilar business through subsidiaries Biosimilars Newco Limited and Biosimilar Collaborations Ireland Limited. The Group has accounted for the transaction under Ind AS 103, "Business Combinations". The acquired business have been consolidated effective November 29, 2022, the consummation date.

The Group along with Viatriis, the seller, is currently in the process of completing its determination of working capital balances taken over by BBL as part of the acquisition. Pending such determination and other adjustments as envisaged in the agreement, the Group has carried out a preliminary purchase price allocation between goodwill, intangible assets and other working capital balances taken over. These initial estimates will be finalized over the next few quarters not exceeding twelve-month period allowed under the accounting requirements.

Below are the details of purchase price allocation on provisional basis:

	<b>Amount</b>
Cash	1,56,645
0.001% Compulsorily Convertible Preference Shares (CCPS)	82,181
Equity shares *	-*
Deferred consideration payable	27,940
Contingent consideration receivable	(10,251)
Settlement of pre-existing relationship	(9,260)
<b>Total Consideration</b>	<b>2,47,255</b>
<i>Assets acquired</i>	
Trade receivables	16,097
Inventories	13,742
Other assets	253
Goodwill	1,59,831
Brands (refer note (g) below)	2,632
Licenses to the patents (refer note (g) below)	29,114
Product related Intangibles (refer note (g) below)	60,868
<i>Liabilities assumed</i>	
Trade Payables	(30,618)
Provision for sales return	(1,307)
Deferred tax liabilities	(3,357)
<b>Total net assets acquired</b>	<b>2,47,255</b>

\*not disclosed above since the amounts is rounded off to Rupees million.

- (a) CCPS were fair valued using Binomial Option Pricing Model at Rs. 82,181. Each CCPS shall be convertible into equity shares of BBL at any time at the option of the holder at a conversion rate of 1:1. BBL has an obligation to issue further equity shares to Mylan Inc, subject to maximum of 61,562,420 equity shares, such that the fair value of the equity holding post conversion is atleast USD 1,000 million. The issue of additional shares results in contingent consideration. The CCPS initial recognition has been bifurcated into on equity component of Rs. 74,815 (fixed to fixed conversion) and contingent consideration of Rs. 7,366.
- (b) BBL has issued one equity share at fair value of Rs. 280.74 per share, based on the valuation report by the independent valuer.
- (c) The Group has agreed for deferred consideration payable after 18-24 months from the acquisition date, fair valued at Rs. 27,940.
- (d) Contingent consideration receivable amount will be due from Viatriis Inc to the Group provided the value of CCPS at the time of conversion is USD 1,000 million. If the value of CCPS at the time of conversion is below USD 1,000 million, Viatriis Inc will adjust shortfall against Contingent consideration receivable to the maximum cap of USD 250 million.



# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Considering that the amount of Contingent consideration receivable is dependent on the value of the CCPS at the time of conversion event, a Binomial Option Pricing Model has been applied to estimate the future equity value of BBL and Contingent consideration receivable is fair valued at Rs. 10,251.

- (e) BBL and Viatrix had entered into an arrangement, to collaborate to develop, manufacture and commercialize certain biosimilar products. In line with Ind AS 103, settlement of pre-existing relationship did not result in any gain or loss in statement of profit and loss since the transaction was at arm's length. Liability towards pre-existing relationship amounting to Rs. 9,260 has been de-recognised with a corresponding impact to Goodwill.
- (f) The Goodwill of Rs. 159,831 consists largely of the synergies and economies of scale expected from the acquired business, together with the value of the workforce acquired. The Goodwill generated on acquisition of businesses amounting to Rs. 126,708 is deductible for tax purposes, while remaining portion is non-deductible for tax purposes.
- (g) The valuation techniques used for measuring the fair value of material assets acquired were as follows: Intangible assets - Relief from-royalty method and multi-period excess earnings method.
  - The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents being owned.
  - The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the Intellectual Property rights, by excluding any cash flows related to contributory assets.

## Inventory

Market comparison technique: The fair value is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

- (h) Acquisition related costs amounted to Rs. 2,374 and were excluded from the consideration transferred and were recognised as expense under "Exceptional items" in the Statement of profit and loss for the year ended 31 March 2023 [refer note 32].
- (i) For the period November 29, 2022 till 31 March 2023, acquired business contributed revenue of Rs. 22,074, Profit before tax, interest, depreciation, amortisation and exceptional items of Rs. 4,007 and Profit before tax and exceptional items of Rs. 73 to the Group's results. If the acquisition had occurred on 1 April 2022, management estimates that consolidated revenue would have been Rs. 155,890, consolidated Profit before tax, interest, depreciation, amortisation, associate loss pick up and exceptional items of Rs. 36,890 and consolidated Profit before tax and exceptional items for the year would have been Rs. 12,030. In determining these estimates, the management has annualised the revenue and profitability of the acquired business for the period November 29, 2022 till March 31, 2023.
- (j) BBL has entered into Transition Support Agreement ('TSA') with Viatrix Inc to provide commercial and other transition services to ensure continuity of customer service and smooth transition to the Group.

## 43. Goodwill

Goodwill arising upon business combination is not amortized but tested for impairment annually or more frequently if there is any indication that the cash generating unit to which goodwill is allocated is impaired.

Particulars	March 31, 2023	March 31, 2022
<b>Gross Balance</b>		
Opening Balance	-	-
Goodwill arising on business combination [refer note 42]	1,59,831	-
Other adjustments		
- Foreign currency translation adjustment	1,267	
<b>Closing Balance</b>	<b>1,61,098</b>	-

For the purposes of impairment assessment, the Group is considered as single Cash generating unit. The recoverable amounts of the above cash generating units have been assessed using a value-in-use model. Value-in-use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit. Initially, a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows. Key assumptions upon which the Company has based its determinations of value-in-use include:

- a) Estimated cash flows for nine years, based on management's projections

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

- b) A terminal value arrived at by extrapolating the last forecasted year cash flows to perpetuity, using growth rate ranging from 1% to 3%. This long-term growth rate takes into consideration external macroeconomic sources of data. Such long-term growth rate considered does not exceed that of the relevant business and industry sector.
- c) The post tax discount rate used is 14.37% based on the Company's weighted average cost of capital.

The Group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

## 44. Other notes

Bicara Therapeutics Inc, (Bicara), U.S., is a clinical-stage biotechnology company developing dual-action biologics designed to spur a potent and durable immune response in the tumor microenvironment. Bicara is actively engaged in advancing a robust pipeline of first-in-class bifunctional antibodies being developed by a global team. The Group accounts for its investments in Bicara using the equity method as it has significant influence over the investee.

During the year ended March 31, 2023 and March 31, 2022, Bicara has raised additional fund from third parties resulting into dilution of interest held in associate. Accordingly, following the principles in Ind AS 28: Investments in Associates and Joint Ventures, the Group has recorded a dilution gain of ₹ 2,170 for the year ended March 31, 2023. Similarly, ₹ 299 was recorded as dilution gain for the year ended March 31, 2022. The same has been disclosed in other income in the consolidated financial statements.

- 45.** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries).

Further, The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 46. Other statutory information

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

- 47.** On April 28, 2022, the Board of Directors of the Company proposed a final dividend of 10% i.e. Rs. 0.50 per equity share of face value of ₹ 5/- each as on the record date for distribution of final dividend. The same has been approved by the shareholders in the Annual General Meeting of the Company held on July 28, 2022 and distributed to the shareholders of the Company during the current year.

On 27 April 2022, the Board of Directors of Syngene proposed a final dividend of 10% or Rs. 1 per equity share as on the record date for distribution of the final dividend (comprising of a regular dividend of 5% or Rs. 0.5 per equity share and an additional special dividend of 5% or Rs. 0.5 per equity share). The shareholders of Syngene approved the dividend in the Annual General Meeting held on 20 July 2022 and was subsequently paid.

## 48. Events after reporting period

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

- a) On May 23, 2023, the Board of Directors of the Company has proposed a final dividend of 30% i.e. Rs 1.5 per equity share of face value of Rs. 5/- each as on the record date for distribution of final dividend. The proposed dividend is subject to approval of the shareholders in the ensuing Annual General Meeting of the Company. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- b) On 26 April 2023, the Board of Directors of Syngene International Limited recommended a final dividend of Rs. 1.25 per equity share of Rs. 10/- (comprising a regular dividend of Rs.0.5 per share and a special additional dividend of Rs. 0.75 per share to mark the 30<sup>th</sup> anniversary of the founding of the Company in November 1993). The proposed dividend is subject to the approval of the shareholders in the Annual General Meeting.
- c) On January 03, 2022, the Board of Directors of the Biocon Biologics Limited ('BBL') had approved the scheme of Merger by Absorption ('the Scheme') of Covidshield Technologies Private Limited ("CTPL" or the Transferor company), a wholly owned subsidiary of Serum Institute Life Sciences Private Limited ("SILS"), with and into BBL (the Transferee company) with an appointed date of October 01, 2022. The Scheme was subject to the requisite statutory approvals including approval of National Company Law Tribunal ("NCLT").

Subsequent to March 31, 2023, BBL and SILS mutually determined to re-evaluate the merger and accordingly have agreed to withdraw from the said merger proposal.

As per our Report of even date attached

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

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

Chartered Accountants

Firm Registration Number: 101248W/W-100022

**Kiran Mazumdar-Shaw**

Executive Chairperson

DIN: 00347229

**Siddharth Mittal**

Managing Director & CEO

DIN: 03230757

**Sampad Guha Thakurta**

Partner

Membership No.: 060573

**Indranil Sen**

Chief Financial Officer

**Mayank Verma**

Company Secretary

Bengaluru  
May 23, 2023

Bengaluru  
May 23, 2023

## Concept

### Relentless Pursuit Differentiated Growth

The relentless pursuit of differentiated growth lies at the heart of what it means to be human. At its core, it is a call to action for us to strive for excellence. At Biocon Group, this pursuit leads us to enable access to quality, affordable health products and services for everyone, everywhere. Our pursuit is also about creating a lasting legacy, which will have a positive impact on generations to come. It's about leaving the world a better place than we found it.

As a leading global biopharmaceuticals company, we owe it to ourselves to engage in a perpetual quest for excellence at every level of our organization. From operational excellence all the way to excellence in our environmental performance, as well as in our interactions with patients, customers, people, shareholders, and the communities in which we operate. The arrows pointing upwards represents this relentless pursuit.

Biocon's first Integrated Annual Report is designed and structured to communicate how our business strategies, governance, performance and prospects lead to the creation of sustainable value for our stakeholders.

In the end, the pursuit of differentiated growth is about creating a better future for all, one where our collective efforts create meaningful difference that benefits society as a whole.



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### Content & Design:

Global Communications Team, Investor Relations & Subject Matter Experts of Biocon Group, in collaboration with consultants.

[Group.Communications@biocon.com](mailto:Group.Communications@biocon.com)



Scan this QR code to download the full Biocon Integrated Annual Report 2023



Scan this QR code to download the Supplementary Data Book

## Forward Looking Statement

### Biocon Integrated Annual Report FY23

Certain information disclosed in this Integrated Annual Report concerning our future growth prospects are forward-looking statements, which are based on the management's current plans and assumptions. These statements are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated in such forward-looking statements. Further, market data used in the various chapters are based on several published reports and internal company assessment. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

In an effort to realize our vision of a cleaner, greener future, we have printed a very small number of this report. We encourage people to access and share digital versions of the Biocon's 2023 Integrated Annual Report, which is available on our website and can be downloaded from [www.biocon.com](http://www.biocon.com) or by scanning the QR codes above.



**Biocon Limited**

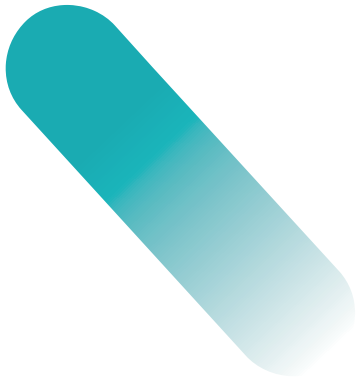
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**BRSR, GRI & ESG DATA BOOK**

**Relentless Pursuit.  
Differentiated Growth.**

Integrated Annual Report FY 2023





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## **BRSR REPORT**

## SECTION A: GENERAL DISCLOSURES

### Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L24234KA1978PLC003417
2.	Name of the Listed Entity	Biocon Limited
3.	Year of incorporation	1978
4.	Registered office address	20th KM Hosur Road, Electronic City, Bengaluru – 560 100, India
5.	Corporate address	20th KM Hosur Road, Electronic City, Bengaluru – 560 100, India
6.	E-mail	co.secretary@biocon.com
7.	Telephone	+91 80 2808 2808 / +91 80 4014 4014
8.	Website	www.biocon.com
9.	Financial year for which reporting is being done	FY23
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited National Stock Exchange of India Limited
11.	Paid-up Capital	₹ 6,003,000,000
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Mayank Verma Email: co.secretary@biocon.com
13.	Reporting boundary	The reporting boundary for this BRSR Report includes Biocon Limited (BL) and Biocon Biologics Limited (India and Malaysia) (BBL), excluding Syngene International Limited, for the period from 1st April, 2022 to 31st March, 2023. The entities will collectively be referred to as the 'Company' for the length of this report, unless specified otherwise.
	Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	from 1st April, 2022 to 31st March, 2023. The entities will collectively be referred to as the 'Company' for the length of this report, unless specified otherwise.

## II Products/services

### 14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of main activity	Description of business activity	% of turnover of the entity
1	Generics	The Generics business is built on our unique strength in fermentation technology and entrenched presence in chronic therapies. Our differentiated portfolio spans complex molecules ranging from cardiovascular and anti-obesity agents to immunosuppressants and narrow spectrum antibiotics. We will continue to invest in and grow our portfolio of differentiated Active Pharmaceutical Ingredients (APIs) which may have technical barriers to entry, e.g. complexity in manufacturing, potent compounds, or a mix of both.	23
2	Biologics	Biocon Biologics is a fully integrated global biosimilars organization. It is leveraging cutting-edge science, innovative tech platforms and advanced research & development capabilities to lower treatment costs while improving healthcare outcomes. It has a strong research pipeline of biosimilars across diabetes, oncology, immunology, and other noncommunicable diseases. Five molecules from Biocon Biologics' portfolio have been taken from 'lab-to-market' in developed markets like the United States, EU, Australia, Canada, and Japan.	48

S. No.	Description of main activity	Description of business activity	% of turnover of the entity
3	Novels	The Novels portfolio includes both, in-house as well partnered and in-licensed products. It focuses on Inflammation and Immuno Oncology. Biocon has taken two novel biologics from 'lab-to-market' for patients in India thus enabling affordable access to expensive biological therapy. Biomab EGFR for head and neck cancer patients and Alzumab for psoriasis patients. Alzumab also repurposed for Covid-19 related complications.	0
4	Research Services*	Includes four business divisions – Discovery Service, Development Services, Manufacturing Services and Dedicated R&D centers	28

\*Research services of the Company are undertaken by subsidiary Syngene International Limited. Syngene is excluded from the remainder of this report.

### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code*	% of total turnover contributed
1	Manufacture of pharmaceuticals, medicinal chemical and botanical products	021	100

\*As per National Industrial Classification – Ministry of Statistics and Programme Implementation, medicinal chemical and botanical products

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	5 Manufacturing Locations (2 plant - Bengaluru, 1 plant - Hyderabad, 2 plant - Vizag)	18	21
International	United States of America, Switzerland, United Kingdom, United Arab Emirates, Brazil, Malta, Malaysia, and Singapore	11	12

#### 17. Markets served by the entity:

- (a) Number of locations

Locations	Number
National	In addition to serving Indian markets, the Company has global footprints and serves a market of over 120+ countries.
International	

- (b) What is the contribution of exports as a percentage of the total turnover of the entity?

Over 81% of the Company's total revenue can be attributed to its earnings from exports.

- (c) A brief on types of customers

At Biocon, our focus is to transform lives through enabling equitable access and providing affordable medicines to people. To constantly deliver on our purpose, customers form the key component of our value chain and growth strategy. Biocon has a business presence in more than 120 countries wherein it is impacting millions of lives by finding new and affordable ways to treat diabetes, cancer, autoimmune and many such critical diseases. The APIs developed by the Company have found application in high quality drugs that treat oncology, cardiology, CNS and neurology, orthopedic, pulmonology, gastroenterology, nephrology, ophthalmology, and endocrinology conditions. Our diverse customer portfolio covers a wide range of stakeholders that majorly includes business partners, institutional partners, consumers, pharmacy chains, patients, health care providers, hospitals, government institutions and other pharmaceutical companies.

#### IV Employees

##### 18. Details as at the end of Financial Year:

###### (a) Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>Employees</b>						
1.	Permanent (D)	9,698	7,741	80%	1,957	20%
2.	Other than Permanent (E)	1,832	1,417	77%	415	27%
3.	<b>Total employees (D + E)</b>	<b>11,530</b>	<b>9,158</b>	<b>79%</b>	<b>2,372</b>	<b>21%</b>

Note: The Company does not have any 'Workers' as defined in the guidance note on BRSR.

###### (b) Differently abled Employees and workers

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>Differently abled employees</b>						
1.	Permanent (D)	9	7	78	2	22
2.	Other than Permanent (E)	0	0	0	0	0
3.	<b>Total differently abled employees (D + E)</b>	<b>9</b>	<b>7</b>	<b>78</b>	<b>2</b>	<b>22</b>

Note: The Company does not have any 'Workers' as defined in the guidance note on BRSR.

##### 19. Participation/Inclusion/Representation of women

Biocon Limited	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors*	9	2	22%
Key Management Personnel	4	1	25%

\*Note: Dr. Kiran Mazumdar Shaw, Executive Chairperson and Mr. Siddharth Mittal, Managing Director & CEO, are members of the Board of Directors and are also considered Key Managerial Personnel.

Biocon Biologics	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors**	10	2	20%
Key Management Personnel	5	2	40%

\*\*Note: Dr. Kiran Mazumdar Shaw, Executive Chairperson and Mr. Shreehas P Tambe, CEO and Managing Director, are members of the Board of Directors and are also considered Key Managerial Personnel.

##### 20. Turnover rate for permanent employees and workers

###### Turnover Rate (BL)

Category	Unit	BL (FY22)			BL (FY23)		
		Male	Female	Total	Male	Female	Total
Total Turnover Rate	%	25%	39%	26%	19%	26%	20%
Voluntary Turnover Rate	%	20%	23%	21%	16%	23%	17%

###### Turnover Rate (BBL)

Category	Unit	BBL (FY22)			BBL (FY23)		
		Male	Female	Total	Male	Female	Total
Total Turnover Rate	%	25%	24%	25%	27%	23%	26%
Voluntary Turnover Rate	%	NA	NA	NA	23%	21%	22%

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

### 21. (a) Names of holding / subsidiary / associate companies / joint ventures

Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity
Syngene International Limited, India	Subsidiary	54.60%
Biocon Academy, India	Subsidiary	100%
Biocon Pharma Limited, India	Subsidiary	100%
Biocon SA, Switzerland	Subsidiary	100%
Biocon Biologics Limited, India	Subsidiary	88.77%
Biocon Biologics UK Limited,UK	Subsidiary	Refer note 2
Biocon SDN BHD, Malaysia	Subsidiary	Refer note 3
Biocon Pharma Inc, USA	Subsidiary	Refer note 4
Biocon FZ LLC, UAE	Subsidiary	100%
Biocon Biologics Healthcare Malaysia SDN BHD, Malaysia	Subsidiary	Refer note 3
Syngene USA Inc., USA	Subsidiary	Refer note 6
Biocon Pharma UK Limited, UK	Subsidiary	Refer note 4
Biocon Pharma Ireland Limited, Ireland	Subsidiary	Refer note 4
Biocon Biologics Inc., USA	Subsidiary	Refer note 3
Biocon Biosphere Limited, India	Subsidiary	100%
Biocon Biologics FZ LLC, UAE	Subsidiary	Refer note 3
Biocon Biologics Do Brasil Ltda, Brazil	Subsidiary	Refer note 3
Biocon Pharma Malta Limited, Malta	Subsidiary	Refer note 4
Biocon Pharma Malta I Limited, Malta	Subsidiary	Refer note 5
Biofusion Therapeutics Limited, India	Subsidiary	100%
Syngene Manufacturing Solutions Limited, India	Subsidiary	Refer note 6 & 10
Syngene Scientific Solutions Limited, India	Subsidiary	Refer note 6 & 10
Biosimilars Newco Limited, UK	Subsidiary	Refer note 7 & 8
Biosimilar Collaborations Ireland Limited, Ireland	Subsidiary	Refer note 3 & 7
Biocon Biologics Canada Inc., Canada	Subsidiary	Refer note 3 & 9
Biocon Biologics Germany GmbH, Germany	Subsidiary	Refer note 3 & 9
NeoBiocon, UAE	Joint Ventures	49%
Bicara Therapeutics Inc., USA	Associate	74%
Hinduja Renewable Two Private Limited	Associate	26%

#### Notes:

1. Syngene International Limited, India has proposed a final dividend of 12.5% or ₹ 1.25 per equity share as on the record date for distribution of final dividend (comprising of regular dividend of 5% or ₹ 0.5 per equity share and additional special dividend of 7.5% or ₹ 0.75 per equity share). The proposed dividend is subject to the approval of the shareholders in the Annual General Meeting.
2. Biocon Biologics Limited holds 100% of equity stake in Biocon Biologics UK Limited.
3. Biocon Biologics UK Limited holds 100% of equity stake in:-
  - a) Biocon Biologics FZ LLC, UAE
  - b) Biocon Biologics Do Brasil Ltda, Brazil
  - c) Biocon Biologics Healthcare, Malaysia Sdn. Bhd., Malaysia
  - d) Biocon SDN BHD, Malaysia
  - e) Biocon Biologics Inc, USA
  - f) Biosimilar Collaborations Ireland Limited, Ireland
  - g) Biocon Biologics Germany GmbH, Germany
  - h) Biocon Biologics Canada Inc., Canada



4. Biocon Pharma Limited, India holds 100% of equity stake in:-
  - a) Biocon Pharma Inc., USA
  - b) Biocon Pharma UK Limited, UK
  - c) Biocon Pharma Ireland Limited, Ireland
  - d) Biocon Pharma Malta Limited, Malta
5. Biocon Pharma Malta Limited holds 100% of equity stake in Biocon Pharma Malta I Limited.
6. Syngene International Limited holds 100% of equity stake in Syngene USA Inc.
7. Biosimilar Collaborations Ireland Limited and Biosimilars NewCo Limited was acquired by the Group on November 29, 2022.
8. Biocon Biologics Limited and Biocon Biologics UK Limited holds 82.5% and 17.5% of equity stake in Biosimilars NewCo Limited, respectively.
9. These subsidiaries are newly incorporated and did not have any operation during the year.
10. Syngene Manufacturing Solutions Limited and Syngene Scientific Solutions Limited was acquired by the Group on August 26, 2022 and August 10, 2022 respectively.

**Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)**

Yes, all the entities, wherever applicable, participate in the relevant Business Responsibility initiatives of the Company, except the associate companies and joint venture companies.

**VI. CSR Details**

**22. Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes**

- (ii) Turnover (in ₹) - ₹75,767 million
- (iii) Net worth (in ₹) - ₹159,226 million

**VII. Transparency and Disclosures Compliances**

**23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redressal policy) **	FY23		FY22	
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Number of complaints filed during the year	Number of complaints pending resolution at close of the year
Communities	Yes	0	0	0	0
Investors/Shareholders	Yes	123	0	119	1
Employees and Workers	Yes	0	0	1	0
Customers	Yes	^253	^177	0	0
Value Chain Partners	Yes	0	0	0	0
Others (Please specify)	Yes	0	0	*4	0

\* Whistleblowing complaints (only material complaints have been considered)

\*\* The Company's grievance redressal mechanism has been detailed in its process for complaint/grievance redressal - <https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/>

^ Related to Quality

**24. Overview of the entity's material responsible business conduct issues**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters

that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Product quality	Risk	<p>All pharmaceutical companies are constantly being evaluated on possible recalls, product safety and as per the changing regulatory landscape. Also, the consumers' expectations are constantly changing and with so many alternatives available, it is crucial to align with their expectations.</p> <p>Any issue relating to product quality may result in bans by regulatory authorities, penalties, etc. and thus would incur a direct financial impact and can lead to reputational loss.</p>	<p>We have implemented a system to ensure quality of products and continuous compliance to regulatory requirements. Additionally, through the pharmacovigilance process, Biocon tracks responses to actively address product related risks and continuously improve the products. A dedicated pharmacovigilance team tracks and reports complaints received via a purpose-built web portal. We also have a toll-free number, publicly available on the web portal for patients or other stakeholders to report complaints. All reports are proactively investigated to ensure that timely action is taken where necessary. Further, all employees undergo mandatory pharmacovigilance training. Also, periodic GxP (good x practice) training is conducted that helps ensure GxP compliance and leads to improvement in Quality.</p>	<p><b>Negative:</b> In the case of poor product quality, Biocon can face reputational as well as operational damage. This may also lead to a decrease in customer satisfaction and trust</p>
2	Research and Development	Opportunity	<p>R&amp;D investment has a positive impact on green innovation and ESG performance of an enterprise. Therefore, strategically Investing in R&amp;D and disclosing publicly on its investments allows internal and external stakeholders to understand the approach and scale taken by an organization.</p>	<p>A key area of focus is 'Green Chemistry' and we have implemented several initiatives for the same. These include transitioning from solvent-based reactions to water based reactions, using harmless, greener solvents instead of hazardous solvents, enhancing our solvent recovery capabilities and overall, improving our processes to maximize the incorporation of all materials used.</p> <p>We have also conducted Life Cycle Assessments (LCA) for a few of our products to identify and further reduce use of hazardous substances which potentially results in a negative environmental impact.</p>	<p><b>Positive:</b> Cutting edge technological innovations can place the Company at the forefront of industry-leading discoveries and open new avenues for business growth. <b>Negative:</b> Disruption across Biocon's value chain can adversely impact the operations, thus hampering the supply of products and increasing costs</p>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Access & affordability	Opportunity	Responsible pricing for innovative and generic medicines that takes into consideration affordable access, positive cost-benefit ratio, and overall healthcare costs impact the Company's reach and favor amongst patients, as compared to its competitors.	At Biocon, our aim is to achieve health equity and believe that everyone, across the globe, has the right to access affordable and quality medicines. Through our generics, biosimilars and novel biologics businesses, we consistently work towards enhancing our value proposition and deliver best-in-class solutions to our patients.	<b>Positive:</b> Enabling access to affordable drugs and other services can support the reach and growth of Biocon, providing a competitive edge.
4	Environmental performance	Risk	Biocon's commitment towards protecting the natural environment and conserving resources has been embedded in our value system. Upholding these principles and complying with applicable regulatory requirements can affect the overall performance and enhance Biocon's image with the stakeholders.	To limit the environmental impact of the operations, Biocon continuously strives to reduce the carbon footprint, recycle resources, transition to renewable energy, adopt responsible sourcing practices, drive productivity across the value chain and adopt digital solutions that reduce inefficiencies. Our facilities are ISO 14001 certified (Environmental Management Systems) and required guidelines are followed during the operations.	<b>Negative:</b> In case of any noncompliance with environmental norms and regulations, Biocon can face reputational damage as well as well as adverse financial repercussions.
5	Safe & empowering workplace	Risk	As a responsible employer, it is our duty to create a safe and healthy workplace that is free of injuries, fatalities and illness. In addition to this, it is imperative to foster a conducive workplace that attracts and retains talent by enabling empowerment, growth, flexibility, remuneration and purpose.	Biocon implements robust procedures and continuous process safety improvements at all the sites to show commitment towards a zero-accident safety culture. Our facilities are ISO 45001 certified (Occupational Health and Safety Management Systems). There are employee training and processes and protocols for preventing, reporting and addressing behavior that is not in line with the Business Principles and standards, including sexual, discriminatory or other misconduct. To inculcate an empowering workplace, we have developed stringent processes which focus on enabling our employees to achieve their personal aspirations as well as their professional goals.	<b>Negative:</b> The absence of a safe and empowering workplace could result in adverse financial consequences such as fines and penalties. Additionally, it could lead to operational and reputational damage for the company.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Digitization	Opportunity	Utilization of digital technology to improve efficiency in operations and quality management is a clear opportunity for the Company. This includes deploying digital initiative to fully integrate supply chains and improve operational processes, making them more adaptive and responsive.	<p>Biocon is investing in building a robust digital architecture that will support data platforms networks across all functions.</p> <p>Company is in the process of repurposing the facilities with digital technologies, automation, and the use of smart data management to drive operational excellence.</p> <p>ESG is at the core of Biocon's digital transformation where the aim is to enhance quality and compliance, augment productivity through enhanced operational excellence and enable data integrity through technology-led data transparency.</p>	<b>Positive:</b> Digitization can lead to improved sales, productivity and employment which impact the Company's performance and impact as compared to its peers.
7	Supply chain sustainability	Risk	In the Pharmaceutical Industry, it is extremely imperative to ensure a stable supply chain to ensure business continuity. Initiatives must be undertaken to anticipate, prevent and mitigate any concerns that cause disruptions.	<p>The integrated supply chain ensures uninterrupted medicine availability to the customers, patients, partners and healthcare systems globally.</p> <p>Biocon relies on cost-effective and sustainable logistics and supply chain rationalization to increase access, right from the stage of procurement of raw materials to the last-mile delivery of products to patients.</p> <p>Biocon enforces a mandatory minimum level of adherence towards environmental compliance for our critical vendors through periodic site audits.</p> <p>Additionally, a Supplier Code of Conduct to guide the value chain partners on applicable laws, regulations, policies and procedures, as well as the behavioral and ethical standards has been developed and communicated to all vendors (including service providers).</p>	<b>Negative:</b> Disruption across Biocon's value chain can adversely impact the operations, thus hampering the supply of products and increasing costs

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8	Community engagement	Opportunity	It is crucial that Biocon engages with the communities we operate in to increase trust and foster harmony	<p>The Biocon Foundation is the principal channel for the corporate philanthropy undertaken by the Company.</p> <p>The aim of this Foundation is to build resilient solutions that enable underserved communities to live better, every day.</p> <p>The core areas of intervention are:</p> <ul style="list-style-type: none"> <li>• Primary Healthcare</li> <li>• Environmental Sustainability</li> <li>• Rural Development</li> <li>• Educational certifications</li> </ul>	<p><b>Positive:</b> By empowering and uplifting our surrounding communities, we can mitigate future grievances or concerns, thus safeguarding the business from any adverse events</p>
9	Inclusion and diversity	Opportunity	This aspect addresses a company's ability to ensure that its culture, hiring and promotion practices embrace representation from a diverse and inclusive workforce across all levels of the organization (board, senior, mid and junior levels).	<p>Numerous steps have been undertaken to build a gender-inclusive workplace, which includes an extended maternity leave, part-time opportunities for returnees, gender sensitization sessions and women's health initiatives. The Company also has several distinct developmental programs in place, focused on the Company's female employees, geared towards preparing them for managerial and leadership roles.</p> <p>The Company has an 'Equal Pay for Equal Work' practice in place, where employees are compensated based on their merit, irrespective of the gender they identify with.</p>	<p><b>Positive:</b> A pool of diverse workforce from different genders, ages and ethnic diversity, will enable the Company to develop its services further and mitigate operational risks.</p>
10	Ethical governance	Risk	To ensure the smooth functioning of the company, Biocon has implemented clear systems and defined roles and responsibilities of concerned personnel for managing topics related to ethics and integrity (e.g. anti-bribery and corruption, anti-money laundering, code of conduct, whistle blowing etc.)	<p>The principles of integrity, transparency, accountability, and ethics resonate throughout the organization.</p> <p>Professional management teams and independent Boards for Biocon Limited, Biocon Biologics Limited, and Syngene International Limited have been built to allow better governance across the Biocon Group.</p> <p>By implementing global best practices in corporate governance and risk management, we ensure that the Group consistently preserves and enhances value.</p>	<p><b>Negative:</b> Absence of adherence with the policies of the Company on business conduct and ethical governance can lead to reputational as well as operational damage.</p>

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

S. No.	Principle Description
P1	Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive to all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

1. Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7*	P 8	P 9
<b>Policy and management processes</b>									
1.1. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
1.2. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
1.3. Web Link of the Policies, if available	Refer to Code of Conduct, Whistleblower policy & Tax Transparency report	Refer to Supplier Code of Conduct & Purchase order terms and conditions	Refer to Code of Conduct & Human Rights policy	Refer to CSR policy & Related party transactions policy	Refer to Human Rights policy	Refer to EHSS policy	N	Refer to CSR policy & CSR project approved	Refer to Privacy policy
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	N	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, the Company's Supplier Code of Conduct largely includes the above-mentioned principles, and the value chain partners are expected to adhere to the requirements outlined.								
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) mapped to each principle. **	<ul style="list-style-type: none"> <li>- United Nations Global Compact (UNGC) Signatory</li> <li>- Environmental Management Systems (ISO 14001)</li> <li>- Occupational Health &amp; Safety Management Systems (ISO 45001)</li> <li>- Information Security Management Systems ISO 27001:2013</li> <li>- Good Manufacturing Practice (GMP) compliance certification for the Company's facilities across Bengaluru, Hyderabad and Visakhapatnam in India, and Malaysia</li> <li>- GxP Standards</li> <li>- Global Reporting Initiative standards</li> <li>- Ecovadis framework</li> </ul>								



5. Specific commitments, goals and targets set by the entity with defined timelines, if any.
1. **Focused on Equity, Diversity and Inclusion**

The Company is committed to make an equitable and inclusive workplace. The Company has implemented several initiatives, including analytics tools such as hiring based on AI based systems to strategically manage workforce diversity. Biocon does employ differently abled people within our workforce as it fundamentally believes that talent and zeal to learn hold much more value and should be the most important quality that an employee should possess. It has also incorporated practices such as 'Equal Pay for Equal Work', wherein employees are compensated based on their merit, irrespective of the gender they identify with.
2. **Environmental Stewardship**

Company's EHSS policy essentially captures its commitment towards reducing waste, minimizing energy consumption, reducing emissions within its operation and judiciously utilizing freshwater consumption. We are proud to state that currently 69% of the electricity procured for our Indian operations is sourced from renewable energy. 100 percent of our treated wastewater is recycled and reused in different processes and utilities at Biocon Limited and Biocon Biologics, India.
3. **Product Quality**

Product Quality is of critical importance and Biocon ensures to maintain utmost quality at all times. It has a dedicated team responsible for pharmacovigilance and stakeholders can report complaints on a purpose-built web portal. Additionally, the Company is committed to reach 'one in five' insulin-dependent people with diabetes worldwide, by making the treatment affordable and accessible to all.
4. **Health and Safety**

Being in the manufacturing set-up, the company is committed to protect the health and safety of its employees. It aims to continuously maintain zero LTIFR (for Biocon Limited) within its operations. Training and awareness sessions are regularly conducted to help employees understand the protocols to be followed at the shop-floor.
5. **Meeting Stakeholders expectations**

The company continues to conduct its business ethically and responsibly withholding the highest level of trust and integrity. Its code of conduct provides a company's commitment to conduct its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics.
6. **Disclosures and Transparency**

The Company is communicating its commitment and initiatives on sustainability and ESG through a carefully crafted communications strategy that revolves around building strong brand equity among patients, people, partners, and shareholders. This includes using digital technology platforms to engage with external stakeholders and active social media listening to respond to many SOS messages for the Company's life-saving drugs during the COVID pandemic and promoting the vaccination drive of the Government.

6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.

The Company has undertaken various initiatives to improve its gender diversity across levels as well as improve its operational efficiency has led to definitive improvements, some of which have also received external recognition:

- Biocon Biologics Recognized as a Company with Great Managers; Two Managers conferred with individual 'Great Managers Award 2022
- During FY23, Biocon Biologics served ~5.7 million patients
- The Company had four product recall during the Fiscal year.
- Adoption of energy efficient, innovative technologies has led to an offset of 23% of the Company's total GHG emissions compared to FY22.
- 69% of the total energy consumed by the Company in FY23 was sourced from renewable sources (Indian operations)
- 100% of the wastewater generated via Company (India Operations) was recycled and reused in FY23.
- The Company's initiatives to make its system and processes more efficient and sustainable resulted in the improvement of scores on various sustainability-oriented platforms, including: .
  - o Dow Jones Sustainability Index (DJSI) score improved from 45 to 52.
  - o Biocon inducted in S&P Global's Sustainability Yearbook for 2023, categorized as an "Industry Mover"
  - o Biocon, including Biocon Biologics, EcoVadis scored increased from 52 to 66 and was rewarded with Silver Medal. The medal puts Biocon in the top 25% of the 40,000 companies assessed by EcoVadis in 2022.
- The Company's efforts to make its workplace safer for its workforce has resulted in zero Lost Time Injury Frequency Rate (LTIFR)
- The performance against specific commitments, goals and targets are provided in the respective capitals of the integrated annual report, wherever applicable.

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## Governance, leadership and oversight

7. Management's statement

Please refer to page numbers 31-45 of the Integrated Report for statements from our leadership.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies

The Business Responsibility (BR) policies are broadly managed by the Board of Directors, Chief Executive Officer and the concerned departmental head(s).

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.

Yes.

Biocon Limited has brought ESG related activities under the ambit of its Corporate Social Responsibility Committee, which has been renamed as the 'Corporate Social Responsibility and Environmental, Social and Governance Committee'.

The Biocon Biologics Board has also formally approved and merged the Corporate Social Responsibility Committee (CSR Committee) and the Environment Social and Governance Committee (ESG Committee) into a single committee and renamed it as the "Corporate Social Responsibility and Environmental, Social and Governance Committee" (hereinafter referred as CSR and ESG Committee).

(Please refer to page number 71-72 of the Integrated Annual Report for information on Board Committees on ESG)

\*The Company plays a strong role in public policy advocacy through regular engagement with specific external stakeholders including industry associations, government bodies and regulatory departments. However, the Company does not have a formal advocacy policy.

\*\*Link to the Company's ISO 14001 & ISO 45001 certifications: <https://www.biocon.com/responsibility/sustainability/ehs-certifications/>.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Performance against above policies and follow up action	The Corporate Social Responsibility Committee of the Board assesses the Business Responsibility (BR) performance of the Company on a quarterly basis and reports to the Board. The Board assesses the report on BR on an annual basis.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Business Responsibility report is being published annually as part of the Company's annual report in compliance with the provisions of SEBI Listing Regulations, which can be accessed at <a href="http://www.biocon.com">www.biocon.com</a> .																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency. No, the Company does not conduct an independent assessment using external agencies. But all Company policies are regularly monitored and reviewed by respective policy owners

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9
The entity does not consider the Principles material to its business (Yes/No)	The Company considers all the principles material to the business. It does not currently conduct independent third-party assessments of its policies.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	No								
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	No								
It is planned to be done in the next financial year (Yes/No)	No								
Any other reason (please specify)	-								

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

### Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

#### Essential Indicators

#### 1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	8	On a periodic basis, the Company conducts familiarization programmes for its Board of Directors. The topics cover the company's overall business growth, performance in ESG and Sustainability, corporate governance practices, employee well-being, innovation and R&D and various other regulatory updates. In addition, frequent updates are shared with all the Board members apprising them on developments in the Company, key regulatory changes, risks, compliances, and legal cases.	100
Key Managerial Personnel	1 (BL)	Talent Assessment for customized development journey	53.6 (BL)
Employees other than BoD and KMPs	4,190 (BL)	The employees / workers undergo various training / awareness sessions throughout the year. The topics covered under these sessions include Talent Assessment, policy update, mandatory & functional SOP Training, Interpersonal skills & Leadership development, Business specific functional training (such as Lean 6 Sigma, Quality Refresher, CRE, etc.)	81.4 (BL)
Workers	The company does not categorize any employee under the worker category.		

#### 2. Details of fines / penalties / punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/judicial institutions, in the financial year, in the following format:

	Monetary				
	NGRBC Principle	Name of the regulatory/ Enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine					
Settlement			Nil		
Compounding fee					

NGRBC Principle	Non-Monetary		Has an appeal been preferred? (Yes/No)
	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the Case	
Imprisonment Punishment		Nil	

**3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Nil.

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, as part of the company’s code of conduct we have an anti-corruption and anti-bribery policy applicable to all its employees including part time/temporary/contractual employees, trainees, consultants, volunteers, and members of the Board of Directors. It is enshrined in the company’s code of conduct and can be accessed at <https://www.biocon.com/code-of-conduct/>. Biocon strictly prohibits any form of bribery and corruption in its operations and is committed to conduct its business ethically and transparently.

Biocon’s Supplier Code of Conduct (<https://www.biocon.com/docs/Supplier-Code-of-Conduct-2022.pdf>) highlights its commitment to prevent, detect, and tackle any form of corruption or bribery in its supply chain. It is applicable to all manufacturers, distributors, vendors, service providers and business partners.

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.**

	FY23	FY22
Directors		
KMPs	Nil	Nil
Employees		
Workers		

**6. Details of complaints with regard to conflict of interest:**

	FY23	FY22
Number of complaints received in relation to issues of Conflict of Interest of the Directors ad KMPs	Nil	Nil

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties /action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Not applicable.

## Leadership Indicators

### 1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	No. of value chain partners covered under the awareness programmes
1 (BL)	<p>We organized a detailed onsite capacity building session for our suppliers. The topics covered in the session include management of waste, water &amp; energy, roles &amp; responsibilities of suppliers, business continuity, circular economy, overview of ecovadis assessment &amp; PSCI principles and Risk management &amp; policies.</p> <p>We have also started assessing our key suppliers on key ESG and sustainability parameters. As per methodology identified, suppliers are categorized into beginner, implementer and steward as per their performance. Post assessment, gaps are communicated to the suppliers and CAPA is shared and tracked.</p>	10 (BL)

### 2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the company has a Code of Conduct (CoC) which covers the requirements related to conflict of interest. The CoC is applicable to all employees including the Board of Directors. In case of a potential conflict of interest, individuals are expected to make a full disclosure of all facts and circumstances, post which the Company reserves the right to take appropriate steps to ensure that there is a no-conflict-of-interest situation.

Additionally, in the instance of any potential conflict of interest concerning a Board member, the member notifies the Company Secretary. Annual disclosure of any conflict of interest is also provided to the Company Secretary.

Biocon Group Code of Conduct is applicable to all Directors of the Company and provides for managing 'conflict of interest' situations.

Various types of conflict of interest situations are illustrated in the Code for understanding of the Director. Further, the Code provides for disclosing any potential conflict of interest by the Director and requirement of taking a prior approval from the Board of Director to proceed with it. The Company reserves the right to take appropriate steps to ensure there is no conflict-of-interest situation. Failure to comply with the Code attracts disciplinary action including termination.

## Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

### Essential Indicators

#### 1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY23	FY22	Details of improvements in environmental and social impacts
R&D	100%	100%	For details on environmental and social benefits driven by the Company, please refer to chapters - (Human Capital), (Intellectual Capital) and (Natural Capital) of the annual integrated report.
Capex	100%	100%	



**2. Does the entity have procedures in place for sustainable sourcing? (Yes/No) If yes, what percentage of inputs were sourced sustainably?**

Please refer to page number 169-170 and 55-56 of the Integrated report and ESG Data Book respectively for overview of our procedures in place for ensuring responsible and local sourcing. We also have set systems in place to periodically evaluate our suppliers, which are mentioned in these pages.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Please refer to section “waste management” on page numbers 149-150 of the Integrated Report and page 50-51 for ESG Data Book for details on the Company’s waste management processes.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes. The company follows the guidelines related to Extended Producer Responsibility. Its waste collection and management plan is in line with applicable central and state regulations. The Company does have a formal EPR system in place and is registered with CPCB under the importer category. Various steps have been taken to responsibly collect and dispose of the various types of waste generated via its operations as highlighted in response to Q.3 above.

**Leadership Indicators**

**1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
021	Atorvastatin calcium	NA	Cradle to gate	No	No
021	Fluvastatin sodium	NA	Cradle to gate	No	No
021	Mycophenolate Mofetil(MMF)	NA	Cradle to gate	No	No
021	Mycophenolate Sodium(MPS)	NA	Cradle to gate	No	No
021	Mycophenolic acid(MPA)	NA	Cradle to gate	No	No
021	Orlistat	NA	Cradle to gate	No	No
021	Pravastatin	NA	Cradle to gate	No	No
021	Repaglinide	NA	Cradle to gate	No	No
021	Rosuvastatin calcium	NA	Cradle to gate	No	No
021	Simvastatin	NA	Cradle to gate	No	No
021	Sirolimus	NA	Cradle to gate	No	No
021	Tacrolimus	NA	Cradle to gate	No	No
021	Anidulafungin	NA	Cradle to gate	No	No
021	Orlistat	NA	Cradle to gate	No	No
021	Sitagliptin hydrochloride	NA	Cradle to gate	No	No
021	Sitagliptin phosphate anhydrous	NA	Cradle to gate	No	No
021	Sitagliptin phosphate monohydrate	NA	Cradle to gate	No	No
021	Atorvastatin calcium	NA	Cradle to gate	No	No
021	Everolimus	NA	Cradle to gate	No	No
021	Fidaxomicin	NA	Cradle to gate	No	No
021	Fingolimod hydrochloride	NA	Cradle to gate	No	No
021	Liraglutide	NA	Cradle to gate	No	No

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
021	Micafungin	NA	Cradle to gate	No	No
021	Pravastatin	NA	Cradle to gate	No	No
021	Simvastatin	NA	Cradle to gate	No	No
021	Valsartan di sodium	NA	Cradle to gate	No	No

The Company has a Life Cycle Assessment concept in place for its key products considering consecutive and interlinked stages of a product (or service) system, from raw material acquisition or generation from natural resources to final disposal.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Atorvastatin calcium	Nil	NA
Fluvastatin sodium	Nil	NA
Mycophenolate Mofetil(MMF)	Nil	NA
Mycophenolate Sodium(MPS)	Nil	NA
Mycophenolic acid(MPA)	Nil	NA
Orlistat	Nil	NA
Pravastatin	Nil	NA
Repaglinide	Nil	NA
Rosuvastatin calcium	Nil	NA
Simvastatin	Nil	NA
Sirolimus	Nil	NA
Tacrolimus	Nil	NA
Anidulafungin	Nil	NA
Orlistat	Nil	NA
Sitagliptin hydrochloride	Nil	NA
Sitagliptin phosphate anhydrous	Nil	NA
Sitagliptin phosphate monohydrate	Nil	NA
Atorvastatin calcium	Nil	NA
Everolimus	Nil	NA
Fidaxomicin	Nil	NA
Fingolimod hydrochloride	Nil	NA
Liraglutide	Nil	NA
Micafungin	Nil	NA
Pravastatin	Nil	NA
Simvastatin	Nil	NA
Valsartan di sodium	Nil	NA

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	*Recycled or reused input material to total material	
	FY23	FY22
Process Solvents	54%	70%

\*Information pertains to BL only.

**4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed of.**

Please refer to page numbers 149-150 of the Integrated Report for details on waste management through reuse, recycle and other forms of disposal undertaken by the Company.

**Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

**Essential Indicators**

**1. Employees**

**a. Details of measures for the well-being of employees.**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent employees</b>											
Male	7,741	7,741	100	7,741	100	NA	NA	NA	NA	360	4.6
Female	1,957	1,957	100	1,957	100	1,957	100	NA	NA	161	8.2
<b>Total</b>	<b>9,698</b>	<b>9,698</b>	<b>100</b>	<b>9,698</b>	<b>100</b>	<b>1,957</b>	<b>20</b>	<b>NA</b>	<b>NA</b>	<b>421</b>	<b>4.3</b>
<b>Other than Permanent employees</b>											
Male											
Female	Not Applicable										
<b>Total</b>											

**b. Details of measures for the well-being of workers:**

The Company does not have any 'Workers' as defined in the guidance note on BRSR.

**2. Details of retirement benefits:**

Benefits	FY23			FY22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF (India)	100%	100%	Y	100%	100%	Y
Gratuity (India)	100%	100%	Y	100%	100%	Y
ESI (India)	100% for applicable employees	100%	Y	100% for applicable employees	100%	Y
	(whose gross is less than 21k per month)			(whose gross is less than 21k per month)		
EPF (Malaysia)	93%	93%	Y	93%	93%	Y
SOCSSO (Malaysia)	100%	100%	Y	100%	100%	Y
EIS (Malaysia)	93%	93%	Y	93%	93%	Y
HRDF (Malaysia)	93%	93%	Y	93%	93%	Y

**3. Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company has a Code of Conduct which covers equal opportunity for all employees and the same can be accessed at <https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/>.

5. Return to work and Retention rates of permanent employees and workers that took parental leave:

Please refer to page number 54 of ESG Data Book for details on the Company's Return to work and Retention rate.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers?

Yes, the Company has a mechanism to receive and redress grievances.

If yes, give details of the mechanism in brief.

Category of employees and workers	Mechanism for grievance redressal
Permanent Workers	Biocon's Integrity Committee (IC) or Audit Committee (AC) governs the reporting and investigation of allegations of suspected unethical practices and enables the Board and employees to report their grievances. Biocon's Integrity and Whistleblower Policy enables a person to report an unethical practice in an anonymous manner, without the fear of retribution. The responsibility of the IC is to assess the concerns raised by the whistleblower and initiate appropriate corrective action. A summary of key investigations is collectively presented on a quarterly basis to the Audit Committee.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	
	The company also has an online grievance redressal mechanism managed and driven by HRBP's wherein employees can register their complaints related to operational challenges or concerns. These are further reviewed by the HR team and necessary actions are taken to resolve it. Similarly, we have a PoSH committee to redress incidents related to sexual harassment at the workplace.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

The Company is not associated with any associations or Unions.

8. Details of training given to employees and workers:

Category	FY23					*FY22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	7,741	7,544	97%	6,238	81%	7,250	6,281	87%	5,565	77%
Female	1,957	1,880	96%	1,413	72%	1,541	1,260	82%	953	62%
<b>Total</b>	<b>9,698</b>	<b>9,424</b>	<b>97%</b>	<b>7,851</b>	<b>81%</b>	<b>8,791</b>	<b>7,541</b>	<b>86%</b>	<b>6,518</b>	<b>74%</b>

The organization does not categorize anyone as a worker in the workforce.

\*Data excludes BBL Malaysia figures.

## 9. Details of performance and career development reviews of employees and worker\*

Category	FY23			FY22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	7,463	6,049	81%	7,100	5,748	81%
Female	1,693	1,222	72%	1,499	1,138	76%
<b>Total</b>	<b>9,156</b>	<b>7,271</b>	<b>79%</b>	<b>8,599</b>	<b>6,886</b>	<b>80%</b>

\*The company does not categorize any employee under the worker category.

## 10. Health and safety management system

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No).

Yes.

If yes, what is the coverage of such a system?

The system has 100% coverage, and it covers both regular employees and contractors. Our facilities are ISO 45001 certified. All internal and external stakeholders of the Company Group, including personnel associated with its joint ventures, suppliers, contractors and other stakeholders like NGO, are covered as part of the Company health and safety system.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

For details on the Company's risk management identification and control process, please refer to page numbers 75-87 of the annual Integrated report.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

Yes, we have a mechanism of near miss, unsafe act and unsafe condition reporting to enable workers to report work related hazards and hazardous situations. Safety committee meetings are in place which provides a forum for management, employees and contract workmen to come together to identify and resolve health and safety problems. The committee meets once every three months. It consists of members who represent employees from all units and departments. Line Managers ensure representation of their unit/department in the safety committee meetings. For every point raised in the meeting, the respective responsible person shall suggest the CAPA and target date is decided during the meeting.

At a department level, periodic safety meetings are conducted where workers are allowed to freely raise their concerns related to safety at the workplace. On a daily basis, the departmental head interacts with the team during Tool Box talks wherein critical action points are discussed and tasks for a day are allotted. In this forum, workmen can share their grievances and can provide suggestions for improvement.

- d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?

Yes, the Company's employees have access to non-occupational medical and healthcare services. Additionally, the company has well established occupational health centers in its facilities with a competent team of paramedics and doctors. Periodical examinations of employees are conducted to detect the initial stage of any occupational disease. Workers' access to non-occupational medical and healthcare services are facilitated through various initiatives driven by the HR and EHS team.

**11. Details of safety related incidents, in the following format:**

For details on the Company's health and safety track record over the past year, please refer to page numbers 134-135 of Human Capital chapter and page no. 55 of the ESG data book.

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

Please refer to page numbers 134-135 of the annual Integrated report for details on the measures set in place by the Company to ensure a safe working environment for all its employees.

**13. Number of complaints on the following made by employees and workers**

	FY23			FY22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

**14. Assessments for the year**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

No significant corrective action was taken or were required to be taken for addressing safety related incidents. However, work-related hazards identified as part of the routine safety visits are regularly addressed. To identify the risk and its priority, we have employed Hazard identification and risk assessment (HIRA). As part of the HIRA process, safety specialists evaluate opportunities for the prevention and mitigation of accidental injuries and occupational illnesses at the workplace. Competency of individuals is also checked to see if he/she is aware of the standard operating procedure and trained in HIRA. As an outcome of assessment, for unacceptable risks, remediation actions are defined by proposing corrective action plans and implementation of control measures.

**Leadership Indicators**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

Yes, the Company provides Group Term Life Insurance and other applicable benefits to their employees

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

All statutory compliances related to MSME vendors have been instituted and these are compiled on a regular basis. The Company procures raw materials from approved vendors, both national and international. Additionally, a periodical audit is also conducted of all critical suppliers on business sustainability parameters. The company has also instituted a checks and balances system that ensures that the company's business partners adhere to national codes on EHS and labor practices.



3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

No employee or worker has suffered high consequence work related injury/ill-health or fatality during the reporting period.

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY23	FY22	FY23	FY22
Employees	0	0	0	0
Workers	0	0	0	0

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety conditions	100%: All business partners of the Company are trained to adhere and comply with
Working conditions	EHS norms and labor practices.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable

**Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

1. Describe the processes for identifying key stakeholder groups of the entity.

Please refer to page number 55-57 under section “ESG Strategy” of the Integrated Report for the process followed by the Company to identify and interact with its key stakeholders.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government and regulatory authorities	No	By Email, through phone, In person, through meetings (visual and/or face to face)	Event driven and on need basis	Regarding ANDA/DMF/Query response submissions, GDUFA compliance activities, clarification on guidelines and advice on technical/regulatory points, controlled correspondence, Pre-ANDA meeting, CARES ACT, Marketing Application submissions, Follow ups, Discussions, Query response submissions for regulatory approvals/ permissions, Post approval variation submissions/ Fee payment correspondence, Scientific advice,

NGOs	No	Direct Engagement at the project site, CSR activities and project team engagement, visit to NGO facilities and offices	Event driven and on need basis	Provide support to NGOs for social upliftment Ensure communities we operate in are supported through a network of NGOs Creating shared value
Academia,	No	Meetings, thought leadership events, campus events	Event driven and on need basis	Transfer of knowledge through engagement with students and universities Recruitment and hiring of freshers
Employees	No	Townhalls, emails, employee engagement surveys, grievance mechanisms, training activities, and appraisals	Regular and on a continuous basis	Providing employees with adequate training and development for career progression Ensuring employees are aligned with organizational values and code of conduct Addressing employee grievances Instilling health and safety practices in the organization
Customers	Yes, based on predefined criteria such as income, gender, etc.	Customer feedback forms, emails, telephone calls	Regular and on a continuous basis	Ensuring customer satisfaction and needs are met Resolving customer grievances Providing affordable and accessible healthcare
Suppliers	No	Audits, meetings, emails, initial screening, follow ups on services	Regular and on a continuous basis	Ensuring business ethics and alignment with organizational values Ensure quality of material is met Integration of ESG aspects into supplier operations
<ul style="list-style-type: none"> <li>• Local NGOs</li> <li>• Local Health officials</li> <li>• Front-line Healthcare workers</li> <li>• Civil Society Institutions</li> <li>• Residents Welfare Associations</li> </ul>	<p>Not all stakeholder groups are considered vulnerable.</p> <p>(In the local community, the company works with the lower socio-economic section of society)</p>	Pamphlets / Community Meetings	Fortnightly/ Monthly meetings	<p>Topics of engagement:</p> <ol style="list-style-type: none"> <li>1. Building awareness towards health services</li> <li>2. Sensitization workshops on preventive health</li> <li>3. Lake management updates</li> <li>4. Civic issues</li> <li>5. Capacity Building on relevant topics in health / education</li> </ol>
Local community	Yes, based on predefined criteria such as income, gender, etc.	CSR activities, local community visits	Regular and on a continuous basis	Ensuring community growth and development with regards to employment, education, healthcare, etc.

Investors	No	- Calls/In Person Meetings(one on one/group) - Annual General Meeting - Through Press Releases and website - Publishing Annual Report - Investor Presentations	Quarterly/ Annually, Event based and need based	To discuss about business performance and outlook, details of the announced events and to discuss about concerns/issues (if any)
Shareholders	No	Shareholder meets, annual and sustainability reports, communication of financial results through emails, media and news	Annual, Quarterly, Need Basis	To discuss about business performance and outlook, details of the announced events and to discuss about concerns/issues (if any)  Ensure transparency and accountability

## Principle 5: Businesses should respect and promote human rights

### Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY23			FY22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	8,307	8,139	98%	6,839	6,298	92%
Other than permanent	1,357	1,357	100%	1,846	1,785	97%
Total employees	9,664	9,496	98%	8,685	8,083	93%

(The company does not categorize any employee under the worker category)

2. Details of minimum wages paid to employees and workers\*

Category	FY23					FY22				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Permanent	8,160	3,626	44%	4,534	56%	7,503	3,560	47%	3,943	53%
Male	6,686	2,802	42%	3,884	58%	6,340	2,948	47%	3,392	53%
Female	1,474	824	56%	650	44%	1,163	612	53%	551	47%
Other than permanent	2,158	734	34%	1,424	66%	1,846	990	54%	856	46%
Male	1,736	661	38%	1,075	62%	1,433	814	57%	619	43%
Female	422	78	18%	344	85%	413	176	43%	237	57%

\*The company does not categorize any employee under the worker category

\*Data excludes BBL Malaysia, UAE, Brazil, UK and USA numbers.

3. Details of remuneration/salary/wages, in the following format:

Details of remuneration/salary/wages	Unit	BL	BBL
<b>Male</b>			
<b>Board of Directors (BoD)</b>			
Number	No.	6	7
Median remuneration/ salary/ wages	₹ million	5.6	6.6
<b>Key Managerial Personnel</b>			
Number	No.	3	3
Median remuneration/ salary/ wages	₹ million	12.1	40
<b>Employees other than BoD and KMP</b>			
Number	No.	2,907	4,306
Median remuneration/ salary/ wages	₹ million	0.6	0.9
<b>Female</b>			
<b>Board of Directors (BoD)</b>			
Number	No.	1	1
Median remuneration/ salary/ wages	₹ million	6.5	5.9
<b>Key Managerial Personnel</b>			
Number	No.	1	2
Median remuneration/ salary/ wages	₹ million	30	18
<b>Employees other than BoD and KMP</b>			
Number	No.	501	1,358
Median remuneration/ salary/ wages	₹ million	0.5	0.8

**Note:** For BL, we have considered Dr. Kiran Mazumdar Shaw, Executive Chairperson and Mr. Siddharth Mittal, Managing Director & CEO in KMPs.

For BBL, we have considered Dr. Kiran Mazumdar Shaw, Executive Chairperson and Mr. Shreehas P Tambe, Managing Director & CEO in KMPs.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes.

Biocon's Integrity Committee (IC) or Audit Committee (AC) governs the reporting and investigation of allegations of suspected unethical practices and enables the Board and employees to report their grievances.

The company also has an online grievance redressal mechanism managed and driven by HRBP's wherein employees can register their complaints related to operational challenges or concerns. These are further reviewed by the HR team and necessary actions are taken to resolve it. Similarly, we have a PoSH committee to redress incidents related to sexual harassment at the workplace.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

For information on grievance redressal for human rights related issues, refer to section 'Human Rights' on page no. 136 of the Integrated Report.

Link to Human Rights policy: <https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/>.

Link to Whistleblower and Integrity policy: <https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/>.

**6. Number of Complaints on the following made by employees and workers:**

	FY23			FY22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	9	0	-	5	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The company has a Prevention of Sexual Harassment (PoSH) policy which strongly envisages its zero tolerance approach towards any form of discrimination and harassment. Biocon is committed to provide a workplace that is free from harassment, discrimination, victimization, regardless of gender, race, creed, religion, place of origin, sexual orientation, pregnancy, childbirth or related medical conditions, disability or economic status of a person employed or engaged by the Company. As part of the policy, Internal Complaints Committee (“ICC”) has been constituted by the Company to create awareness and redress all complaints of sexual harassment at workplace.

The company also has a Whistle Blower policy & Code of Conduct elaborating formation of committees to address cases related to discrimination. Our Whistleblower Policy enables a person to report an unethical practice in an anonymous manner, without the fear of retribution.

Link to PoSH policy: <https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/>.

Link to Whistleblower and Integrity policy: <https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/>.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes.

**9. Assessments of the year**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Assessment has been done atleast once in all entities by the independent internal auditor.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	All the compliances are tracked on an ongoing basis using a workflow, which covers all the sites/entities.
Wages	
Others – please specify	

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

No significant risks or non-compliances identified as part of the reviews carried out. The company has a process to track the closure of non-critical observations (If any) identified as a part of such reviews.

## Leadership Indicators

1. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes.

2. **Details on assessment of value chain partners.**

100%: All business partners of the company are trained to adhere and comply with EHS norms and labor practices.

## Principle 6: Businesses should respect and make efforts to protect and restore the environment

### Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Please refer to page numbers 48 of the ESG Data Book for details on the Company's energy consumption.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3. **Provide details of the following disclosures related to water, in the following format:**

Please refer to page number 147 under the Natural Capital chapter of the Integrated Report and page number 50 of the ESG Data Book for details on the Company's water consumption.

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes, the Company has a zero liquid discharge system consisting of Multiple Effect Evaporation (MEE) and Vertical Thin Film Dryer (VTDF). Water is treated in a biological treatment system, followed by a three-stage reverse osmosis system. All water is then recycled for non-process purposes. The system has 100% coverage.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Please refer to page number 49 of the ESG Data Book for details on the Company's air emissions.

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Please refer to page number 49 of the ESG Data Book for details on the Company's GHG emissions.

7. **Does the entity have any project related to reducing Greenhouse Gas emission? If Yes, then provide details.**

Yes.

For information on Greenhouse Gas reduction initiatives, refer to page no. 144-146 under the Natural Capital chapter of the Integrated Report.



**8. Provide details related to waste management by the entity:**

Please refer to section “waste management” on page number 149-151 under the Natural Capital chapter of the Report and page no. 50-51 for the ESG data book regarding details on the company’s waste generation and management processes.

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Please refer to page numbers 149-151 of the annual Integrated report for details on the Company’s waste management practices

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format.**

No Company offices are located in/around ecologically sensitive areas.

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Nil

**12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

The company is compliant with all national and state regulations.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	Nil	NA	NA	NA

**Leadership Indicators**

**1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Please refer to page number 143-144 under the Natural Capital chapter of the Integrated Report and page 48-50 for the ESG data book for details on the Company’s break-up of total energy consumed.

**2. Provide the following details related to water discharged:**

Please refer to page number 147-148 under the Natural Capital chapter of the Integrated Report and page number 50 of the ESG data book for details on the water discharged.

**3. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Please refer to page number 147 under the Natural Capital chapter of the Integrated Report for details on the company’s scope 3 emissions.

5. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Please refer to page numbers 143-149 of the annual Integrated report for initiatives/interventions undertaken by the Company to improve resource efficiency, reduce emissions/effluent discharge/waste generated.

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

The Company's Disaster Management system covers both natural disasters such as earthquakes and floods as well as manmade disasters such as bomb attacks among others with key mitigation measures in place. The authority to implement mitigation manners lies with the Site Controller, Incident Controller, Central Utility In charge and Shift Engineer in a structured manner. In case of a bomb threat, control measures as per the On Site Emergency Plan will be initiated by the Site Controller.

The Company's Information Technology (IT) team has implemented a Disaster Recovery capability which helps the organization to regain use of critical systems and IT infrastructure instantly in emergency situations and minimize the impact on business operations.

8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

No significant adverse impact has been observed from the value chain, pertaining to the environment. As part of our purchase (Link) and service (Link) order terms and conditions, each vendor has to warrant that it has read, understood and shall abide by the Biocon's Supplier Code of Conduct. At Biocon Biologics, we have also formalized our vendor evaluation portal wherein information on key Sustainability parameters (including environmental) are captured to understand the risk or identify any loophole and accordingly decision regarding or continuance of business is undertaken. We constantly check on existing or future regulations, among others on climate-related issues (e.g. emission trading schemes, energy efficiency requirements, reporting requirements, climate-related taxes etc.). Based on this, the businesses are informed on new developments and possible risks.

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

At BL, 10 critical vendors/suppliers were assessed during FY23 on ESG parameters including environmental parameters.

At BBL, 30 critical vendors were assessed during FY23 on ESG parameters including environmental parameters.

(The percentage value is very miniscule, hence presently not mentioned)

## **PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

### **Essential Indicators**

1. a. Number of affiliations with trade and industry chambers/ associations.

Twelve

- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1	Federation of Indian Export Organisation (FIEO)	-
2	Service Export Promotion Council (SEPC)	-
3	Export Promotion Council EOU'S and SEZ's (EPCES)	-
4	Bangalore Commerce & Industry Chambers (BCIC)	State
5	Confederation of Indian Industry (CII)	-
6	Hyderabad Management Association (HMA)	State
7	The Federation of Telangana Chambers of Commerce and Industry (FTCCI)	-
8	Bulk Drug Manufacturers Association (BDMA)	-
9	FICCI (Federation of Indian Chamber of Commerce and Industry)	-
10	USIBC Global Board of Directors	-
11	Association of Biotechnology Led Enterprises (ABLE)	-
12	The Association for Accessible Medicines (AAM)	-

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Nil

## PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

While the Company does not have a mandatory requirement of conducting SIA of its projects, it conducts internal assessments and identifies the impacts achieved. The details of the assessments are further shared during the CSR meetings.

The Foundation's flagship program, the eLAJ Smart Clinic platform, was developed in 2015 and deployed to transform Primary Health Centers (PHCs) into advanced clinics. The in-house developed program offers digitized consultations, advanced diagnostics, and NCDs screening. With the comprehensive Electronic Medical Report (EMR) and longitudinal patient data on the eLAJ dashboard, physicians can ensure a continuum of care and effectively manage NCDs.

Through a third-party consultant, the Biocon Foundation conducted a detailed impact assessment study to understand the positive value created by the eLAJ Smart clinics in the project's geographic locations. The key insights and findings of the study are listed below:

- 81% of the patients stated that the Biocon Foundation clinics were their first choice of a healthcare facility.
- 76% of the patients reported having received awareness about their health conditions and 71% of the patients reported having received treatment.
- 85% of the patients reported a high satisfaction level pertaining to the services and treatment provided at the clinics.
- 88% of the patients reported being able to prevent diseases due to the presence of the Biocon Foundation Geriatric clinics.
- 85% of patients reported that the doctor was aware of their medical details as Electronic Medical Records were used across all clinics.

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format.**

Not Applicable.

**3. Describe the mechanisms to receive and redress grievances of the community.**

The Company has set up mechanisms to address the grievances, contextualized for specific community programs. The strategy to address this is through structured monitoring and evaluation of all programs, with assessment of stakeholder perceptions, either through regular surveys by the Company's Foundation team or third-party impact assessment.

The main grievance of the life sciences student community is the lack of adequate practical skills that is required in the industry. Biocon Academy plays an active role in reducing the existing skill deficit and is working on transforming students into industry-ready professionals.

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY23	FY22
Directly sourced from MSMEs/ small producers	20% (BL)	19% (BL)
	20% (BBL)	25% (BBL)
Sourced directly from within the district and neighboring districts*	37% (BL)	35% (BL)
	19% (BBL)	25% (BBL)

\*All suppliers based out of Malaysia are considered for BBL Malaysia.

**Leadership Indicators**

**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above)**

The Company is not mandated to conduct SIA through a third-party. However, internal assessments are done for the projects implemented. During recent assessments, the Company has identified potential areas where negative impact could occur (e.g, Lake management, staff concerns in eLaj clinics, etc.) and necessary steps have been taken to rectify the impact. In the year under consideration, no negative impact has been identified.

**2. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

The company's supplier code of conduct governs its ethical and fair practices during engagement and onboarding of a supplier. It highlights the company's responsible conduct towards managing its supply chain. We strongly focus on local sourcing through availing services from local and small vendors spread in close proximity to our operations and facilities. We also prefer procuring from small and medium enterprises and help support their economic condition. It boosts the local economy and provides mutual benefits. It helps in reduction of our carbon footprint from transportation, increases local employment, fosters trust among local communities and minimizes disruption to the business during global crises like the COVID-19 pandemic, etc.

Additionally, there is also a strong corporate directive to develop sourcing capabilities locally. This enables the Company to achieve multiple benefits like:

- a. Shorter turn-around times for delivery
- b. Promoting Vendor-Managed Inventory, closer to our facilities.
- c. Development or promoting MSME
- d. Quicker resolution of issues pertaining to material quality
- e. Contribute to the local economy, thereby enhancing sustainability of our operations. Additionally, we aid the long-term capacity planning for such vendors by sharing forecasts for up to 12 months.

**(b) From which marginalized /vulnerable groups do you procure?**

Not applicable.

**(c) What percentage of total procurement (by value) does it constitute?**

Not applicable.

**3. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

Not applicable.

**4. Details of beneficiaries of CSR Projects:**

Please refer to page numbers 157-164 under Social and Relationship Capital of the Integrated report for details related to CSR projects executed by the company.

**PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The Company has adequate mechanisms and takes due efforts for addressing and redressal of consumer feedback and complaints. We have a dedicated pharmacovigilance team which tracks and reports complaints received via a purpose-built web portal. Stakeholders can directly report their complaints and feedback on this purpose-built portal (<https://pharmacovigilance.biocon.com/OnlineForm.aspx>).

The portal helps record information about product related issues, adverse events or side effects of our products, detailed description of the event, any further details on the severity or causality and the ultimate outcome of the event. The company also has a toll-free number, publicly available on the web portal for patients or other stakeholders to report complaints (<https://www.biocon.com/more/contact-us/>)

All reports are proactively investigated to ensure that timely action is taken where necessary.

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	
Safe and responsible usage	100%
Recycling and/or safe disposal	

**3. Number of consumer complaints in respect of the following:**

	FY23		Remarks	FY22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-

	FY23		Remarks	FY22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Delivery of essential services	56	0	-	10	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	0	0	-	0	0	-

**4. Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	4	NA
Forced recalls	0	NA

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes. The Company has a dedicated privacy policy in place for cybersecurity and risks related to data privacy. It provides information on type of personal information captured, source of data and further how it is utilized and protected. It also highlights critical pointers on a user's rights over sharing his/her personal information. The said policy can be accessed at <https://www.biocon.com/privacy-policy-biocon/>.

The Company's IT infrastructure and information security management system is certified to ISO 27001:2013 and has undergone external third-party audits. This is supplemented with third-party vulnerability analyses including stimulated hacker attacks.

Biocon's Human rights policy also provides its commitment to respecting the privacy of all individuals and confidentiality of any personal data that the Company holds about them. The said policy can be accessed at <https://www.biocon.com/investor-relations/corporate-governance/governance-documents-policies/>.

All employees of the Company undergo annual awareness training on information security/cyber security. Special sessions are also conducted over the course of the year on critical focus areas. A clear escalation matrix has been established for employees to report suspicious activities in a timely manner. Information security/ cyber security are also included as a parameter for employee performance evaluation.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

We take proactive steps in case any issue arises pertaining to any one of these categories. Corrective actions are also taken to prevent recurrences of similar instances.



**GRI INDEX**

GRI Standard Number	Disclosure number	Description	Section Title	Page No./Explanation
<b>General Disclosures</b>				
<b>GRI 2 - General Disclosures</b>	2-1	Organizational details	About Biocon Group	Integrated Report: 9 - 29
	2-2	Entities included in the organization's sustainability reporting	About the Report	Integrated Report: 4
	2-3	Reporting period, frequency and contact point	About the Report	Integrated Report: 4
	2-5	External assurance	About the Report	Integrated Report: 4
	2-6	Activities, value chain and other business relationships	About Biocon Group; Value Creation Model	Integrated Report: 9 - 29; 50
	2-7	Employees	Human Capital - An Overview of Our Workforce; ESG Data Book	Integrated Report: 122 Supplementary Databook: 51-53
	2-8	Workers who are not employees	ESG Data Book	Supplementary Databook: 51-53
	2-9	Governance structure and composition	About Biocon Group	Integrated Report: 9-17
	2-10	Nomination and selection of the highest governance body	Governance, Ethics and Compliance	Integrated Report: 70-71
	2-11	Chair of the highest governance body	Governance, Ethics and Compliance	Integrated Report: 59-61
	2-12	Role of the highest governance body in overseeing the management of impacts	Governance, Ethics and Compliance	Integrated Report: 59-61
	2-13	Delegation of responsibility for managing impacts	Risk Management	Integrated Report: 76-78
	2-14	Role of the highest governance body in sustainability reporting	ESG Strategy - ESG Governance Framework	Integrated Report: 57
	2-16	Communication of critical concerns	Governance, Ethics and Compliance	Integrated Report: 74
	2-17	Collective knowledge of the highest governance body	Governance, Ethics and Compliance - Meet the Board	Integrated Report: 60-69
	2-18	Evaluation of the performance of the highest governance body	Governance, Ethics and Compliance - Meet the Board	Integrated Report: 70
	2-19	Remuneration policies	Corporate Governance Report	Integrated Report: 258-259
	2-20	Process to determine remuneration	Corporate Governance Report	Integrated Report: 258-259
	2-22	Statement on sustainable development strategy	Chairperson's Message; Biocon Limited CEO's Message; Biocon Biologics CEO's Message; Syngene CEO's Message	Integrated Report: 30-49
	2-23	Policy commitments	Governance, Ethics and Compliance; UNGC Alignment	Integrated Report: 73, 176
	2-24	Embedding policy commitments	Governance, Ethics and Compliance - Ethics and Compliance	Integrated Report: 73, 176
	2-25	Processes to remediate negative impacts	Governance, Ethics and Compliance - Ethics and Compliance	Integrated Report: 73-74
	2-26	Mechanisms for seeking advice and raising concerns	Governance, Ethics, and Compliance	Integrated Report: 73-74

GRI Standard Number	Disclosure number	Description	Section Title	Page No./Explanation
	2-27	Compliance with laws and regulations	ESG Databook	Supplementary Databook: 45
	2-28	Membership associations	Social and Relationship Capital	Integrated Report: 170
	2-29	Approach to stakeholder engagement	ESG Strategy; BRSR Principle 4	Integrated Report: 55-57 Supplementary Databook: 26-27
	2-30	Collective bargaining agreements	Not Applicable	-
<b>GRI 3: Material Topics</b>	3-1	Process to determine material topics	Our Approach to Materiality	Integrated Report: 55-57
	3-2	List of material topics	Our Approach to Materiality	Integrated Report: 55-57
	3-3	Management of material topics	Our Approach to Materiality	Integrated Report: 55-57
<b>GRI 200 Economic Standard Series</b>				
<b>GRI 201 - Economic Performance</b>	201-1	Direct economic value generated and distributed	Financial Capital; ESG Data Book	Integrated Report: 91 Supplementary Databook: 45
	201-2	Financial implications and other risks and opportunities due to climate change	Natural Capital - Scenario Analysis	Integrated Report: 141-142
	201-3	Defined benefit plan obligations and other retirement plans	ESG Data Book	Supplementary Databook: 56
<b>GRI 203- Indirect Economic Impacts</b>	203-1	Infrastructure investments and services supported	Value Creation Model; Social and Relationship Capital	Integrated Report: 50; 154-164
	203-2	Significant indirect economic impacts	Social and Relationship Capital	Integrated Report: 154-164
<b>GRI 204: Procurement Practices</b>	204-1	Proportion of spending on local suppliers	ESG Data Book	Supplementary Databook: 55
<b>GRI 205: Anti Corruption</b>	205-1	Operations assessed for risks related to corruption	Risk Management	Integrated Report: 82
	205-2	Communication and training about anti corruption policies and procedures	Governance, Ethics, and Compliance	Integrated Report: 73-74
	205-3	Confirmed incidents of corruption and actions taken	Key Highlights - Biocon Group; ESG Databook	Integrated Report: 7 Supplementary Databook: 45
<b>GRI 206: Anticompetitive Behavior</b>	206-1	Legal actions for anticompetitive behavior, antitrust, and monopoly practices	Governance, Ethics, and Compliance	Integrated Report: 73-74
<b>GRI 300 Environmental Standards Series</b>				
<b>GRI 302 - Energy</b>	302-1	Energy consumption within the organization	ESG Data Book	Supplementary Databook: 48-49
	302-3	Energy intensity	ESG Data Book	Supplementary Databook: 48
	302-4	Reduction of energy consumption	ESG Data Book	Supplementary Databook: 48-49

GRI Standard Number	Disclosure number	Description	Section Title	Page No./Explanation
<b>GRI 303 - Water and Effluents</b>	303-1	Interactions with water as a shared resource	Natural Capital - Water Management	Integrated Report: 147-148
	303-2	Management of water discharge-related impacts	Natural Capital - Water Management; ESG Databook	Integrated Report: 147-148 Supplementary Databook: 50
	303-3	Total water withdrawal by source	ESG Data Book	Supplementary Databook: 50
	303-4	Water discharge	ESG Data Book	Supplementary Databook: 50
	303-5	Water consumption	ESG Data Book	Supplementary Databook: 50
<b>GRI 305 - Emissions</b>	305-1	Direct (Scope 1) GHG emissions	ESG Data Book	Supplementary Databook: 49
	305-2	Energy indirect (Scope 2) GHG emissions	ESG Data Book	Supplementary Databook: 49
	305-3	Other indirect (Scope 3) GHG emissions	Natural Capital - Biocon Limited Scope 3 Emissions	Integrated Report: 146
	305-4	GHG emissions intensity	ESG Data Book	Supplementary Databook: 43
	305-5	Reduction of GHG emissions	Natural Capital; ESG Data Book	Integrated Report: 144-145 Supplementary Databook: 49
	305-6	Emissions of ozone-depleting substances (ODS)	ESG Data Book	Supplementary Databook: 49
	305-7	Nitrogen Oxides (NOX), Sulphur Oxides (SOX), and other significant air emissions	ESG Data Book	Supplementary Databook: 49
<b>GRI 306 - Waste</b>	306-1	Waste generation and significant waste related impacts	Natural Capital	Integrated Report: 149-150 Supplementary Databook: 50-52
	306-2	Management of significant waste-related impact	Natural Capital - Waste Management	Integrated Report: 149-150
	306-3	Waste generated	ESG Data Book	Supplementary Databook: 50-51
	306-4	Waste diverted from disposal	ESG Data Book	Supplementary Databook: 50-51
	306-5	Waste directed to disposal	ESG Data Book	Supplementary Databook: 50-51
<b>GRI 308: Supplier Environmental Assessment</b>	308-1	New suppliers that were screened using environmental criteria	Social and Relationship Capital; ESG Data Book	Integrated Report: 166-169 Supplementary Databook: 55
	308-2	Negative environmental impacts in the supply chain and actions taken	Social and Relationship Capital	Integrated Report: 166-169
<b>GRI 400 Social Standards Series</b>				
<b>GRI 401 Employment</b>	401-1	New employee hires and employee turnover	ESG Data Book	Supplementary Databook: 52
	401-2	Benefits provided to full-time employees	ESG Data Book	Supplementary Databook: 56
	401-3	Parental leave	ESG Data Book	Supplementary Databook: 54

GRI Standard Number	Disclosure number	Description	Section Title	Page No./Explanation
<b>GRI 403 - Occupational Health and Safety</b>	403-1	Occupational health and safety management system	Human Capital	Integrated Report: 134-135
	403-2	Hazard identification, risk assessment, and incident investigation	Human Capital	Integrated Report: 134-135
	403-3	Occupational health and services	Human Capital	Integrated Report: 134-135
	403-4	Worker participation, consultation and communication on occupational health and safety	Human Capital	Integrated Report: 134-135
	403-5	Worker training on occupational health and safety	Human Capital	Integrated Report: 134-135 Supplementary Databook: 54
	403-6	Promotion of worker health	Human Capital	Integrated Report: 129; 134-135
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human Capital	Integrated Report: 134-135
	403-8	Workers covered by an occupational health and safety management system	Human Capital	Integrated Report: 134-135
	403-9	Work-related injuries	ESG Data Book	Supplementary Databook: 54
	403-10	Work-related health	ESG Data Book	Supplementary Databook: 54
<b>GRI 404- Training and Education</b>	404-1	Average hours of training per year per employee	ESG Data Book	Supplementary Databook: 53
	404-2	Programs for upgrading employee skills and transition assistance programs	Human Capital	Integrated Report: 124-128
	403-3	Percentage of employees receiving regular performance and career development reviews	Human Capital - Performance Management and Career Progression	Integrated Report: 60-69
<b>GRI 405: Diversity and Equal Opportunity</b>	405-1	Diversity of governance bodies and employees	Governance, Ethics and Compliance	Integrated Report: 59-61
<b>GRI 406: Non-Discrimination</b>	406-1	Incidents of discrimination and corrective actions taken	ESG Data Book	Supplementary Databook: 45
<b>GRI 408: Child Labor</b>	408-1	Operations and suppliers at significant risk for incidents of child labour	Human Capital; ESG Data Book	Integrated Report: 136 Supplementary Databook: 45

GRI Standard Number	Disclosure number	Description	Section Title	Page No./Explanation
<b>GRI 412: Human Rights Assessment</b>	412-2	Employee training on human rights policies and procedures	Governance, Ethics and Compliance	Integrated Report: 73-74
<b>GRI 413- Local communities</b>	413-1	Operations with local community engagement, impact assessments, and development programs	Social and Relationship Capital	Integrated Report: 158-159
	413-2	Operations with significant actual and potential negative impacts on local communities	Social and Relationship Capital	NA
<b>GRI 414: Supplier Social Assessment</b>	414-1	New suppliers that were screened using social criteria	Social and Relationship Capital; ESG Data Book	Integrated Report: 168 Supplementary Databook: 55
	414-2	Negative social impacts in the supply chain and actions taken	Social and Relationship Capital; ESG Data Book	Integrated Report: 168
<b>GRI 415: Public Policy</b>	415-1	Political contributions	ESG Data Book	Supplementary Databook: 45-46
<b>GRI 416: Customer Health and Safety</b>	416-1	Assessment of the health and safety impacts of product and service categories	Social and Relationship Capital; ESG Data Book	Supplementary Databook: 45-46
<b>GRI 418: Customer Privacy</b>	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	ESG Data Book	Supplementary Databook: 45-46
<b>GRI 419: Socio-economic Compliance</b>	419-1	Non-compliance with laws and regulations in the social and economic area	ESG Data Book	Supplementary Databook: 45-46



# ESG DATA BOOK

## Economic Performance:

BL refers to consolidated figures less figures for Biocon Biologics (India and Malaysia) and Syngene

### Economic Value Generated

Category	Unit	FY22		FY23	
		BL	BBL	BL	BBL
Total Income (Revenue)	₹ million	22,102	34,747	26,905	55,958

### Economic Value Distributed and Retained

Category	Unit	FY22		FY23	
		BL	BBL	BL	BBL
Total operating cost	₹ million	16,438	18,210	18,237	36,889
Total employee-related expenses (salaries + benefits)	₹ million	4,451	7,169	4,905	8,488
Payments to providers of capital*	₹ million	0	0	600	228
Payment to government	₹ million	436	931	569	832
Community investments	₹ million	71	43	60	50^
Economic value distributed	₹ million	21,396	26,353	23,742	46,487
Economic value retained	₹ million	706	8,394	3,163	9,471

\*Includes only Equity Capital

^Cash Spend

### Philanthropic Contributions

Category	Unit	FY22		FY23	
		BL	BBL	BL	BBL
CSR expense	₹ million	71	43	60	50^
Charitable donations	% of total CSR spend	0	0	0	0
Community investments	% of total CSR spend	100	100	100	100
Political contributions	₹ million	0	0	0	0

^Cash Spend

### R&D

Category	Unit	FY22		FY23	
		BL	BBL	BL	BBL
R&D spending	₹ million	2,481	3,100	2,166	8,890
R&D spending as percentage of sales	%	12	9	9	16
No. of R&D positions	No.	459	598	507	543

### Fines/Settlements/Complaints

Category	Unit	FY22		FY23	
		BL	BBL	BL	BBL
Fines or settlements related to anti-competitive practices	₹	0	0	0	0
Confirmed cases of corruption & bribery	No.	0	0	0	0
No. of incidents of discrimination and harassment	No.	2	3	8	1
No. of incidents of conflicts of interest	No.	0	0	0	2
No. of incidents of money laundering or insider trading	No.	0	0	0	0
No. of complaints related to child labour/forced labour/involuntary labour	No.	0	0	0	0

Category	Unit	FY22		FY23	
		BL	BBL	BL	BBL
Upheld regulatory complaints concerning marketing and selling practices	No.	0	0	0	0
Upheld self-regulatory complaints concerning marketing and selling practices	No.	0	0	0	0
Complaints concerning breaches of customer privacy and losses of customer data	No.	0	0	0	0
Total no. of information security breaches	No.	0	0	0	0
Total no. of clients, customers and employees affected by the breaches	No.	0	0	0	0

Category	Unit	FY22		FY23	
		BL	BBL	BL	BBL
Class I product recalls	No.	0	1	0	2
Class II product recalls	No.	0	0	1	1
Regulatory agency inspections	No.	3	5	9	19
Form 483 Observations (or equivalent)	No.	4	6	3	28
FDA Warning Letters (or equivalent)	No.	0	0	0	0

Category	Unit	FY22		FY23	
		BL	BBL	BL	BBL
Contributions and other spending: contribution to and spending for political campaigns, political organizations, lobbyists or lobbying organizations, trade associations and other tax-exempt groups	₹ million	0	0	0	0
Largest contribution and expenditures: contributions to or expenditures to political campaigns or organizations, lobbying, trade associations, tax-exempt entities, or other groups whose role is to influence political campaigns or public policy and legislation	₹ million	0	0	0	0

### Board Effectiveness

Category	Unit	FY23	
		BL	BBL
Average board meeting attendance	%	100	96
No. of non-executive/ independent directors with 4 or less other mandates	No.	7	8
No. of other mandates for non-executive/ independent directors restricted to	No.	7	0
Average tenure of board members in years	No.	6.8	3.5
Number of independent or non-executive members with industry experience (e.g., excludes executives)	No.	7	8

## Emerging Risks

The pharmaceutical industry is exposed to emerging risks that have the potential to disrupt operations and the entire value chain, causing substantial financial losses. As a result, we have collaborated with stakeholders to understand these risks comprehensively and have identified the most significant emerging risks that pose medium to long-term challenges for our operations. For us emerging risks are those risks that pose a threat to our business in the next 5-10 years. This enables us to manage these risks and safeguard our business proactively.

### Widespread Cybercrime and Cyber Insecurities<sup>1</sup>

The biotech and pharmaceutical industries face a growing risk from widespread cybercrime and cyber insecurities in today's digital landscape. There are primarily three types of threats that the industry faces. These are advanced persistent threats (APTs) from nation-state hackers, ransomware attacks typically carried out by criminals and insider threats posed by willing and unwitting individuals within organizations.

The potential consequences of a cyber-attack in our industry are staggering. Companies recognize that such incidents can result in stolen intellectual property, the need to repeat costly clinical trials, litigation and substantial revenue losses throughout the organization. While the industry has historically lagged behind other sectors regarding cybersecurity implementation, there is now a renewed sense of urgency. Boards of Directors are acutely aware of the impact such attacks can have on share prices and brand image. Furthermore, as data sharing becomes more prevalent across the industry, companies realize that a network breach could inflict significant reputational damage.

To mitigate these emerging risks, companies must thoroughly understand the vulnerabilities and potential threats within their organizations and those associated with third-party interactions. As a result, Biocon is actively addressing these challenges by implementing a comprehensive IT and Cybersecurity program, continuously enhancing its protocols and measures.

We achieved ISO 27001:2013 certification for our IT systems across Biocon Limited, Biocon Biologics, and Syngene. Additionally, Biocon conducts regular vulnerability assessments and annual penetration testing to identify and rectify any potential weaknesses. The Company also conducts 'red teaming' exercises annually to exploit and address system gaps proactively. In the event of an attack, Biocon leverages a sophisticated cyber-defense platform powered by artificial intelligence and machine learning to gather threat intelligence. Any perceived threat is logged and analyzed using AI systems to detect potential malware formations within the affected sections.

### Geopolitical Confrontation<sup>2</sup>

We know that geopolitical risks are becoming an increasingly significant concern for the Biocon Group. Given the global nature of our operations, there is a growing potential for the impact of these risks on our supply chains. This comes from trade disputes, armed conflict, political instability and regulatory changes disrupting our ability to source raw materials, manufacture products and distribute them worldwide.

Moreover, we are aware of how geopolitical tensions and restructuring may contribute to widespread debt distress in the coming decade. This poses an additional risk to Biocon's operations, as it could affect credit availability and create an uncertain business environment.

To mitigate these risks, Biocon is actively implementing strategies such as diversifying our supply chain network and exploring local sourcing options. By reducing dependence on specific regions or countries, we aim to enhance the resilience of our operations and better navigate potential geopolitical disruptions. Furthermore, we are training our suppliers across multiple parameters, including ESG and risk, in order to build their resilience to external shocks.

Additionally, we closely monitor geopolitical developments and engage in constructive dialogues with local stakeholders, governments and regulatory bodies. This proactive approach lets us stay informed and make timely decisions to safeguard our supply chain.

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1 Please refer to the Intellectual Capital Section, Page 111 for more information

2 Please refer to the Manufactured and Social Capital Section, Page 102 and 154 for more information

### Failure to Mitigate Climate Change<sup>3</sup>

We recognize the growing importance of climate change mitigation in recent years. We have observed an increasing number of corporations, governments and individuals taking action to address climate change, albeit to varying extents globally. While this shift is positive, it is evident from climate-related publications that current efforts and commitments are insufficient to limit global temperature rise to 1.5 degrees Celsius by the end of the century. This projected impact on communities, including the global business ecosystems, raises our concerns.

The anticipated consequences of rising global temperatures, such as sea level rise and erratic weather events like droughts and floods, have the potential to significantly affect not only businesses and governments but also individuals. Low - and medium - income countries are particularly vulnerable to these effects due to their limited capacity to recover from such challenges.

In understanding the collective nature of effective climate change mitigation, we, as a Group, have been actively improving our climate-oriented interventions year after year. At Biocon Limited, we have undertaken TCFD and scenario analysis to assess and prepare for both physical and transition risks associated with climate change.

Further, we continue to strongly emphasize implementing energy-efficient manufacturing systems across our operations. We are actively transitioning to green energy sources to reduce our carbon footprint through energy-efficient measures. We have also conducted comprehensive scope three emission calculations.

## Environmental Performance

### Energy Consumption

Category	Unit	FY22		FY23	
		BL	BBL	BL	BBL
Diesel	MWh	12	12	4	4
Coal	MWh	24,383	0	20,472	0
Furnace oil	MWh	0	0	0	0
Natural gas	MWh	116,359	92,564	118,954	95,226
LPG	MWh	0	2	0	1
Biomass	MWh	1,379	75,867	11,868	87,677
<b>Total fuel</b>	<b>MWh</b>	<b>142,133</b>	<b>168,445</b>	<b>151,298</b>	<b>182,908</b>

\*In the current report, conversion factor from IPCC 2022 database has been considered to convert coal and diesel into energy. In the previous year, the factor was using Defra's database.

Category	Unit	FY22		FY23	
		BL	BBL	BL	BBL
Grid power	MWh	47,000	96,081	44,000	89,562
Renewable power	MWh	56,000	54,000	68,000	70,367
<b>Total electricity</b>	<b>MWh</b>	<b>103,000</b>	<b>150,081</b>	<b>112,000</b>	<b>159,929</b>
% Renewable power	Mwh	54%	36%	61%	44%

Category	Unit	FY22		FY23	
		BL	BBL	BL	BBL
Total Non-Renewable Energy	MWh	187,755	188,659	183,430	184,792
Renewable Energy	MWh	57,379	129,867	79,868	158,044
<b>Total Energy</b>	<b>MWh</b>	<b>245,134</b>	<b>318,526</b>	<b>263,298</b>	<b>342,836</b>

Note: Non-Renewable Energy include component of grid electricity and non-renewable fuel consumption

Renewable Energy include component of Biomass and Renewable electricity

<sup>3</sup> Please refer to the Natural Capital Section, Page 137 and 142 for more information

## Energy and GHG Saving Initiatives

Initiatives	Initiative Site Location	BL		BBL		BL + BBL	
		Energy Offset (MWh)	GHG Savings (tCO <sub>2</sub> e)	Energy Offset (MWh)	GHG Savings (tCO <sub>2</sub> e)	Energy Offset (MWh)	GHG Savings (tCO <sub>2</sub> e)
Energy reduction due to renewable power consumption	Bengaluru	68,000	48,960	70,360	50,659	138,360	99,619
Other Energy Consumption Reduction Initiatives (e.g. water-cooled chillers and centrifugal air compressors, etc.)	Bengaluru	3,320	2,390	90	65	3,410	2,455
Switching of fuel from non-renewable to renewable fuel	Bengaluru	47,086	8,219	NA	NA	47,086	8,219
	Vishakhapatnam, Hyderabad	34,175	6,123	NA	NA	34,175	6,123
Energy efficient Economizers in boilers for steam generation	Bengaluru	11,033	1,926	NA	NA	11,033	1,926
<b>Total Energy Offset and Carbon footprint Reduction</b>		<b>163,614</b>	<b>67,618</b>	<b>70,450</b>	<b>50,724</b>	<b>234,064</b>	<b>118,342</b>

## GHG emissions

Category	Unit	FY22		FY23	
		BL	BBL	BL	BBL
Scope 1: Direct emissions	tCO <sub>2</sub>	28,157	18,670	31,456	18,190
Scope 2: Indirect emissions	tCO <sub>2</sub>	43,240	86,745	31,809	54,923
<b>Total GHG emissions</b>	<b>tCO<sub>2</sub></b>	<b>71,397</b>	<b>105,415</b>	<b>63,265</b>	<b>73,113</b>
GHG emission intensity	tCO <sub>2</sub> eq/Revenue in million ₹	3.11		1.64	

## Emissions of ozone-depleting substances (ODS)\*

Category	Unit	BL+BBL (FY22)	BL+BBL (FY23)
HCFC-22 or R-22	tonnes	0.7	0.06

\*Excludes BBL Malaysia

## Air Pollutant Management

Category	Unit	FY22	FY23
		BL + BBL	BL+BBL
Particulate matter (PM)	Tons	31.2	0.4
Nitrogen Oxide (NOx)	Tons	0.76	0.8
Sulfur Oxide	Tons	9.4	0

Note: Excludes BBL Malaysia

Only levels are monitored for Persistent Organic pollutants (POP), Volatile Organic Compounds (VOC), Hazardous Air Pollutants (HAP). All the pollutants are within the regulatory limit.



### Water Withdrawal, Consumption and Discharge

Category	Unit	FY22	FY23
		BL + BBL	BL + BBL
<b>Water Withdrawal</b>			
Surface water (river, pond, lake, etc.)	million m3	0	0
Groundwater	million m3	0	0
Third party water/ Municipality	million m3	1.7	1.5
Rainwater - pit	million m3	0	0
Other sources - Tanker	million m3	0	0.1
<b>Total Withdrawal</b>	<b>million m3</b>	<b>1.7</b>	<b>1.6</b>
<b>Water Consumption</b>			
Total water consumption	million m3	1.7	1.6
<b>Water Recycle</b>			
Recycled / Reused water as a percentage of total water withdrawal	%	69%	78%*
<b>Water Discharge</b>			
Surface water	million m3	0	0
Groundwater	million m3	0	0
Seawater	million m3	0	0
Sent to third parties	million m3	0.01	0.03
Other	million m3	0.03	0.1
<b>Total water discharged</b>	<b>million m3</b>	<b>0.04</b>	<b>0.1</b>

\*Recycled water used in utilities is considered. Reject water which will go for further ETP process is not considered.

### Waste generation and disposal and method

Category	Unit	FY22	FY23
		BL + BBL	BL + BBL
<b>Waste Generated</b>			
Plastic waste	Tons	1.9	360.5
E-waste	Tons	10.2	24.1
Bio-medical waste	Tons	139.8	54.1
Construction and demolition waste	Tons	0	0
Battery waste	Tons	6.7	2.8
Radioactive waste	Tons	0	0
Other hazardous waste generated	Tons	13,709.3	0.4
<b>Total Hazardous Waste</b>	<b>Tons</b>	<b>13,959.7</b>	<b>17578.8</b>
<b>Total Non-Hazardous Waste</b>	<b>Tons</b>	<b>6,570</b>	<b>10,124</b>
<b>Total Waste Generated</b>	<b>Tons</b>	<b>34,393.7</b>	<b>27,703</b>

Category	Unit	FY22	FY23
		BL + BBL	BL + BBL
<b>Hazardous Waste Management</b>			
Authorized BMW waste handler	Tons	139.8	54.1
Authorized disposal agency	Tons	0	160.6
Authorized e-waste recycler	Tons	10.2	23.4
Authorized plastic recycler	Tons	8,248.5	8,541.2
Authorized re-processor	Tons	65.9	6.6
Authorized TSDF	Tons	4,776.3	6237.0
Total Recycled/Reused	Tons	0	1,634.9
Incineration/co-processing	Tons	627.9	245.0
Other disposal operations	Tons	7,219	836.6
Unknown Disposal method	Tons	0	0.1
<b>Total Disposed</b>	<b>Tons</b>	<b>21,087.6</b>	<b>17,739.5</b>

Category	Unit	FY22	FY23
		BL + BBL	BL + BBL
<b>Non-Hazardous Waste Handling</b>			
Authorized disposal agency	Tons	0	1,055.3
Authorized recycler	Tons	1,851.6	1,003
Composting	Tons	0	1,952.2
Co-Processing	Tons	7,153	6,576.4
Recycling or Reusing	Tons	0	649.5

#### Biocon Total- Products and packaging reclaimed at end of life of products

Category	FY 22			FY23		
	Re-Used (MT)	Recycled (MT)	Safely Disposed (MT)	Re-Used (MT)	Recycled (MT)	Safely Disposed (MT)
Plastics (including packaging)	0	0	0	2.3	88.9	0
E-waste	0	0	10.2	0	3.9	6.1
Hazardous waste	0	0	13707.5	1634.9	6.1	3303.5
Other waste	0	0	13728.2	0	218.9	0

### Social Performance

#### Employee Information

Category	Employees	Unit	FY22			FY23		
			BL	BBL	Total	BL	BBL	Total
Senior management (L12+)	Male	No.	56	81	137	69	96	165
	Female	No.	10	10	20	11	15	26
	<30	No.	0	0	0	0	0	0
	30-50	No.	42	61	103	54	77	132
	>50	No.	24	30	54	26	34	60
Middle management (L5-11)	Male	No.	1,125	1,982	3,107	1,297	2,285	3,582
	Female	No.	181	344	525	198	443	641
	<30	No.	45	173	218	41	277	318
	30-50	No.	1,207	2,115	3,322	1,385	2,409	3,794
	>50	No.	54	38	92	69	42	111
Junior management (L1-L4)	Male	No.	2,040	1,974	4,014	2,069	1,925	3,994
	Female	No.	265	721	986	391	899	1,290
	<30	No.	1,309	1,725	3,034	1,458	2,108	3,566
	30-50	No.	987	968	1,955	989	711	1,700
	>50	No.	9	2	11	13	5	18
Contractual employees	Male	No.	753	934	1,687	1,063	674	1,737
	Female	No.	192	277	469	208	214	422
	<30	No.	279	669	948	449	512	961
	30-50	No.	604	527	1,131	749	360	1,109
	>50	No.	62	15	77	72	16	88

### New Employee Hires

Category	Employees	Unit	FY22			FY23		
			BL	BBL	Total	BL	BBL	Total
Senior management (L12+)	Male	No.	12	22	34	14	21	35
	Female	No.	1	3	4	0	2	2
	<30	No.	0	0	0	0	0	0
	30-50	No.	8	18	26	14	20	34
	>50	No.	5	7	12	0	3	3
Middle management (L5-11)	Male	No.	232	481	713	249	719	968
	Female	No.	61	107	168	63	138	201
	<30	No.	29	106	135	30	202	232
	30-50	No.	259	480	739	281	651	932
	>50	No.	5	2	7	1	4	5
Junior management (L1-L4)	Male	No.	753	712	1,465	590	675	1,265
	Female	No.	161	261	422	221	450	671
	<30	No.	757	829	1,586	672	1,013	1,685
	30-50	No.	157	144	301	139	112	251
	>50	No.	0	0	0	0	0	0

### Hiring Trends

Category	FY22		FY23	
	BL	BBL	BL	BBL
Percentage of open positions filled by internal candidates (internal hires)	NA	7	6	5
Average hiring cost/FTE (In ₹)	36,532	NA	38,549	NA

### Employee Turnover

Category	Employees	Unit	Biocon Total (FY22)			Biocon Total (FY23)		
			BL	BBL	Total	BL	BBL	Total
Senior management (L12+)	Male	No.	13	21	34	13	16	29
	Female	No.	4	1	5	0	0	0
	<30	No.	0	0	0	0	0	0
	30-50	No.	12	16	28	8	8	16
	>50	No.	5	6	11	5	8	13
Middle management (L5-11)	Male	No.	261	448	709	198	608	806
	Female	No.	57	92	149	49	100	149
	<30	No.	16	64	80	15	144	159
	30-50	No.	293	468	761	227	552	779
	>50	No.	9	8	17	5	12	17
Junior management (L1-L4)	Male	No.	497	531	1,028	409	521	930
	Female	No.	104	161	265	80	210	290
	<30	No.	369	430	799	335	581	916
	30-50	No.	229	262	491	154	150	304
	>50	No.	3	0	3	0	0	0

## Voluntary Turnover

Category	Employees	Unit	Biocon Total (FY23)	
			BL	BBL
Senior management (L12+)	Male	No.	10	11
	Female	No.	0	0
	<30	No.	0	0
	30-50	No.	7	6
	>50	No.	3	5
Middle management (L5-11)	Male	No.	180	498
	Female	No.	48	93
	<30	No.	14	109
	30-50	No.	212	474
	>50	No.	2	8
Junior management (L1-L4)	Male	No.	337	464
	Female	No.	66	197
	<30	No.	270	523
	30-50	No.	133	138
	>50	No.	0	0

## Workforce Breakdown: Gender

Category	Unit	Biocon Total (FY22)			Biocon Total (FY23)		
		BL	BBL	Total	BL	BBL	Total
No. of women in total permanent workforce	No.	456	1,075	1,531	600	1,357	1,957
Percentage of women in total permanent workforce (as % of total permanent workforce)	%	12	21	17	15	24	20
No. of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions	No.	2	2	4	2	2	4
Percentage of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions (as % of total top management positions)	%	11	9	10	12	7	8

## Share of women in select roles

Category	FY23	
	BL	BBL
Share of women in STEM-related positions (as % of total STEM positions)	13	23
Share of women in management positions in revenue-generating functions (as % of all such managers)	10	12

## Trainings Man Hours

Category	FY22			FY23		
	BL	BBL	BL + BBL	BL	BBL	BL + BBL
Total training hours	51,468	126,796	178,264	111,459	141,099	252,558
Average training hours	14	25	20	28	25	26

### Trainings Man Hours (Gender and Management wise)

Category	FY23		
	BL	BBL	BL + BBL
Senior Management (L12+)	1,338	2,812	4,150
Middle Management (L5-L11)	36,781	70,550	107,331
Junior Management (L1-L4)	73,340	67,737	141,077
Male	98,083	108,759	206,842
Female	13,376	32,340	45,716

### Parental Leave\*

Category	Unit	FY22		FY23	
		BL	BBL	BL	BBL
Employees entitled for maternity leave	No.	486	1,068	534	1,352
Employees that took maternity leave	No.	26	61	22	71
Employees that returned to work in the reporting period after maternity leave ended	No.	22	40	15	41
Employees that returned to work after maternity leave ended and were still employed 12 months after their return to work	No.	10	44	17	37
Rate of return to work who took maternity leave	%	69%	74%	88%	66%
Retention rates of employees that took maternity leave	%	83%	73%	77%	93%

Note - Based on returning date of employees

### Type of Individual Performance Appraisal and Employee Engagement

Category	Unit	FY23	
		BL	BBL
Management by objectives: systematic use of agreed measurable targets by line superior	% of All Employees	100	100
Formal comparative ranking of employees within one employee category	% of All Employees	100	100

### Health and Safety (contains combined figures for permanent and contractual employees)

S. No.	Category	Unit	Biocon Total (FY22)		Biocon Total (FY23)	
			BL	BBL	BL	BBL
1	Fatalities	No.	0	0	0	0
2	Near-miss incidents	No.	31	68	48	58
3	Occupational disease cases	No.	0	0	0	0
4	Recordable injuries which are lost time*	No.	0	7	0	12
5	Reportable Injuries (Total)** Note: Only lost time injuries will be considered here.	No.	0	7	0	0
6	Man hours worked	No.	12,478,464	110,531,168	12,855,120	113,804,068
7	Total working days scheduled for the workforce	No.	288	288	290	290
8	Lost time injury frequency rate (LTIFR)	Rate	0	0.06	0	0
9	High consequence work-related injury/ ill-health/ fatalities	No.	0	0	0	0

\*Recordable work related injuries as per OSHA

\*\*Loss time work related injuries as per Factories Act

## Suppliers and Procurement Spend\*

Category	Unit	FY22		FY23	
		BL	BBL	BL	BBL
<b>Supplier Count<sup>^</sup></b>					
Total suppliers	No.	2,050	596	2,075	652
Critical suppliers**	No.	25	34	23	30
Non-critical suppliers	No.	2,025	562	2,052	622
Total tier-1 suppliers	No.	2,050	596	2,075	652
Total Critical tier-1 suppliers	No.	25	34	3	30
Non-critical tier-1 suppliers	No.	2,025	562	2,052	622
Critical Non tier-1 suppliers	No.	0	0	0	0
<b>Procurement Spend</b>					
Total procurement spend	₹ million	15,305	12,120	17,206	19,862
Procurement spend on critical suppliers	₹ million	7,653	6,181	8,578	10,725
Procurement spend on non-critical suppliers	₹ million	7,652	5,938	8,628	9,137
Procurement spend on locally-based suppliers***	₹ million	5,298	3,030	6,335	3,774
Procurement spend on critical tier-1 suppliers as % of total tier 1 suppliers	%	50%	51%	49%	54%
Procurement spend on Non-Critical Tier-1 suppliers as % of total tier 1 suppliers	%	50%	49%	51%	46%

\*Excludes capital goods, spares, samples, finished goods and intercompany transfers.

\*\*Criticality based on spend value – suppliers accounting for 50% of spend value in respective years considered as critical.

\*\*\*Suppliers from the same or neighbouring districts as the respective facilities of BL and BBL India considered as local. For BBL Malaysia, all suppliers based out of Malaysia are considered as local.

<sup>^</sup>Supplier count for FY22 has increased as compared to what was reported in the FY22 ESG Report due to the change in scope. Last year, only direct procurement groups were considered for FY22. Current report includes both direct and indirect procurement groups for products and services.

## KPIs for Supplier Assessment and Development

### A. Coverage and progress of our supplier assessment program

S. No.	Supplier Assessment	Unit	BBL (FY23)
1.1	Total number of suppliers assessed via desk assessments/ on-site assessments	No.	30
1.2	Number of suppliers assessed with substantial actual/ potential negative impacts	No.	0
1.3	% of significant suppliers assessed	%	100%
1.4	% of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	%	0
1.5	Number of suppliers with substantial actual/potential negative impacts that were terminated	No.	0

### B. Coverage and progress of suppliers with corrective action plans

S. No.	Corrective action plan support	Unit	BBL (FY23)
1.1	Total number of suppliers supported in corrective action plan implementation	No.	0
1.2	% of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	%	0

### C. Coverage and progress of suppliers in capacity building programs

S. No.	Capacity building programs	Unit	BBL (FY23)
1.1	Total number of suppliers in capacity building programs	No.	0
1.2	% of significant suppliers in capacity building programs	%	0

**Benefits provided to Permanent employees and Temporary employees\***

Category/Types of benefits provided	Biocon Total (FY23) – Both Biocon and Biocon Biologics	
	Permanent Employees	Contractors
Life insurance	Yes	No
Health insurance	Yes	Yes
Accident insurance	Yes	Yes
Parental Medical Insurance (including paternity leave option from Biocon Biologics, Malaysia)	Yes	Yes
Disability	Yes	Yes
Parental leave (**maternity leave or paternity leave)	Yes	Yes
Marriage leave (additional to normal leaves allotted)	No	No
Bereavement leave (additional to normal leaves allotted)	Yes	No
Leave for Haj (additional to normal leaves allotted)	No	No
Leave for Baptism (additional to normal leaves allotted)	No	No
Leave for Circumcision Ceremony (additional to normal leaves allotted)	No	No
Retirement provision	No	No
Stock ownership	*Yes	No
Transportation	Yes	Yes
Housing	No	No
Food allowance	Yes	Yes
Extra paid holidays	Yes	Yes
Citizenship leave	No	No
Children education reimbursement	Yes	No
Higher education policy	Yes	No
Day care facilities	Yes	Yes
Employee car scheme policies*	Yes	No

\*For select cadres of employees

\*\*Maternity, surrogacy and adoption



## INDEPENDENT ENVIRONMENT PERFORMANCE VERIFICATION STATEMENT

### Introduction

DNV Business Assurance India Private Limited ('DNV') has been commissioned by the management of Biocon Limited ('Biocon' or 'the Company', Corporate Identity Number L24234KA1978PLC003417) to carry out a verification of its Environment Performance Verification (Scope 1 and Scope 2 Greenhouse Gas ('GHG'), waste, water data for the period 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023 for its Five manufacturing facilities in India. Biocon has monitored waste and water disclosures in bespoke spreadsheets as per CDP requirements. Similarly, Biocon's GHG data is prepared in bespoke spreadsheets based on the principles of ISO14064-1, CDP, Emission factors from the Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment Report, DEFRA Greenhouse gas reporting: conversion factors 2023, Central Electricity Authority, Govt. of India and Emission Factors for Greenhouse Gas Inventories, US EPA.

DNV has carried out this customized verification engagement in accordance with DNV's verification methodology VeriSustain™<sup>1</sup> and this provides a limited level of verification of selected waste, water and GHG emission data while applying a ±5% materiality threshold for errors and omissions. The verification was carried out during May 2023 - July 2023 by a team of qualified sustainability and GHG assessors.

### Scope, Boundary and Limitations of Verification

The scope of work agreed includes the following:

- Verification of GHG (Scope 1 and Scope 2) emissions data, waste, water data from various activities covering the period 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023 considering selected samples for a limited level of verification as per DNV VeriSustain™.
- The boundary of verification included:
  - Five Manufacturing plants in India (located at Karnataka, Telangana & Andhra Pradesh).
- Review of emission sources under Biocon's operational control including review of the Company's internal protocols and processes related to the collection and collation of its waste, water, GHG emissions sources.
  - Verification of GHG emissions from the Company's operations, comprising of:
    - Scope 1 due to combustion of fossil fuels and other emissions, such as
      - Combustion of high-speed diesel (HSD) for diesel generators
      - Combustion of Biomass (agro waste briquettes) in Boiler
      - Combustion of Coal in Boiler
      - Combustion of Natural Gas in Boiler
    - Scope 2 emissions due to purchased electricity from Integrated national grid in India.

The Company's EHS & Sustainability team is responsible for the collection, analysis, aggregation and presentation of data and information related to its GHG assertions based on methodologies defined in frameworks and standards such as ISO14064-1, CDP, Emission factors from the Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment Report, DEFRA Greenhouse gas reporting: conversion factors 2023, Central Electricity Authority, Govt. of India and Emission Factors for Greenhouse Gas Inventories, USEPA, by adopting the 'operational control' model as a performance data consolidation approach.

Our responsibility of performing this work is to the management of the Company only and in accordance with the scope of work agreed with the Company. The verification engagement is based on the assumption that the data and information provided to us is complete, sufficient and true. We disclaim any liability or co-responsibility for any decision a person or entity would make based on this verification statement. No external stakeholders were interviewed as part of this verification engagement.

### Verification Methodology

We planned and performed our verification work to obtain the evidence we considered necessary to provide a limited level of verification, while adopting a risk-based approach towards selection of samples for assessing the robustness of the underlying data management system, information flow and controls. We carried out the following activities:

- Desk review of the Scope 1 and Scope 2 emissions activity, reported waste, water values and associated data for the period - 1<sup>st</sup> April 2022 – 31<sup>st</sup> March 2023 captured in bespoke spreadsheets.
- Review of the standard operating procedures ('SOPs') for GHG Management System as well as the Company's GHG data management processes used to generate, aggregate, and report the GHG data, as well as assessment of the completeness, accuracy and reliability of the data.
- Reviews of Waste, Water, GHG data aggregation system in place including forms and formats, assumptions, as well as associated emission factors and calculation methodologies.
- Sampling of activity data for verification in line with the requirements for a limited level of verification.

<sup>1</sup> The VeriSustain protocol is based on the principles of various assurance standards including International Standard on Assurance Engagements 3000 (ISAE 3000) Revised (Assurance Engagements other than Audits or Reviews of Historical Financial Information) and the GRI Principles for Defining Report Content and Quality, international best practices in verification and our professional experience; and is available on request from [www.dnv.com](http://www.dnv.com)

- Onsite visits to the operational plants of the Company at Biocon Campus & Biocon Park, Bengaluru (Karnataka), and 2 Manufacturing Plants at Vishakhapatnam (Andhra Pradesh) in India for verifying the identified activities and emission sources and related evidence at the plant on a sample basis.
- Interaction with key managers and data owners to review data systems related to the GHG inventory including reviews of emission factors and assumptions used for calculation methodology.

## Conclusion

On the basis of our verification methodology and scope of work agreed upon, nothing has come to our attention to suggest that the Environment performance data (waste, water, GHG emissions) as brought out below are not materially correct and is not a fair representation of the Scope 1 and Scope 2 GHG emissions of Biocon Limited for the reporting period. Some data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors and the errors have been corrected.

Location (Manufacturing Plant)	GHG sources	Scope-1 (tCO <sub>2</sub> e)	Scope-2 (tCO <sub>2</sub> e)	Total (tCO <sub>2</sub> e)
1. Biocon Campus-Bengaluru 2. Biocon Park-Bengaluru 3. Biocon Limited-Hyderabad 4. Biocon Limited-Vishakhapatnam 5. Biocon Limited-Vishakhapatnam	Diesel	4,287.81		4,287.81
	Biomass	4,573.75		4,573.75
	Coal	6,604.88		6,604.88
	Natural Gas	40,369.41		40,369.41
	Electricity		43,502.09	43,502.09
<b>Total GHG emission (Scope 1 &amp; 2) in tCO<sub>2</sub>e</b>				<b>99,337.94</b>

Note 1: Calculation of Scope 1 GHG emissions is based on factors and equations considered from the CDP, Emission factors from the Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment Report, DEFRA Greenhouse gas reporting: conversion factors 2023 and Emission Factors for Greenhouse Gas Inventories, US EPA.

Note 2: Scope 2 emissions for Indian operations are calculated based on the Grid Electricity EF - Central Electricity Authority, Govt. of India, CO<sub>2</sub> baseline database for Indian Power Sector, version 18, December 2022 EF considered is 0.715 kgCO<sub>2</sub> per kWh <https://cea.nic.in/cdm-co2-baseline-database/?lang=en>

Further, for Waste and Water reported values verified as follows:

Location (Manufacturing Plant)	Environmental parameter	Quantity
<b>Water (KL)</b>		
1. Biocon Campus-Bengaluru 2. Biocon Park-Bengaluru 3. Biocon Limited-Hyderabad 4. Biocon Limited-Vishakhapatnam 5. Biocon Limited-Vishakhapatnam	Water Withdrawal (KL)	1124154.00
	Water consumption (excluding consumption of recycled water) (KL)	1140714.52
	Water Recycled (KL)	674008.00
	Recycled / Reused water as a percentage of total water withdrawal (%)	60%
	<b>Total Water Discharge (KL)</b>	<b>31052.00</b>
	<b>Waste (Tons)</b>	
	Total Hazardous Waste	17322.97
	Total Non Hazardous Waste	10041.39
	<b>Total Waste Generated</b>	<b>27364.37</b>
	Other Waste (plastic, E-waste, Bio-medical waste)	186.10
	Food waste	154.77
	<b>Total Waste Recovered (Recycled, Re-used)</b>	<b>6827.81</b>
	Other disposal operation (other than incineration, landfilling)	824.94
	Hazardous waste disposed	16563.57
	Non-Hazardous waste Handled	10171.38

## DNV's Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct during the verification engagement and maintain independence where required by relevant ethical requirements as detailed in DNV VeriSustain™. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statements or data except for this Verification Statement. DNV maintains complete impartiality toward stakeholders interviewed during the

verification process. DNV did not provide any services to Biocon Limited or its subsidiaries in the scope of verification during 2022-2023 that could compromise the independence or impartiality of our work.

For DNV Business Assurance India Private Limited,

<p><b>Chaudhari, Tushar</b> Digitally signed by Chaudhari, Tushar Date: 2023.07.17 16:29:09 +05'30'</p> <p>Tushar Chaudhari Lead Verifier DNV Business Assurance India Private Limited, India.</p>	<p><b>Sharma, Anjana</b> Digitally signed by Sharma, Anjana Date: 2023.07.17 16:42:10 +05'30'</p> <p>Anjana Sharma Technical Reviewer DNV Business Assurance India Private Limited, India.</p>
<p>Goutam Banik (Verifier), Anamika Kumari (verifier)</p>	

India, 17<sup>th</sup> July 2023

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*DNV Business Assurance India Private Limited is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. [www.dnv.com](http://www.dnv.com)*

**Note:** Central Utilities (Energy & Water) are common for Biocon, Biocon Biologics & Syngene at Bengaluru facilities.

# Notice

Notice is hereby given that the 45<sup>th</sup> Annual General Meeting (“AGM”) of the Members of Biocon Limited will be held on Friday, August 11, 2023, at 3:30 P.M. (IST) through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) facility, to transact the following businesses:

## ORDINARY BUSINESS:

**Item No. 1: To receive, consider and adopt the Audited Financial Statements (including audited consolidated financial statements) of the Company for the Financial Year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon.**

To consider and if thought fit, to pass the following resolution, as an **Ordinary Resolution**:

**“RESOLVED THAT** the audited financial statements (standalone and consolidated) of the Company for the Financial Year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.”

**Item No. 2: To appoint Prof. Ravi Mazumdar (DIN: 00109213) as director, liable to retire by rotation, and being eligible, offers himself for re-appointment.**

To consider and if thought fit, to pass the following resolution, as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Prof. Ravi Mazumdar (DIN: 00109213), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby appointed as a Director of the Company.”

**Item No. 3: To declare a final dividend of ₹ 1.50 per equity share for the Financial Year ended March 31, 2023.**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** the final dividend at the rate of 30% i.e. ₹ 1.50/- per equity share of face value of ₹ 5/- each fully-paid up of the Company, as recommended by the Board of Directors for the Financial Year ended March 31, 2023, be and is hereby

declared and that such dividend be paid to those equity shareholders whose names appear in the Register of Members as on the record date fixed for the purpose.”

## SPECIAL BUSINESS:

**Item No. 4: To ratify the payment of remuneration to the Cost Auditors for the Financial Year 2023-24.**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. Rao Murthy & Associates, Cost Accountants having Firm Registration Number 000065, appointed by the Board of Directors of the Company as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2024, amounting to ₹ 4,40,000 (Rupees Four Lakhs Forty Thousand only) (excluding all taxes and reimbursement of out of pocket expenses) be and is hereby ratified and confirmed;

**RESOLVED FURTHER THAT** any Director or Key Managerial Personnel of the Company be and are hereby severally authorised for and on behalf of the Company to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board of Directors

Sd/-

Place: Bengaluru

Date: May 23, 2023

**Mayank Verma**

Company Secretary

Membership No: ACS 18776

## Biocon Limited

Regd. Office: 20<sup>th</sup> KM, Hosur Road,  
Electronic City, Bengaluru – 560 100

CIN: L24234KA1978PLC003417

Email: co.secretary@biocon.com;

Website: www.biocon.com

Phone: 080 – 2808 2808

Fax: 080 - 2852 3423

## NOTES:

1. The Ministry of Corporate Affairs ('MCA'), Government of India, vide General circular nos. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 2022 ("MCA Circulars"), permitted conduct of Annual General Meeting ('AGM') through video conferencing (VC) or other audio visual means (OAVM) and dispensed personal presence of the members at the AGM and prescribed the specified procedures to be followed for conducting the AGM through VC/OAVM. Accordingly, in accordance with the MCA Circulars, applicable provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the 45<sup>th</sup> AGM of the Members of the Company will be held through VC/OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only. The deemed venue for the meeting shall be Biocon Campus, Biocon Limited, 20<sup>th</sup> KM, Hosur Road, Bengaluru.
2. The detailed procedure for participating in the meeting through VC/OAVM is annexed herewith (Refer serial no. 38) and the same will also be available at the website of the Company at [www.biocon.com](http://www.biocon.com).
3. The Company has appointed M/s. KFin Technologies Limited, Registrars and Transfer Agents ('RTA') of the Company, to provide VC/OVAM facility for the 45<sup>th</sup> AGM of the Company.
4. The helpline number regarding any query/assistance for participation in the AGM through VC/OAVM is 1800 309 4001 (toll free).
5. **Proxies:** Since the 45<sup>th</sup> AGM of the Company is being held pursuant to the MCA and SEBI Circulars through VC/OAVM, where physical attendance of Members has been dispensed with, accordingly, the facility for appointment of proxies by the Members under Section 105 of the Act will not be available for this AGM. Hence, the Proxy Form and Attendance Slip are not annexed to this Notice.
6. Institutional/Corporate Members are encouraged to attend and vote at the meeting through VC/OVAM. We also request them to send, a duly certified copy of the Board Resolution/Authority Letter etc., authorizing their representative to attend the AGM through VC / OAVM and vote through remote e-voting on their behalf to the Scrutinizer at email [sree@sreedharancs.com](mailto:sree@sreedharancs.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com) and [co.secretary@biocon.com](mailto:co.secretary@biocon.com) pursuant to Section 113 of the Companies Act, 2013.
7. The facility for joining AGM through VC/OVAM will be available for up to 1,000 Members and Members may join on first come first serve basis. However, the above restriction shall not be applicable to members holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel(s), the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutinizers etc. Members can login and join 15 (fifteen) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.
8. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. The explanatory statement pursuant to Section 102(1) of the Act and other applicable provisions, which sets out details relating to Special Businesses to be transacted at the meeting, which are considered to be unavoidable by the Board of Directors of the Company, is annexed hereto.
10. In case of Joint Holders attending the AGM, only such Joint Holder who is named first in the order of names in the Register of Members will be entitled to vote.
11. Only bona fide members of the Company whose names appear on the Register of Members, will be permitted to attend the meeting through VC/OAVM. The Company reserves its right to take all necessary steps as may be deemed necessary to restrict non-members from attending the meeting.
12. Members holding shares in Electronic (Demat) form are advised to inform the particulars of their bank account, change of postal address, mobile number and email IDs etc. to their respective Depository Participants only. The Company or its RTA cannot act on any request received directly from the Members holding shares in demat mode for changes in any bank mandates or other particulars.
13. Members holding shares in physical form are advised to inform the particulars of their bank account, change of postal address, mobile number and email IDs etc. to our RTA i.e. KFin Technologies Limited (Unit: Biocon Limited), Plot 31-32, Selenium, Tower B, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 or the Secretarial Department of the Company. Relevant forms for making relevant requests are available at the Company's website at [www.biocon.com](http://www.biocon.com).

14. The Securities and Exchange Board of India (SEBI) has mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details etc.) and nomination details by holders of physical securities in prescribed forms. Any service requests or complaints received from the Member, will not be processed by RTA till the aforesaid details/documents are provided to RTA. In terms of SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, issued in supersession to the earlier SEBI Circulars i.e. Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021 and Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021, in case any of the above cited documents/ details are not available in the Folio(s) on or after October 01, 2023, RTA shall be constrained to freeze such Folio(s). Further, SEBI has also mandated linking PAN with Aadhaar. The Central Board of Direct Taxes (CBDT) had extended the date for linking of PAN with Aadhaar to June 30, 2023. Further, the folios in which PANs are not linked with Aadhaar numbers as on the notified cut-off date, shall also be frozen. The requirement of existing investors to link their PAN with their Aadhaar number is not applicable for Non-Resident Indians (NRI), Overseas Citizens of India (OCI) unless the same is specifically mandated by CBDT, Ministry of Finance / any other Competent Government authority. Accordingly, Members are requested to send requests in the prescribed forms to the RTA of the Company for availing of various investor services as per the aforesaid SEBI circulars. Relevant details and forms prescribed by SEBI in this regard are made available under investors section on the website of the Company at [www.biocon.com](http://www.biocon.com). The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the RTA / Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.
15. In compliance with SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 the Company has disseminated the requirements to be complied with by holders of physical securities on its website [www.biocon.com](http://www.biocon.com). The Company has also directly intimated its security holders about folios which are incomplete with regard to details required under para 4 of this circular on May 15, 2023. The Registrar and Share Transfer Agents of the Company has also submitted a report to SEBI on May 31, 2023, on the steps taken towards sensitizing its security holders regarding mandatory furnishing of PAN, KYC and nomination details as detailed in para 4 of this circular.
16. Members holding shares in Electronic (demat) form or in physical mode are requested to quote their DPID & Client ID or Folio details, respectively, in all correspondences, including dividend matters to the RTA i.e. KFin Technologies Limited (Unit: Biocon Limited), Plot 31-32, Selenium, Tower B, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 or the Secretarial Department of the Company.
17. Members who have not registered their email IDs, are requested to register their email IDs with their depository participants in respect of shares held in electronic form and in respect of shares held in physical form, are requested to submit their request with their valid e-mail IDs to our RTA at [evoting@kfintech.com](mailto:evoting@kfintech.com) or [co.secretary@biocon.com](mailto:co.secretary@biocon.com) for receiving all the communications including annual report, notices, letters etc., in electronic mode from the Company. For more details, please refer Para B of instruction of e-voting' section below.
18. Pursuant to Section 101 and Section 136 of the Act, read with relevant Companies (Management and Administration Rules), 2014, and Regulation 36 of SEBI (Listing Obligations Disclosures Requirement) Regulation, 2015 ("SEBI Listing Regulations"), companies can serve Annual Report and other communications through electronic mode to those Members who have registered their e-mail IDs either with the Company or with the Depository Participants.
19. **Despatch of Annual Report through electronic mode:** In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020 and May 13, 2022 read with January 05, 2023, Notice of the AGM along with the Annual Report 2022-23, are being sent only through electronic mode to those Members whose email ids are available with the Company/Depositories/RTA.
20. Members may note that the Notice of the AGM and Integrated Annual Report 2022-23 will also be available on the Company's website [www.biocon.com](http://www.biocon.com) and websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively, and on the website of KFin Technologies Limited at <https://evoting.kfintech.com/>.
21. Since the AGM will be held through VC / OAVM, the Route Map is not required to be annexed to the Notice.
22. Pursuant to Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules,



- 2014 as amended and Regulation 44 of the SEBI Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI) and in terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, the Company is pleased to provide the facility of remote e-voting to all the Members as per applicable Regulations relating to e-voting. The complete instructions on e-voting facility provided by the Company are annexed to this Notice, explaining the process of e-voting with necessary user id and password. Members who have cast their vote by remote-voting prior to the meeting may attend the meeting but will not be entitled to cast their vote again at the meeting.
23. The Company has fixed Friday, August 04, 2023 as Cut-off date for determining the eligibility of Members entitled to vote at the AGM. The remote e-voting shall remain open for a period of 5 days commencing from Sunday, August 06, 2023 at 9:00 A.M. (IST) to Thursday, August 10, 2023 at 5:00 P.M. (IST) (both days inclusive). A person who is not a member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
  24. The Company has fixed Friday, July 07, 2023 as Record Date for determining the names of Members eligible for dividend on equity shares for the financial year ended on March 31, 2023, if declared at the AGM.
  25. The dividend on equity shares as recommended by the Board, if declared at this AGM, will be paid within a period of 30 days from the date of declaration to those Members whose names appear on the Company's Register of Members as on Friday, July 07, 2023.
  26. **Inspection by Members:** All documents referred to in the accompanying Notice and the Explanatory Statement are available electronically for inspection without any fees by the Members from the date of circulation of this Notice upto the date of the AGM. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act will be available for inspection by the Members in electronic mode during the AGM. Members who wish to seek inspection, may send their request through an email at [co.secretary@biocon.com](mailto:co.secretary@biocon.com) up to the date of AGM.
  27. Information required under Regulation 36(3) of SEBI Listing Regulations and Para 1.2.5 of Secretarial Standard – 2 on General Meetings issued by ICSI, in respect of Director(s) seeking re-appointment at the AGM is furnished as annexure to this Notice. The Director(s) has furnished consent/declarations for his re-appointment as required under the Act and rules made thereunder as well as SEBI Listing Regulations.
  28. In line with the measures of "Green Initiatives", the Act provides for sending Notice of the AGM and all other correspondences through electronic mode. Hence, Members who have not registered their email IDs so far with their depository participants are requested to register their email ID for receiving all the communications including Annual Report, Notices etc., in electronic mode. The Company is concerned about the environment and utilises natural resources in a sustainable way.
  29. **IEPF Related Information:**

**Unclaimed Dividend:** Members are requested to note that as per Section 124(5) of the Act, the dividend which remains unpaid or unclaimed for a period of 7 (seven) years from the date of its transfer to the Unpaid Dividend Account, is liable to be transferred by the Company to the "Investor Education Protection Fund" (IEPF) established by the Central Government under Section 125 of the Act. Therefore, the amount of unclaimed dividend up to financial year ended March 31, 2016 has been transferred to the IEPF. Unclaimed dividend for the financial year ended March 31, 2017 is due for transfer to IEPF in the year 2024. Pursuant to IEPF Rules, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2022 on the website of the Company at [www.biocon.com](http://www.biocon.com) and also on the website of the Ministry of Corporate Affairs. Further, the details of unpaid and unclaimed dividends lying with the Company as on March 31, 2023 are also uploaded on the website of the Company. Members may approach the IEPF Authority to claim the unclaimed dividend transferred by the Company to IEPF. Members may approach the Company Secretary and Compliance Officer of the Company for claiming the unclaimed dividend which is yet to be transferred to IEPF by the Company.

**Shares w.r.t. unclaimed dividend:** Members are requested to note that as per Section 124(6) of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), as amended, all the shares in respect of which dividend has remained unpaid/unclaimed for 7 (seven) consecutive years or more are required to be transferred to Demat Account of IEPF Authority. Consequently, the



Company has transferred eligible equity shares during the financial year 2022-23 and 2023-24 to Demat Account of IEPF Authority. Details of shares so transferred are uploaded on the website of the Company at [www.biocon.com](http://www.biocon.com). Members are entitled to claim the same from IEPF by submitting an application in the prescribed online web based Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed, to the Nodal Officer of the Company along with the requisite documents enumerated in the Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF Rules. No claim shall lie against the Company in respect of dividend / shares so transferred.

- 30. **Dematerialization of Shareholding:** As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can only be transferred in demat form with effect from April 1, 2019. SEBI vide its notification dated January 24, 2022 further notified that transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holding to demat form. Members can contact the Company or our RTA for assistance in this regard.
- 31. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_ RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company’s website at [www.biocon.com](http://www.biocon.com) and on the website of the Company’s Registrar and Transfer Agents, KFin Technologies Limited at <https://ris.kfintech.com/default.aspx>. It may be noted that any service request can be processed only after the folio is KYC Compliant.
- 32. **Mandatory PAN Submission:** The Securities and Exchange Board of India (“SEBI”) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic mode are, therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts. Members holding

shares in physical mode can submit their PAN to the Company / to our RTA.

- 33. **Dividend related information:** Pursuant to the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct Tax at Source (TDS) from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ KFin Technologies Limited (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

The withholding tax rate would vary depending on the residential status of the shareholder and valid documents submitted by shareholder with the Company/ KFin Technologies Limited/ Depository Participant. In order to enable us to determine the appropriate TDS rate as applicable, Members are requested to submit the documents in accordance with the provisions of the Income Tax Act, 1961.

- (a) **For resident shareholders,** taxes shall be deducted at source under Section 194 of the Income Tax Act, 1961 on the amount of Dividend declared and paid by the Company as follows:

Shareholders having valid PAN registered	10%* or as notified by the Government of India
Shareholders not having PAN / valid PAN registered	20% or as notified by the Government of India

\*As per the Finance Act, 2021, Section 206AB has been inserted effective July 01, 2021, wherein higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as ‘Specified Person’ as defined under the provisions of the aforesaid Section.

\*As per section 139AA of the IT Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply with this, the PAN allotted shall be deemed to be invalid / inoperative and he shall be liable to all consequences under the IT Act and tax shall be deducted at the higher rates as prescribed under the IT Act.

However, no tax shall be deducted on the dividend

payable to a resident individual if the total dividend to be received by them during the financial year 2023-24 does not exceed ₹ 5,000/-. TDS will be deducted, regardless of dividend amount, if PAN of the shareholder is invalid or not registered with the Company/ KFinTech/ Depository Participant.

Further, in cases where Member provides valid Form 15G (applicable to an individual who is below 60 years)/ Form 15H (applicable to individuals aged 60 years or above) subject to conditions specified in the Income Tax Act, 1961, no TDS shall be deducted. Resident shareholders may also submit any other document as prescribed under the Income Tax Act, 1961 to claim a lower / Nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

- (b) **For Non-resident shareholders**, taxes are required to be withheld in accordance with the provisions of Section 195 of the Income Tax Act, 1961 at the rates in force. As per the relevant provisions of the Income Tax Act, 1961, the withholding tax shall be at the rate of 20%\*\* (plus applicable surcharge and cess) on the amount of Dividend payable to them.

However, as per Section 90 of the Income Tax Act, 1961, the non-resident shareholder can avail beneficial rates under tax treaty between India and their country of residence, subject to providing the following necessary documents:

- Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident, valid for Financial Year 2023-24.
- Electronic Form 10F as per notification no. 03/2022 dated July 16, 2022 issued by the Central Board of Direct Tax by Non-resident Shareholders, having Permanent Account Numbers (PAN), through the e-filing portal of the Income Tax website at <https://www.incometax.gov.in/iec/foportal>. However, in terms of the CBDT Notifications dated December 12, 2022 and March 28, 2023, non-resident shareholders not having PAN and also not required to have PAN as per the relevant provisions of the Act have been exempted from mandatory electronic filing of Form 10F. Therefore, such category of taxpayers may furnish Form 10F in manual mode.

- Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities.
- Self- Declaration of having no Permanent Establishment in India, beneficial ownership of shares and dividend income and eligibility to claim treaty benefits.
- Any other documents as prescribed under the Income Tax Act, 1961 for lower withholding of taxes, if applicable, duly attested by the shareholders.

\*\*As per the Finance Act, 2021, Section 206AB has been inserted effective July 01, 2021, wherein higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as 'Specified Person' as defined under the provisions of the aforesaid section. However, in case a non-resident shareholder or a non-resident Foreign Portfolio Investor (FPI) / Foreign Institutional Investor (FII), higher rate of tax as mentioned in Section 206AB shall not apply if such non-resident does not have a permanent establishment in India.

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non-Resident shareholder.

Accordingly, in order to enable us to determine the appropriate TDS/withholding tax rate applicable, we request you to provide these details and documents as mentioned above before Friday, July 28, 2023.

Kindly note that the aforementioned documents are required to be submitted at <https://ris.kfintech.com/form15/> on or before Friday, July 28, 2023 in order to enable the Company to determine and deduct appropriate TDS/withholding tax rate. No communication on the tax determination/deduction shall be entertained post Friday, July 28, 2023. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible.

The Company will arrange to issue the soft copy of TDS certificate to its shareholders at their registered e-mail ID in accordance with the provisions of the Income Tax Act 1961 after filing of the quarterly TDS Returns of the Company, post payment of the said Dividend. Shareholders will be able to download Form 26AS from the Income Tax Department's website <https://incometaxindiaefiling.gov.in>.

The above tax rates are indicative in nature. For specific rates, Members may refer to the separate email communication sent by the Company informing the Members regarding this change in the Income Tax Act, 1961 as well as the relevant procedure to be adopted by the Members to avail the applicable tax rate.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, such shareholder will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

34. Non-Resident Indian Members are requested to inform our RTA / respective depository participants, immediately of any:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
35. Members who hold shares in physical mode in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to our RTA, for consolidation into a single folio.
36. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participant(s) of the Members. Members holding shares in demat form are requested to intimate any change in their address and/or bank mandate immediately

to their Depository Participants.

37. Members holding shares in physical form are requested to intimate any change of address and/or bank mandate to KFin Technologies Limited (Unit: Biocon Limited), Plot 31-32, Selenium, Tower B, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 or by sending a request on e-mail at [co.secretary@biocon.com](mailto:co.secretary@biocon.com) or contact KFinTech at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com). Relevant forms (Form No. ISR-1) is available on the Company's website at [www.biocon.com](http://www.biocon.com), to enable Members to make such requests. Dividend warrants / demand drafts will be despatched to the registered address of the Members who have not updated their bank account details.

**38. The process and manner of participating in Annual General Meeting through Video conferencing is explained herein below:**

- a. Members may attend the AGM through video conferencing platform provided by M/s. KFin Technologies Limited (KFinTech). Members may access the same at <https://emeetings.kfintech.com> and click on the "video conference" and access members login by using the remote e-voting credentials. The link for AGM will be available in members login where the EVENT and the name of the company can be selected.
- b. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.
- c. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches and Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.
- d. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

**Questions and queries**

- e. Members who may want to express their views or ask questions at the AGM may visit <https://emeetings.kfintech.com> and click on the tab "Post Your Queries

Here” to write your queries in the window provided, by mentioning their name, demat account number/ folio number, email ID and mobile number. Please note that, members’ questions will be answered, only if the shareholder continues to hold the shares as on the cut-off date i.e. August 04, 2023. The window shall remain active during the remote e-voting period and shall be closed 24 hours before the time fixed for the AGM.

#### **Speaker Registration**

- f. Members may register themselves as speakers for the AGM to express their views or ask questions during the AGM. Accordingly, the Members may visit <https://emeetings.kfintech.com> and click on ‘Speaker Registration’ option available on the screen after login during the remote e-voting period. Members shall be provided a ‘queue number’ before the AGM. The company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.
- g. Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC platform. Members may click on the voting icon (‘vote now’) on the left side of the screen to cast their votes.
- h. Members who may require any technical assistance or support before or during the AGM are requested to contact KFin Technologies Limited at toll free number 1800-309-4001 or write at [evoting@kfintech.com](mailto:evoting@kfintech.com).

By Order of the Board of Directors  
Sd/-

Place: Bengaluru  
Date: May 23, 2023

**Mayank Verma**  
Company Secretary  
Membership No: ACS 18776

#### **Biocon Limited**

Regd. Office: 20<sup>th</sup> KM, Hosur Road,  
Electronic City, Bengaluru – 560 100  
CIN: L24234KA1978PLC003417  
Email: [co.secretary@biocon.com](mailto:co.secretary@biocon.com);  
Website: [www.biocon.com](http://www.biocon.com)  
Phone: 080 – 2808 2808  
Fax: 080-2852 3423

## **Explanatory Statement pursuant to Section 102 of the Companies Act, 2013**

### **Item No. 4: To ratify the remuneration payable to the Cost Auditors for the Financial Year 2023-24.**

The Board of Directors at their meeting held on May 23, 2023 approved the appointment of M/s. Rao, Murthy & Associates, Cost Auditors to conduct the audit of cost records of the Company for the financial year ending March 31, 2024 at a remuneration of ₹ 4,40,000 plus applicable taxes and out of pocket expenses, as recommended by the Audit Committee of the Company.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company. Accordingly, ratification by the Members is sought to the remuneration payable to the Cost Auditors for the financial year ending March 31, 2024, by passing an Ordinary Resolution.

The Board recommends the resolution set out at Item No. 4 of the Notice for approval by the members by way of an Ordinary Resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

By Order of the Board of Directors  
Sd/-

Place: Bengaluru  
Date: May 23, 2023

**Mayank Verma**  
Company Secretary  
Membership No: ACS 18776

#### **Biocon Limited**

Regd. Office: 20<sup>th</sup> KM, Hosur Road,  
Electronic City, Bengaluru – 560 100  
CIN: L24234KA1978PLC003417  
Email: [co.secretary@biocon.com](mailto:co.secretary@biocon.com);  
Website: [www.biocon.com](http://www.biocon.com)  
Phone: 080 – 2808 2808  
Fax: 080-2852 3423

**“Annexure – 1”****ADDITIONAL INFORMATION ON DIRECTOR(S) SEEKING REAPPOINTMENT AT THE 45<sup>TH</sup> AGM.****[Pursuant to Regulation 36(3) of SEBI Listing Regulations and Secretarial Standard - 2 on General Meetings issued ICSI]****Brief Profile of Prof. Ravi Mazumdar**

Prof. Ravi Mazumdar is a University Research Chair Professor, Department of Electrical and Computer Engineering, University of Waterloo, Canada. He has been a professor in several prestigious universities including Purdue University, U.S. Columbia University, U.S. University of Essex, UK, INRS Telecommunications, Canada, McGill University, Canada, Editorial board of several technical journals.

He holds Ph. D. University of California, Los Angeles (UCLA) and M.Sc. Imperial College, London. He has been a distinguished visiting Professor at IIT, Bombay Adjunct Professor at TIFR, Mumbai Fellow of the Royal Statistical Society, Fellow of the Institute of Electrical and Electronics Engineers (IEEE) and recipient of several Best Paper Awards from the IEEE and ITC.

**Other details:**

<b>Name of the Director</b>	<b>Prof. Ravi Mazumdar</b>
DIN	00109213
Date of Birth & age	April 17, 1955 (68 Years)
Date of Appointment	August 08, 2000
Nature of expertise in specific functional areas	Research and Innovation, Finance & Risk Management and Technology & Digital Perspective
Qualification	<ul style="list-style-type: none"> <li>• Ph. D. University of California, Los Angeles (UCLA)</li> <li>• M.Sc. Imperial College, London</li> <li>• B. Tech in Electrical Engineering, IIT Bombay</li> </ul>
Relationship with other Directors, Managers and KMPs	Ms. Kiran Mazumdar Shaw is Sister and Mr. Eric Mazumdar is son.
Directorship held in other listed entities	Please refer Corporate Governance Report
Membership of Committees of the Board in other listed entities	NIL
Listed entities from which he has resigned in the past 3 (three) years	NIL
Number of meetings of the Board attended during the year [Out of 4 (four) held]	4 (Four)
Terms and conditions of Appointment or Re-appointment	Liable to retire by rotation
Remuneration last drawn [FY 2022-23]	Refer Corporate Governance Report
Remuneration sought to be paid	Entitled to sitting fees and remuneration as approved by the Nomination and Remuneration Committee and the Board of Directors of the Company, from time to time within the overall limits as per the Companies Act, 2013 and / or as approved by the shareholders from time to time
Shareholding in Biocon Limited	53,01,321 (0.44%)
Shareholding as a beneficial owner	-

## INSTRUCTIONS FOR E-VOTING

**Remote e-voting:** In compliance with the provisions of Section 108 of the Companies Act, 2013, read with rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and as per Regulation 44 of the SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the Company is providing e-voting facility through KFin Technologies Limited (‘Kfintech’) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting, to Members holding shares as on August 04, 2023, being the cut-off date fixed to determine eligible Members to participate in the remote e-voting process. The instructions for e-Voting are given herein below.

As per the SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on “e-Voting facility provided by Listed Companies”, and as part of increasing the efficiency of the voting process, e-voting process has been enabled to all individual shareholders holding securities in demat mode to vote through their demat account maintained with depositories / websites of depositories / depository participants.

Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service providers (ESPs) thereby not only facilitating seamless

authentication but also enhancing ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@Kfintech.com](mailto:evoting@Kfintech.com). However, if he / she is already registered with Kfintech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under “Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.”

The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

### Step 1: Login method for Individual shareholders holding securities in demat mode is given below:

Individual shareholders holding securities in demat mode with NSDL	Individual shareholders holding securities in demat mode with CDSL
<p><b>1. User already registered for IDeAS facility:</b></p> <p>I. Visit URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></p> <p>II. Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section.</p> <p>III. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting”.</p> <p>IV. Click on company name or e-Voting service provider (i.e. Kfintech) and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</p>	<p><b>1. Existing user who have opted for Easi / Easiest:</b></p> <p>I. Visit URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>II. Click on New System Myeasi.</p> <p>III. Login with your registered user id and password.</p> <p>IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. Kfintech e-Voting portal.</p> <p>V. Click on e-Voting service provider name to cast your vote.</p>



Individual shareholders holding securities in demat mode with NSDL	Individual shareholders holding securities in demat mode with CDSL
<p><b>2. User not registered for IDeAS e-Services:</b></p> <ol style="list-style-type: none"> <li>I. To register click on link: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>.</li> <li>II. Select "Register Online for IDeAS" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>III. Proceed with completing the required fields.</li> <li>IV. Follow steps given in points 1.</li> </ol>	<p><b>2. User not registered for Easi/Easiest:</b></p> <ol style="list-style-type: none"> <li>I. Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>II. Proceed with completing the required fields.</li> <li>III. Post registration is completed, follow the steps given in point 1.</li> </ol>
<p><b>3. Alternatively by directly accessing the e-Voting website of NSDL:</b></p> <ol style="list-style-type: none"> <li>I. Open URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a></li> <li>II. Click on the icon "Login" which is available under 'Shareholder/Member' section.</li> <li>III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</li> <li>IV. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.</li> <li>V. Click on company name or e-Voting service provider name and you will be redirected to KFintech e-Voting website for casting your vote during the remote e-Voting period.</li> </ol>	<p><b>3. Alternatively, by directly accessing the e-Voting website of CDSL:</b></p> <ol style="list-style-type: none"> <li>I. Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>II. Provide your demat Account Number and PAN No.</li> <li>III. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</li> <li>IV. After successful authentication, user will be provided links for the respective ESP, i.e. KFintech where the e- Voting is in progress.</li> <li>V. Click on company name and you will be redirected to KFintech e-voting website for casting your vote during the remote e-voting period.</li> </ol>

**Individual Shareholders (holding securities in demat mode) login through their depository participants.**

- I. You can also login using the login credentials of your demat account through your demat accounts / websites of Depository Participants registered with NSDL /CDSL for e-Voting facility.
- II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.
- III. Click on options available against company name or e-Voting service provider – KFintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication.

**Important note:**

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned websites of Depositories / Depository Participants.

**Helpdesk for individual shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:**

Members facing any technical issue - NSDL	Members facing any technical issue - CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or call the toll-free number 1800 22 55 33



**Step 2: Login method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

- A. Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from Kfintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:
- i. Launch internet browser by typing the URL: <https://evoting.kfintech.com>.
  - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) 7418 followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Kfintech for e-voting, you can use your existing User ID and password for casting the vote.
  - iii. After entering these details appropriately, click on "LOGIN".
  - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - v. You need to login again with the new credentials.
  - vi. On successful login, the system will prompt you to select the "EVEN" i.e. 7418\_Biocon Limited - AGM" and click on "Submit".
  - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
  - viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
  - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
  - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
  - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
  - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email [sree@sreedharancs.com](mailto:sree@sreedharancs.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com) and [co.secretary@biocon.com](mailto:co.secretary@biocon.com). The scanned image of the above-mentioned documents should be in the naming format "Corporate Name Even No." The documents should reach the Scrutinizer on or before 17:00 pm on August 10, 2023.

- B. Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:
- i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may follow the process detailed below for registration of email ID to obtain the report and update of bank account details for the receipt of dividend:

Type of Holder	Process to be followed	
Physical	For availing the following investor services, send a written request in the prescribed forms to the RTA of the Company, KFin Technologies Limited either by email to einward.ris@kfintech.com or by post to KFin Technologies Limited, Unit: Biocon Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500 032	
	Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode	Form ISR-1
	Update of signature of securities holder	Form ISR-2
	For nomination as provided in Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014	Form SH-13
	Declaration to opt out	Form ISR-3
	Cancellation of nomination by the holder(s) (along with ISR-3) / Change of nominee	Form SH-14
	Form for requesting issue of duplicate certificate and other service requests for shares / debentures / bonds, etc., held in physical form	Form ISR-4
Demat	Please contact your DP and register your email address and bank account details in your demat account, as per the process advised by your DP	

- ii. Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
- iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

In case of Members who have not registered their e-mail IDs (including Members holding shares in physical form), may please follow the steps for registration of e-mail IDs and obtaining User ID and Password for e-voting as mentioned in para 17 of the "Notes" and para (d) under the "Other Instructions" section below also.

#### Voting at the Annual General Meeting:

- I. The 'Vote Now Thumb sign' on the left hand corner of the video screen shall be activated upon instructions of the chairperson during the AGM proceedings. Members shall click on the same to take them to the "Insta-poll" page and Members to click on the "Insta-poll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
- II. Those Members who are present in the Meeting through VC and have not cast their vote on resolutions through remote e-voting, can vote through Insta-poll at the Meeting. Members who have already cast their votes by remote e-voting are eligible to attend the Meeting. However, those Members are not entitled to cast their vote again at the Meeting.
- III. A Member can opt for only single mode of voting i.e. through Remote e-voting or voting during the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote during the AGM shall be treated as invalid.

The Company has appointed Mr. V Sreedharan, Practicing Company Secretary, partner of M/s V Sreedharan & Associates, Company Secretaries, Bengaluru (FCS 2347; CP 833) and in his absence Mr. Pradeep B Kulkarni, Practicing Company Secretary, Bengaluru (FCS 7260; CP 7835) or Ms. Devika Sathyanarayana (ACS 16617; CP 17024), Partners of the same firm as Scrutinizer to scrutinize the e-voting process in fair and transparent manner.

The scrutinizer shall immediately after the conclusion of voting at the AGM, unblock the votes cast through e-voting (votes cast during the AGM and votes cast through remote e-voting), count the votes and shall submit a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, within stipulated timelines from the conclusion of the voting to the Chairperson of the Company or a person authorised by him in writing who shall countersign the same. The Chairperson or a person authorised by him in writing shall declare the result of voting forthwith.

The results of the e-voting along with the scrutinizer's report shall be communicated immediately to the BSE Limited and National Stock Exchange of India Limited, where the shares of the company are listed and shall be placed on the Company's website [www.biocon.com](http://www.biocon.com) and on the website of Kfintech at <https://evoting.kfintech.com> immediately after the result declared by the chairperson or any other person authorised by the chairman.

#### OTHER INSTRUCTIONS:

a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (Kfintech Website) or contact Mr. Suresh Babu, (Unit: Biocon Limited) of KFin Technologies Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or [evoting@kfintech.com](mailto:evoting@kfintech.com) or phone no. 040 – 6716 2222 or call toll free No. 1800-309-4001 for any further clarifications.

- b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- c. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. Friday, August 04, 2023.
- d. In case a person has become a shareholder of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., August 04, 2023, he/she may obtain the User ID and Password in the manner as mentioned below:
  - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: **MYEPWD** <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

#### Example for NSDL:

MYEPWD <SPACE> IN12345612345678

#### Example for CDSL:

MYEPWD <SPACE> 1402345612345678

#### Example for Physical:

[MYEPWD <SPACE> XXXX1234567890

- ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- iii. Member may call Kfintech toll free number 1800-309-4001 for any assistance.
- iv. Member may send an e-mail request to [evoting@kfintech.com](mailto:evoting@kfintech.com). However, Kfintech shall endeavour to send User ID and Password to those new Members whose mail ids are available.