Notes to the standalone financial statements for the year ended March 31, 2021

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, 2021. These standalone financial statements were authorised for issuance by the Company's Board of Directors on April 28, 2021.

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

b) *Functional and presentation currency*

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

c) *Basis of measurement*

These standalone financial statements have been prepared on the historical cost basis (i.e on accrual basis), except for the following items:

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

d) *Use of estimates and judgements*

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

Judgements

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

- Note 2(a) and 36 — Financial instruments;
- Note 2(b), 2(c) and 2(d) — Useful lives of property, plant and equipment, intangible assets and investment property;
- Note 2(p) and 38 — Lease, whether an agreement contains a lease;
- Note 35 — Measurement of defined benefit obligation; key actuarial assumptions;
- Note 30 — Share based payments;
- Note 2(m) and 33 — Provision for income taxes and related tax contingencies and Evaluation of recoverability of deferred tax assets.
- Note 2(k) and 21 — Revenue Recognition: whether revenue from 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, 2021 is included in the following notes:

— Note 2(h)(ii) – impairment test of non-financial assets; key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets;

— Note 18 and 33 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

— Note 36 – impairment of financial assets; and

— Note 17 and 34 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

1.4 Measurement of fair values

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

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

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

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

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

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

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

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

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

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

— Note 30 – share based payment arrangements;

— Note 4 (a) – investment property; and

— Note 2(a) and 36 – financial instruments.

2 Significant accounting policies

a. Financial instruments

i. *Recognition and initial measurement*

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

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

ii. Classification and subsequent measurement

Financial assets

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

— amortised cost;

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

— Fair value through profit and loss (FVTPL)

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

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

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

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

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

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

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

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

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

Equity investments
All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss to retained earnings. Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss. However, see Note 36 for derivatives designated as hedging instruments.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

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

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

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

Financial liabilities

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

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

iv. *Offsetting*

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

v. *Derivative financial instruments and hedge accounting*

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

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

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

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

vi. *Cash flow hedges*

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

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

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

vii. *Treasury shares*

The Company has created an Employee Welfare Trust (EWT) for providing share-based payment to its employees. Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. When the treasury shares are issued to the employees by EWT, the amount received is recognised as an increase in equity and the resultant gain / (loss) is transferred to / from securities premium.

viii. *Cash and cash equivalents*

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

Cash dividend to equity holders

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

b. Property, plant and equipment

i. Recognition and measurement

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

Expenditure incurred on startup and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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

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

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

ii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method. Freehold land is not depreciated.

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

Asset	Assets Classification	Management estimate of useful life	Useful life as per Schedule II
Building	Building	25 years	30 years
Roads	Building	5 years	5 years
Plant and equipment (including Electrical installation and Lab equipment)	Plant and Machinery	9-11 years	8-20 years
Computers and servers	Plant and Machinery	3 years	3-6 years
Office equipment	Plant and Machinery	5 years	5 years
Research and development equipment	Research and development equipment	9 years	5-10 years
Furniture and fixtures	Furniture and fixtures	6 years	10 years
Vehicles	Vehicles	6 years	6-10 years
Leasehold improvements	Leasehold improvements	5 years or lease period whichever is lower	-
Leasehold land	Land and Right to use-assets	90 years or lease period whichever is lower	-

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

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

iii. Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

c. Intangible assets

Internally generated: Research and development

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

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

Others

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

i. Subsequent expenditure

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

ii. Amortisation

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

— Computer software	3-5 years
— Marketing and Manufacturing rights	5-10 years
— Customer related intangibles	5 years
— Intellectual property rights	5-10 years

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

d. Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Based on technical evaluation and consequent advice, the management believes a period of 25 years as representing the best estimate of the period over which investment properties (which are quite similar) are expected to be used. Accordingly, the Company depreciates investment properties over a period of 25 years on a straight-line basis. The useful life estimate of 25 years is different from the indicative useful life of relevant type of buildings mentioned in Part C of Schedule II to the Act i.e. 30 years.

Any gain or loss on disposal of an investment property is recognised in statement of profit and loss.

e. Business combination

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

f. Inventories

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

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

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

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

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

g. Foreign currency Transactions and translations:

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

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

h. Impairment

i. Impairment of financial assets

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

— financial assets measured at amortised cost;

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

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

ii. Impairment of non-financial assets

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

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

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

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

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

i. Employee benefits

i. Short-term employee benefits:

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

ii. Post-employment benefits:

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

Gratuity

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

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

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

Provident Fund

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

iii. *Compensated absences:*

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

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

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

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

iv. *Share-based compensation*

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

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

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

The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under "share based payment reserve". The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black-Scholes-Merton). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

j. Provisions (other than for employee benefits)

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

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

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

k. Revenue from contracts with customers

i. *Sale of goods*
Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised goods refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as goods and services tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

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

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

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

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

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

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

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

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

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

vi. *Rental income*
Rental income from investment property is recognised in statement of profit and loss on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

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

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

l. Government grants

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

m. Income taxes

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

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

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

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

— temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

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

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

n. Borrowing cost

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

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

o. Earnings per share

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

p. Leases

(i) The Company as lessee:

The Company assesses whether a contract contains a lease, at the inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assesses whether a contract conveys the right to control use of an identified asset, the Company assesses whether:

- The contract involves use of an identified asset;
- The Company has substantially all the economic benefits from the use of the asset through the period of lease; and
- The Company has the right to direct the use of an asset.

At the date of commencement of lease, the Company recognises a Right-of-use asset ("ROU") and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with the term of twelve months or less (short term leases) and low value leases. For short term and low value leases, the Company recognises the lease payment as an operating expense on straight line basis over the term of lease. Certain lease agreements include an option to extend or terminate the lease before the end of lease term. ROU assets and the lease liabilities includes these options when it is reasonably certain that they will be exercised.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., higher of fair value less cost to sell and the value-in-use) is determined on individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate explicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right-of- use assets if the Company changes its assessment if whether it will exercise an extension or a termination of option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and the lease payments have been classified as financing cash flows.

(ii) The Company as a Lessor:

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating lease.

q. Operating cycle

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

r. Exceptional items

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

s. Recent accounting developments

MCA issued notifications dated March 24, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting April 1, 2021. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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

	Land	Buildings	Leasehold improvements	Plant and equipment [Refer note (a) &(b)]	Research and development equipments	Furniture and fixtures	Vehicles	Total	Capital work-in-progress
Gross carrying amount									
At April 01, 2019	924	4,082	6	17,371	1,344	527	110	24,364	2,545
Additions	-	382	-	1,055	75	36	10	1,558	2,156
Disposals/transfers [refer note (d)]	(368)	(12)	(3)	(6,984)	(367)	(107)	(2)	(7,843)	(3,182)
Transfer to investment property	(14)	(527)	-	-	-	-	-	(541)	-
At March 31, 2020	542	3,925	3	11,442	1,052	456	118	17,538	1,519
Additions	35	84	-	853	-	22	6	1,000	1,200
Disposals/transfers	-	-	-	-	-	-	(34)	(34)	(1,073)
Transfer to investment property	(8)	(4)	-	-	-	-	-	(12)	-
At March 31, 2021	**569**	**4,005**	**3**	**12,295**	**1,052**	**478**	**90**	**18,492**	**1,646**
Accumulated depreciation									
At April 01, 2019	-	1,537	2	10,983	1,062	432	57	14,073	-
Depreciation for the year [refer note (c)]	-	151	3	615	59	21	20	869	-
Disposals/transfers [refer note (d)]	-	(4)	(2)	(3,420)	(303)	(70)	(2)	(3,801)	-
Transfer to investment property	-	(193)	-	-	-	-	-	(193)	-
At March 31, 2020	-	1,491	3	8,178	818	383	75	10,948	-
Depreciation for the year	-	174	-	626	55	21	13	889	-
Disposals/transfers	-	-	-	-	-	-	(34)	(34)	-
Transfer to investment property	-	(2)	-	-	-	-	-	(2)	-
At March 31, 2021	**-**	**1,663**	**3**	**8,804**	**873**	**404**	**54**	**11,801**	**–**
Net carrying amount									
At March 31, 2020	542	2,434	-	3,264	234	73	43	6,590	1,519
At March 31, 2021	**569**	**2,342**	**-**	**3,491**	**179**	**74**	**36**	**6,691**	**1,646**

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

(b) Additions to property, plant and equipment includes additions related to research and development amounting to ₹ 15 (March 31, 2020 - ₹ 143).

(c) Depreciation for the year includes amount pertaining to discontinued operations of ₹ Nil (March 31, 2020 ₹ 47)

(d) During the year ended March 31, 2020, disposals include disposal of assets relating to discontinued operations, refer note 39.

(e) Refer note 34 (b) (ii) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

4(a). Investment property

Gross carrying amount	
At April 01, 2019	548
Transfer from property, plant and equipment	541
At March 31, 2020	1,089
Transfer from property, plant and equipment	12
At March 31, 2021	1,101
Accumulated depreciation	
At April 01, 2019	129
Depreciation for the year	42
Transfer from property, plant and equipment	193
At March 31, 2020	364
Depreciation for the year	40
Transfer from property, plant and equipment	2
At March 31, 2021	406
Net carrying amount	
At March 31, 2020	725
At March 31, 2021	695

(a) During the year, the Company has recognised rental income of ₹ 283 (March 31, 2020 ₹ 267) in the statement of profit and loss for investment property.

(b) The fair value of investment property is ₹ 2,234 (March 31, 2020 ₹ 2,130), based on market observable data.

4(b). Right-of-use assets

	Land	Buildings	Vehicles	Total
Gross carrying amount				
At April 01, 2019	–	–	–	–
Reclassified from property, plant and equipment on account of adoption of Ind AS 116 Note ref: 2 (p) and 38	368	–	–	368
Additions	6	9	32	47
Disposals/transfer [refer note (a)]	–	(6)	–	(6)
At March 31, 2020	374	3	32	409
Additions	-	-	15	15
Disposals/transfer [refer note (a)]	-	-	(6)	(6)
At March 31, 2021	374	3	41	418
Accumulated depreciation				
At April 01, 2019	-	-	-	-
Reclassified from property, plant and equipment on account of adoption of Ind AS 116 [refer note 2(p)]	-	-	-	-
Disposals/transfer [refer note (a)]	-	(2)	-	(2)
Depreciation for the year	2	3	10	15
At March 31, 2020	2	1	10	13
Disposals/transfer	-	-	(2)	(2)
Depreciation for the year	2	2	12	16
At March 31, 2021	4	3	20	27
Net carrying amount				
At March 31, 2020	372	2	22	396
At March 31, 2021	370	-	21	391

(a) Disposals include disposal of assets relating to discontinued operations, refer note 39.

5. Other intangible assets

	Intellectual property rights	Computer software	Marketing and Manufacturing rights	Customer related intangible	Total	Intangible assets under development
Gross carrying amount						
At April 01, 2019	81	449	294	77	901	-
Additions	-	36	-	-	36	-
Disposals [refer note (b)]	-	(37)	-	-	(37)	-
At March 31, 2020	81	448	294	77	900	-
Additions	-	73	-	-	73	146
Disposals	-	-	-	-	-	-
At March 31, 2021	**81**	**521**	**294**	**77**	**973**	**146**
Accumulated amortisation						
As at April 01, 2019	81	232	237	50	600	-
Disposals [refer note (b)]	-	(25)	-	-	(25)	-
Amortisation for the year [refer note (a)]	-	62	27	15	104	-
At March 31, 2020	81	269	264	65	679	-
Disposals	-	-	-	-	-	-
Amortisation for the year	-	61	17	12	90	-
At March 31, 2021	**81**	**330**	**281**	**77**	**769**	**-**
Net carrying amount						
At March 31, 2020	-	179	30	12	221	-
At March 31, 2021	**-**	**191**	**13**	**-**	**204**	**146**

(a) Amortisation for the year includes amount pertaining to discontinued operations of ₹ Nil (March 31, 2020 ₹ 2).

(b) During the year ended March 31, 2020, disposals include disposal of assets relating to discontinued operations, refer note 39.

(c) Refer note 34 (b) (ii) for disclosure of contractual commitments for the acquisition of other intangibles.

6. Non-current investments

	March 31, 2021	March 31, 2020
I. Quoted equity instruments		
In subsidiary company at cost:		
Syngene International Limited - 282,276,145 (March 31, 2020 - 282,712,241) equity shares of ₹ 10 each	26,692	26,693
In others at fair value through other comprehensive income:		
Vaccinex Inc.,USA - 299,226 (March 31, 2020 - 299,226) common stock of USD 0.0001 each	65	90
Total quoted non-current investments	26,757	26,783
II. Unquoted equity instruments		
In subsidiary companies at cost:		
Biocon Pharma Limited - 14,050,000 (March 31, 2020 - 14,050,000) equity shares of ₹ 10 each	141	141
Biocon SA, Switzerland - 100,000 (March 31, 2020 - 100,000) equity shares of CHF 1 each	4	4
Biocon FZ LLC, UAE - 150 (March 31, 2020 - 150) equity shares of AED 1,000 each	3	3
Biocon Academy - 50,000 (March 31, 2020 - 50,000) equity shares of ₹ 10 each	1	1
Biocon Biologics Limited 1,000,526,870 (March 31, 2020 - 200,105,424) equity shares of ₹ 10 each (Formerly known as Biocon Biologics India Limited)	605	449
Bicara Therapeutics Inc. -Nil (March 31, 2020 - 2,500,000) equity shares of USD 0.0001 each	-	_*
Biocon Biosphere Limited -50,000 (March 31, 2020 - 50,000) equity shares of ₹ 10 each	1	1
In joint venture company at cost:		
NeoBiocon FZ LLC, UAE - 147 (March 31, 2020 - 147) equity shares of AED 1,000 each	2	2
In others at fair value through profit or loss:		
Energon KN Wind Power Private Limited - 38,500 (March 31, 2020 - 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, 2020 - Nil) equity share of ₹ 100 each	16	-
Hinduja Renewables Two Private Limited - 2,369,000 equity shares (March 31, 2020 Nil) of ₹ 10 each	24	-

	March 31, 2021	March 31, 2020
Total unquoted investments in equity instruments	797	601
III. Unquoted preference shares		
In subsidiary company at fair value through profit or loss:		
Biocon Biologics Limited (Formerly known as Biocon Biologics India Limited) :		
4% Optionally convertible redeemable- non cumulative preference shares of ₹ 10 each 1,081,000,000 (March 31, 2020 - 1,081,000,000) fully paid	10,810	10,810
9% Non cumulative redeemable preference shares of ₹ 10 each 205,420,000 (March 31, 2020 - 705,420,000) fully paid	2,054	7,054
Biocon Pharma Limited: 873,000,000 (March 31, 2020 - 276,058,963)		
0.01% Optionally convertible Redeemable non- cumulative preference shares of ₹ 10 each fully paid	8,862	2,892
Biocon Biosphere Limited: 12,082,125 (March 31, 2020 - Nil)		
0.01% Optionally convertible Redeemable non- cumulative preference shares of ₹ 10 each	121	–
Total unquoted investments in preference shares	21,847	20,756
In associate company at cost:		
Bicara Therapeutics Inc. -2,500,000 (March 31, 2020 - 2,500,000) equity shares of USD 0.0001 each	_*	–
IATRICa Inc., USA - 4,285,714 (March 31, 2020 - 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)
Total unquoted investments in preference shares in associate company	–	–
Others at fair value through profit or Loss:		
Four Ef Renewables Private Limited [refer note (b)]		
0.001% Compulsorily convertible preference Shares of ₹ 100 each 328,541 (March 31, 2020 - Nil) fully paid	33	–
Energon KN Wind Power Private Limited - 14,666 (March 31, 2020 - 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)
Total unquoted investments in preference shares in others	33	–
IV. Inter corporate deposits with financial institutions	1,300	–
Total unquoted investments in preference shares	21,880	20,756
Total unquoted investments in others	1,300	–
Total non-current investments	50,734	48,140
Aggregate book value of quoted investments	26,757	26,783
Aggregate market value of quoted investments	153,468	67,983
Aggregate value of unquoted investments	24,118	21,498
Aggregate amount of impairment in value of investments	141	141

(a) The Company has invested in National Savings Certificates (unquoted) which are not disclosed above since amounts are rounded off to Rupees million.

(b) Terms of conversion: 1 compulsory convertible preference share of face value ₹ 100/- each will convert to 1 equity share of face value ₹ 100/- at end of the tenure of 20 years from allotment.

* Amounts are not presented since the amounts are rounded off to Rupees million. w.e.f. January 9, 2021, Investment in Bicara Therapeutics Inc. is an associate of the Company.

	March 31, 2021	March 31, 2020
7. Loans		
Unsecured considered good		
(a) Non-current		
Loans to related parties [refer note 32]	-	1,567
	-	1,567
(b) Current		
Loans to related parties [refer note 32]	-	1,006
	-	1,006
Loans to related parties comprise loans to the following:		
(i) Biocon Pharma Limited	-	1,567
Maximum amount outstanding during the year	2,392	1,567
(ii) Bicara Therapeutics Inc.	-	-
Maximum amount outstanding during the year	1,384	-
(iii) Biocon Biologics Limited [refer note 43 (c)]	-	1,006
Maximum amount outstanding during the year	1,006	1,478
(iv) Biocon Biosphere Limited	-	-
Maximum amount outstanding during the year	87	-
8. Other financial assets		
(a) Non-current		
Derivative assets	7	-
Non current cash and bank balances	500	-
Deposits	197	193
	704	193
(b) Current		
Derivative assets	13	3
Interest accrued but not due	107	4
Unbilled revenue	174	109
Other receivables (considered good - Unsecured) from:		
Related parties [refer note 32]	1,099	2,520
Others	4	4
	1,397	2,640
9. Other assets		
(Unsecured considered good, unless otherwise stated)		
(a) Non-current		
Capital advances	136	104
Duty drawback receivables	47	74
Balances with statutory/government authorities	285	233
Prepayments	14	2
	482	413
(b) Current		
Advance to suppliers	115	256
Contract assets	25	50
Balances with statutory/government authorities	375	454
Prepayments	187	211
	702	971
10. Inventories		
Raw materials, including goods-in-bond*	1,594	2,223
Packing materials	320	62
Work-in-progress	1,483	1,311
Finished goods	1,212	1,751
	4,309	5,347

* includes goods in-transit ₹ 74 (March 31, 2020 - ₹ 422)

Write-down of inventories to net realisable value amounted to ₹ 166 (March 31, 2020 - ₹ 73). These were recognised as an expense during the year and included in 'changes in inventories of finished goods and work-in-progress' in statement of profit and loss.

	March 31, 2021	March 31, 2020
11. Current investments		
Quoted - Investment in mutual funds at fair value through profit or Loss:		
ICICI Prudential Liquid Fund -Direct Plan Growth : 297,330 Units (March 31 2020: Nil Units)	91	-
UTI Liquid Cash Plan- Direct Paln Growth : 50,745 Units (March 31 2020 : Nil Units)	171	-
Nippon India Liquid Fund -Direct Plan Growth : 12,171 Units (March 31 2020: Nil Units)	61	-
HDFC Liquid Fund -Direct Plan Growth : 11,274 Units (March 31 2020: Nil Units)	46	-
HDFC Ultra Short term Fund -Direct Plan Growth : 19,679,992 Units (March 31 2020: Nil Units)	235	-
Aditya Birla Sun Life Savings Funds- Direct Growth Plan : 238,263 Units (March 31 2020 : Nil Units)	102	-
Kotak Money Market Fund - Direct Growth Plan : 64,399 Units (March 31 2020 : Nil Units)	224	-
ICICI Money Market Fund - Direct Growth Plan : 517,184 Units (March 31 2020 : Nil Units)	153	-
SBI Overnight Fund Direct Growth : 35,870 Units (March 31 2020 : 25,192 Units)	120	82
Aditya Birla Sun Life Overnight Funds Growth Direct Plan : 126,222 Units (March 31, 2020 : 39,243 Units)	140	42
Kotak Overnight-Direct-Growth : Nil Units (March 31 2020 : 39,019 Units)	-	42
Nippon India Overnight Fund Direct Growth Plan : Nil Units (March 31,2020 : 807,256 Units)	-	87
ICICI Prudential Overnight Fund Direct Plan Growth : Nil Units (March 31, 2020 : 869,099 Units)	-	94
UTI Overnight Fund Direct Growth Plan : Nil Units (March 31, 2020: 33,745 Units)	-	92
Axis Overnight Fund Growth Direct : Nil Units (March 31, 2020: 16,392 Units)	-	17
HDFC Overnight Funds Direct Plan Growth Option : Nil Units (March 31, 2020: 16,747 Units)	-	49
Aditya Birla Sun Life Overnight Fund Daily Dividend Direct Plan Reinvestment : Nil Units (March 31, 2020 : 18,673 Units)	-	19
ICICI Prudential Overnight Fund Direct Plan Daily Dividend: Nil Units (March 31, 2020 : 200,695 Units)	-	20
Nippon India Overnight Fund Direct Daily Dividend Plan : Nil Units (March 31, 2020: 266,692 Units)	-	27
UTI Overnight Fund-Direct Periodic Dividend Plan Payout : Nil Units (March 31, 2020 : 11,166 Units)	-	17
Quoted - Investment in mutual funds at fair value through profit or Loss:	**1,343**	**588**
Unquoted		
In others - at amortised cost:		
Inter corporate deposits with financial institutions	2,050	800
Total current investments	**3,393**	**1,388**
Aggregate book and market value of quoted investments	1,343	588
Aggregate value of unquoted investments	2,050	800
12. Trade receivables		
(a) Trade Receivables considered good - Unsecured*	5,880	5,732
(b) Trade Receivables - credit impaired	34	34
	5,914	**5,766**
Allowance for credit loss	(34)	(34)
	5,880	**5,732**

(a) The Company's exposure to credit and currency risks, and loss allowances are disclosed in refer note 36.

*Includes receivables from related parties [refer note 32]

	March 31, 2021	March 31, 2020
13. Cash and bank balances		
Cash and cash equivalents		
Balances with banks:		
On current accounts	2,530	3,142
On unpaid dividend account	5	8
Deposits with original maturity of less than 3 months	-	600
Total cash and cash equivalents	2,535	3,750
Other bank balances		
Deposits with maturity of less than 12 months	3,474	-
Margin money deposit [refer note (a) below]	3	3
Total other bank balances	3,477	3
Total cash and bank balances	6,012	3,753

(a) Margin money deposits with carrying amount of ₹ 3 (March 31, 2020 - ₹ 3) are subject to first charge against bank guarantees obtained.

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

	March 31, 2021	March 31, 2020
14(a). Equity share capital		
Authorised		
1,250,000,000 (March 31, 2020 - 1,200,000,000) equity shares of ₹ 5 each (March 31, 2020 - ₹ 5 each)	6,250	6,000
Issued, subscribed and fully paid-up		
1,200,000,000 (March 31, 2020 - 1,200,000,000) equity shares of ₹ 5 each (March 31, 2020 - ₹ 5 each)	6,000	6,000

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

Equity shares	March 31, 2021		March 31, 2020	
	No.	₹	No.	₹
At the beginning of the year	1,200,000,000	6,000	600,000,000	3,000
Issue of bonus shares	-	-	600,000,000	3,000
Outstanding at the end of the year	1,200,000,000	6,000	1,200,000,000	6,000

(ii) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

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

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

	March 31, 2021		March 31, 2020	
	No.	% holding	No.	% holding
Equity shares of ₹ 5 each fully paid				
Kiran Mazumdar-Shaw	475,725,384	39.64%	475,725,384	39.64%
Glentec International Limited	237,211,164	19.77%	237,211,164	19.77%

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

iv) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:

Particulars	Year ended March 31				
	2021	2020	2019	2018	2017
Equity shares of ₹ 5 each	-	600,000,000	-	400,000,000	-

The Company had allotted 600,000,000 equity shares of ₹ 5 each fully paid up as bonus shares on June 19, 2019 in the ratio of 1:1 (one equity shares of ₹ 5 each for every one equity share of ₹ 5 each held in the Company as on the record date i.e. June 13, 2019) by capitalisation of securities premium and general reserve. In accordance with Ind AS 33, the Earnings per share data adjusted to give effect to the bonus issue.

14(b). Other equity

Securities premium

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

General reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

Retained earnings

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

SEZ re-investment reserve

The SEZ re-investment reserve has been created out of profit of eligible SEZ units in terms of the provisions of section 10AA(1)(ii) of the Income-tax Act, 1961. The reserve has been utilised for acquiring new plant and machinery for the purpose of its business in terms of section 10AA(2) of the Income-tax Act, 1961.

Share based payment reserve

The Company has established equity settled share based payment plans for certain categories of employees of the Company. 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 reserve

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

Other Items of other comprehensive income

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

	March 31, 2021	March 31, 2020
15. Long-term borrowings		
Other loans and advances (unsecured)		
Financial assistance from DST [Refer Note (a) below]	7	14
	7	14
Less: Amount disclosed under the head "other current financial liabilities" [refer note 16(b)]	(7)	(7)
	-	7
The above amount includes		
Unsecured borrowings	7	14
Amount disclosed under the head "other current financial liabilities" [refer note 16(b)]	(7)	(7)
Net amount	-	7

(a) On August 25, 2010, the Department of Science and Technology ('DST') under the Drugs and Pharmaceutical Research Programme ('DPRP') has sanctioned financial assistance for a sum of ₹ 70 to the Company for financing one of its research projects. The loan is repayable over 10 annual instalments of ₹ 7 each starting from July 1, 2012, and carries an interest rate of 3% p.a. The Company is required to utilise the funds for the specified projects and is required to obtain prior approvals from the said authorities for disposal of assets/Intellectual property rights acquired/developed under the above programmes.

(b) The Company's exposure to liquidity, interest rate and currency risks are disclosed in note 36.

	March 31, 2021	March 31, 2020
16. Other financial liabilities		
(a) Non-current		
Derivative liabilities	144	26
	144	**26**
(b) Current		
Current maturities of long-term borrowings [refer note 15]	7	7
Derivative liabilities	2	9
Unpaid dividends	5	8
Payables for capital goods	390	544
Interest accrued but not due	1	1
Book overdraft	50	151
	455	**720**
17. Provisions		
(a) Non-current		
Provision for employee benefits		
Gratuity [refer note 35]	263	214
	263	**214**
(b) Current		
Provision for employee benefits		
Gratuity [refer note 35]	85	83
Compensated absences	170	161
	255	**244**

	Gratuity	Compensated absences
(i) Movement in provisions		
Opening balance	297	161
Provision recognised/(utilised) during the year	51	9
Closing balance	348	170

	March 31, 2021	March 31, 2020
18. Deferred tax liability/(assets) (net)		
Deferred tax liability		
Property, plant and equipment, investment property and intangible assets	485	468
Derivative liability	5	-
Gross deferred tax liability	**490**	468
Deferred tax assets		
Employee benefit obligations	248	235
Derivative asset	-	11
Allowance for doubtful debts	12	12
Other disallowable expenses	89	127
Deferred revenue	32	42
MAT credit entitlement	1,356	1,629
Others	217	207
Gross deferred tax assets	**1,954**	2,263
Net deferred tax liability/(assets)	**(1,464)**	(1,795)

	March 31, 2021	March 31, 2020
19. Other liabilities		
(a) Non-current		
Deferred revenues	745	182
	745	182
(b) Current		
Deferred revenues	59	74
Advances from customers	44	95
Statutory taxes and dues payable	85	83
	188	252
20. Trade payables		
Trade payables [refer note (a) below]		
Total outstanding dues of micro and small enterprises	198	75
Total outstanding dues of creditors other than micro and small enterprises*	3,522	5,137
	3,720	5,212
(a) Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006		
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each year.		
Principal amount due to micro and small enterprises	198	75
Interest due on the above	1	-
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	954	488
(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.	6	5
(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.	64	57

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.

(b) All Trade Payables are 'current'. The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 36.

*Includes dues to related parties [refer note 32]

	Year ended March 31, 2021	Year ended March 31, 2020
21. Revenue from operations		
Sale of products		
Finished goods	18,166	18,095
Traded goods	22	22
Sale of services		
Licensing and development fees	40	34
Other operating revenue		
Sale of process waste	130	158
Others [refer note (a) below]	1,926	1,575
Revenue from operations	20,284	19,884

(a) Others include, rentals and cross charge of research and development, power and other facilities by the SEZ Developer/SEZ unit of the Company.

	Year ended March 31, 2021	Year ended March 31, 2020
21.1 Disaggregated revenue information		
Set out below is the disaggregation of the Company's revenue from contracts with customers:		
Revenues by Geography		
India	7,098	9,130
Brazil	2,037	2,081
United States of America	2,850	2,989
Mexico	305	406
Rest of the world	5,938	5,281
Total revenues by Geography	18,228	19,887
Less: Revenues by Geography pertains to discontinued operation:		
India	-	1,602
Rest of the world	-	134
Revenues by Geography for discontinued operations	-	1,736
Revenues by Geography for continuing operations	18,228	18,151
Revenue from other sources		
Other operating revenue	2,056	1,834
Less: Amount pertains to discontinued operations	-	101
	2,056	1,733
Total revenue from continuing operations	20,284	19,884
Total revenue from discontinued operations	-	1,837
Total revenue from operations	20,284	21,721
Geographical revenue is allocated based on the location of the customers.		

	March 31, 2021	March 31, 2020
21.2 Changes in contract liabilities		
Balance at the beginning of the year	351	1,282
Add:- Increase due to invoicing during the year	718	219
Less:- Amount recognised as revenue/other adjustments during the year	(221)	(252)
Less:- Transferred to discontinued operations	-	(898)
Balance at the end of the year	**848**	351
Expected revenue recognition from remaining performance obligations		
- within one year	103	169
- More than one year	745	182
	848	351
21.3 Contract balances		
Trade receivables	5,880	5,732
Unbilled revenue	174	109
Contract assets	25	50
Contract liabilities	848	351
Trade receivables are non-interest bearing.		
Contract liabilities include deferred revenue.		

21.4 Performance obligation

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

	Year ended March 31, 2021	Year ended March 31, 2020
22. Other income		
Interest income on:		
Deposits with banks and financial institutions	125	21
Others	163	241
Dividend income from subsidiary	-	140
Net gain on sale of current investments	19	42
Net gain on financial assets measured at fair value through profit or loss	16	-
Net gain on derivative liability measured at fair value through profit or loss	16	-
Profit on property, plant and equipment sold, (net)	16	-
Foreign exchange gain, net	-	317
Other non-operating income [refer note (a)]	1,147	1,256
	1,502	**2,017**
(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 from continuing operation	2,285	1,387
Add: Purchases	6,936	9,480
Less: Inventory at the end of the year from continuing operation	(1,614)	(2,285)
Cost of materials consumed	**7,607**	**8,582**

	Year ended March 31, 2021	Year ended March 31, 2020
24. Changes in inventories of stock-in-trade, finished goods and work-in-progress		
Inventory at the beginning of the year		
Stock-in-trade	-	209
Finished goods	1,751	1,941
Work-in-progress	1,311	3,361
	3,062	**5,511**
Inventory at the beginning of the year pertaining to discontinued operation		
Stock-in-trade	-	209
Finished goods	-	1,005
Work-in-progress	-	1,549
	-	**2,763**
Inventory at the end of the year		
Stock-in-trade	-	-
Finished goods	1,212	1,751
Work-in-progress	1,483	1,311
	2,695	**3,062**
	367	**(314)**
25. Employee benefits expense		
Salaries, wages and bonus	2,999	2,661
Contribution to provident and other funds	132	177
Gratuity [refer note 35]	52	44
Share based compensation expense [refer note 30]	388	263
Staff welfare expenses	331	303
	3,902	3,448
26. Finance costs		
Interest expense on financial liability measured at amortised cost	-	7
Interest on finance lease [refer note 38]	4	5
	4	12
27. Depreciation and amortisation expense		
Depreciation of Property, plant and equipment [refer note 3]	889	822
Depreciation of Investment property [refer note 4 (a)]	40	42
Amortisation of intangible assets [refer note 5]	90	102
Depreciation of Right-of-use-assets [refer note 4(b)]	16	14
	1,035	980

	Year ended March 31, 2021	Year ended March 31, 2020
28. Other expenses		
Royalty and technical fees	-	2
Rent	3	7
Communication expenses	27	23
Travelling and conveyance	16	139
Professional charges	294	219
Payments to auditors [refer note (a) below]	8	7
Directors' fees including commission	22	26
Power and fuel	1,860	1,933
Insurance	104	149
Rates, taxes and fees	27	116
Lab consumables	314	154
Repairs and maintenance		
Plant and machinery	661	558
Buildings	114	111
Others	381	360
Selling expenses		
Freight outwards and clearing charges	131	165
Sales promotion expenses	3	35
Commission and brokerage (other than sole selling agents)	65	99
Provision/(reversal) for doubtful debts, net	-	(12)
Foreign exchange fluctuation, net	103	-
Net loss on financial assets measured at fair value through profit or loss	-	2
Printing and stationery	31	33
Research and development expenses [refer note 29]	553	1,064
CSR expenditure [refer note 42]	66	79
Miscellaneous expenses [refer note 32]	504	59
	5,287	5,328
(a) Payments to auditors:		
As auditor:		
Statutory audit fee	3	3
Tax audit fee	1	1
Limited review	1	1
In other capacity:		
Other services (certification fees)	2	1
Reimbursement of out-of-pocket expenses	1	1
	8	7

29. Research and development expenses

		Year ended March 31, 2021	Year ended March 31, 2020
Research and development expenses	(a)	553	1,088
Other Research and development expenses included in other heads of account:			
Salaries, wages and bonus		339	341
Contribution to provident and other funds		13	14
Staff welfare expenses		3	3
Lab consumables		314	156
Travelling and conveyance		-	2
Printing and stationery		1	-
	(b)	670	516
	(a+b)	1,223	1,604
Less: Recovery of product development costs from co-development partners, net		(13)	(29)
		1,210	1,575

Note: Research and development expenses includes ₹ Nil (March 31, 2020 ₹ 26) pertaining to discontinued operations.

30. Employee stock compensation

(a) Biocon ESOP Plan

On September 27, 2001, Biocon's Board of Directors approved the Biocon Employee Stock Option Plan ('ESOP Plan 2000') for the grant of stock options to the employees of the Company and its subsidiaries / joint venture company. The Nomination and Remuneration Committee ('Remuneration Committee') administers the plan through a trust established specifically for this purpose, called the Biocon India Limited Employee Welfare Trust (ESOP Trust).

The ESOP Trust shall make additional purchase of equity shares of the Company using the proceeds from the loan obtained from the Company, other cash inflows from allotment of shares to employees under the ESOP Plan and shall subscribe, when allotted to such number of shares as is necessary for transferring to the employees. The ESOP Trust may also receive shares from the promoters for the purpose of issuance to the employees under the ESOP Plan. The Remuneration Committee shall determine the exercise price which will not be less than the face value of the shares.

Grant V

In April 2008, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 25%, 35% and 40% of the total grant at the end of first, second and third year from the date of grant for existing employees and at the end of 3rd, 4th and 5th year from the date of grant for new employees. Exercise period is 3 years for each grant. The conditions for number of options granted include service terms and performance grade of the employees. These options are exercisable at the market price of Company's shares on the date of grant.

Particulars	March 31, 2021		March 31, 2020	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	87,000	75	601,750	67
Granted during the year	-	-	-	-
Lapses/forfeited during the year	-	-	(90,000)	53
Exercised during the year	(87,000)	75	(424,750)	68
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	-	**87,000**	75
Exercisable at the end of the year	-	-	87,000	75
Weighted average remaining contractual life (in years)	-	-	0.1	-
Range of exercise prices for outstanding options at the end of year	-	-	73-77	-

Grant VI

In July 2014, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. These options are exercisable at the closing market price of Company's shares existing on the date preceding to the date of grant.

Particulars	March 31, 2021		March 31, 2020	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	33,000	78	1,334,100	79
Granted during the year	-	-	-	-
Lapses/forfeited during the year	-	-	-	-
Exercised during the year	(33,000)	78	(1,301,100)	78

Particulars	March 31, 2021		March 31, 2020	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	-	33,000	78
Exercisable at the end of the year	-	-	33,000	78
Weighted average remaining contractual life (in years)	-	-	0.3	-
Weighted average fair value of options granted (₹)	-	-	-	-
Range of exercise prices for outstanding options at the end of year	-	-	78	-

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, 2021		March 31, 2020	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	3,392,275	81	4,628,400	80
Granted during the year	-	-	-	-
Lapses/forfeited during the year	(120,000)	75	(435,750)	76
Exercised during the year	(1,263,525)	81	(800,375)	77
Expired during the year	-	-	-	-
Outstanding at the end of the year	2,008,750	82	3,392,275	81
Exercisable at the end of the year	357,250	79	600,025	80
Weighted average remaining contractual life (in years)	1.6	-	2.3	-
Weighted average fair value of options granted (₹)	-	-	-	-
Range of exercise prices for outstanding options at the end of year	69-124	-	69-124	-

Grant VIII

In July 2015, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. These options are exercisable at the closing price as per National Stock Exchange as on the last day of the month preceding the month of first grant.

Particulars	March 31, 2021		March 31, 2020	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	711,500	80	1,041,000	81
Granted during the year	-	-	-	-
Lapses/forfeited during the year	(136,500)	38	(40,500)	124
Exercised during the year	(428,000)	73	(289,000)	74
Expired during the year	-	-	-	-
Outstanding at the end of the year	**147,000**	75	**711,500**	80
Exercisable at the end of the year	99,000	76	368,000	77
Weighted average remaining contractual life (in years)	1	-	1.4	-
Weighted average fair value of options granted (₹)	-	-	-	-
Range of exercise prices for outstanding options at the end of year	71-76	-	71-124	-

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, 2021		March 31, 2020	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	7,351,312	127	7,807,500	122
Granted during the year	-	-	1,755,000	129
Lapses/forfeited during the year	(1,780,875)	136	(2,182,500)	109
Exercised during the year	(262,863)	98	(28,688)	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	**5,307,574**	124	**7,351,312**	127
Exercisable at the end of the year	105,762	81	78,562	131
Weighted average remaining contractual life (in years)	4.1	-	5.2	-
Weighted average fair value of options granted (₹)	-	-	165	-
Range of exercise prices for outstanding options at the end of year	69-173	-	69-173	-

Grant X

In June 2016, the Company approved the grant to its employees under the existing ESOP Plan 2000. The options under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year from the date of grant, respectively, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees. These options are exercisable at 50% of the closing price as per National Stock Exchange as on the preceding day to the date of grant.

Particulars	March 31, 2021		March 31, 2020	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	7,010,758	137	4,932,870	117
Granted during the year	-	-	3,341,250	157
Lapses/forfeited during the year	(340,498)	152	(436,499)	131
Exercised during the year	(1,813,184)	120	(826,863)	100
Expired during the year	-	-	-	-
Outstanding at the end of the year	4,857,076	142	7,010,758	137
Exercisable at the end of the year	777,449	125	597,132	124
Weighted average remaining contractual life (in years)	2.2	-	3.0	-
Weighted average fair value of options granted (₹)	-	-	192	-
Range of exercise prices for outstanding options at the end of year	62-167	-	62-167	-

The average market price of the Company's share during the year ended March 31, 2021 is ₹ 407 (March 31, 2020 - ₹ 267) per share after adjusting for the impact of bonus shares granted during the year ended March 31, 2020.

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, 2021	March 31, 2020
Weighted Average Exercise Price	-	78-167
Expected volatility	-	32.2% to 36.5%
Historical volatility	-	34.9%
Life of the options granted (vesting and exercise period) in years	-	3.0-6.5
Average risk-free interest rate	-	6.3%
Expected dividend rate	-	0.8%

Expected volatility is based on historical volatility of the market price of the Company's publicly traded equity shares during the expected term of the option grant.

(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, 2021		March 31, 2020	
	No of Options	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	750,819	-	1,564,262	-
Granted during the year	-	-	-	-
Lapses/forfeited during the year	(28,749)	-	(174,399)	-
Exercised during the year	(436,096)	-	(639,044)	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	**285,974**	-	**750,819**	-
Exercisable at the end of the year	49,873	-	295,780	-
Weighted average remaining contractual life (in years)	2.8	-	3.1	-
Weighted average fair value of options granted (₹)	-		-	

(b) RSU Plan 2019

On January 7, 2019, Biocon's Nomination and Remuneration Committee ('NRC') and the Board of Directors approved the Biocon Biologics - Restricted Stock Units (RSUs) of Biocon Biologics Limited ('RSU Plan 2019') for grant of RSUs to employees of the Group. The NRC administers the plan though a trust called, Biocon Limited Employee Welfare Trust. For this purpose on January 8, 2020, the Company transferred 2,161,904 equity shares of Biocon Biologics Limited to Biocon Limited Employee Welfare Trust.

The RSUs under this grant would vest to the employees as 10%, 20%, 30% and 40% of the total grant at the end of first, second, third and fourth year, respectively, from the date of grant or from the date of occurrence of certain future events, whichever is later, with an exercise period ending one year from the end of last vesting. The vesting conditions include service terms and performance grade of the employees.

Particulars	March 31, 2021		March 31, 2020	
	No of Options*	Weighted Average Exercise Price (₹)	No of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	9,960,570	2	1,682,750	10
Granted during the year	1,125,470	2	587,877	10
Lapses/forfeited during the year	(2,571,425)	2	(278,513)	10
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	**8,514,615**	2	**1,992,114**	10
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years)	7.0	-	5.3	-
Weighted average fair value of options granted (₹)	244		15.2	

* adjusted for the effect of bonus shares

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, 2021	March 31, 2020
Weighted Average Exercise Price	2	2
Expected volatility	33.7% to 36.9%	32.2% to 36.5%
Life of the options granted (vesting and exercise period) in years	7	7
Average risk-free interest rate	5.4%	6.30%
Expected dividend rate	0%	0%

(d) RSU Plan 2020

On May 14, 2020, Biocon's Nomination and Remuneration Committee ('NRC') and the Board of Directors approved the Biocon Restricted Stock Units (RSUs) Long Term Incentive Plan Financial Year 2020-24 ("RSU Plan 2020") for grant of RSUs to present and/or future employees of the Company and its present and future subsidiary companies. The plan is implemented though a trust called, Biocon India Limited Employee Welfare Trust wherein the Company will issue shares to the trust by way of fresh allotment over a period of time.

The RSUs granted under this Plan shall vest over a period of time (service condition) and based upon the performance of the employee. The period of vesting shall be determined as per the date of grant and the maximum period of vesting shall not extend beyond August 1, 2024. The actual number of RSUs to be vested each year for each Grantee shall be based on his individual performance conditions, the key parameters of which shall be measured through growth in revenue and profits, delivering on key strategic initiatives and shareholders' value creation and such other conditions as may be determined by the Managing Director and Chief Executive Officer of the Company in accordance with the overall terms set by the NRC.

Particulars	March 31, 2021		March 31, 2020	
	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	2,930,000	5	-	-
Lapses/forfeited during the year	(300,000)	5	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	2,630,000	5	-	-
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years)	4.2	-	-	-
Weighted average fair value of options granted (₹)	337		-	

Assumptions used in determination of the fair value of the stock options under the Black Scholes Model for grants during the year are as follows:

Particulars	March 31, 2021	March 31, 2020
Weighted Average Exercise Price	5	-
Expected volatility	34.0% to 36.4%	-
Life of the options granted (vesting and exercise period) in years	5	-
Average risk-free interest rate	5.3%	-
Expected dividend rate	0.8%	-

Particulars	March 31, 2021	March 31, 2020
Summary of movement in respect of shares held by ESOP Trust is as follows:		
Opening balance	14,811,872	17,170,448
Add: Shares purchased by the ESOP trust	244,474	1,312,200
Less: Shares exercised by employees	(3,887,572)	(3,670,776)
Closing balance	**11,168,774**	**14,811,872**
Options granted and eligible for exercise at end of the year	1,339,461	1,763,719
Options granted but not eligible for exercise at end of the year	10,980,939	16,822,126
Summary of movement in respect of equity shares of Syngene held by the RSU Trust is as follows:		
Opening balance	1,737,469	3,188,762
Less: Shares exercised by employees	(436,096)	(639,044)
Less: Shares sold by the RSU Trust	-	(812,249)
Closing balance	**1,301,373**	**1,737,469**

Particulars	March 31, 2021	March 31, 2020
Options granted and eligible for exercise at end of the year	49,873	295,780
Options granted but not eligible for exercise at end of the year	236,101	455,039
Summary of movement in respect of equity shares of Biocon Biologics Limited held by the RSU Trust is as follows:		
Opening balance*	10,809,520	-
Add: Shares purchased by the RSU Trust from Biocon Limited	-	2,161,904
Closing balance	**10,809,520**	**2,161,904**
Options granted but not eligible for exercise at end of the year	8,514,615	9,960,570

*adjusted for the effect of bonus shares

Particulars	March 31, 2021	March 31, 2020
31. Earnings per share (EPS)		
Earnings		
Profit for the year		
- From Continuing operations	2,805	4,363
- From Discontinued operations	-	46
Shares		
Basic outstanding shares	1,200,000,000	1,200,000,000
Less: Weighted average shares held with the ESOP Trust	(12,869,238)	(15,869,486)
Weighted average shares used for computing basic EPS	**1,187,130,762**	**1,184,130,514**
Add: Effect of dilutive options granted but not yet exercised/not yet eligible for exercise	9,630,143	3,163,963
Weighted average shares used for computing diluted EPS	**1,196,760,905**	**1,187,294,477**
Earnings per share for continuing operations:		
Basic (in ₹)	2.36	3.68
Diluted (in ₹)	2.34	3.67
Earnings per share for discontinued operations:		
Basic (in ₹)	-	0.04
Diluted (in ₹)	-	0.04
Earnings per share for continuing and discontinued operations:		
Basic (in ₹)	2.36	3.72
Diluted (in ₹)	2.34	3.71

32. Related party transactions

List of related parties:

Particulars	Nature of relationship
Key management personnel	
Kiran Mazumdar-Shaw	Executive Chairperson (w.e.f April 01, 2020)
	Chairperson & Managing Director (Upto March 31, 2020)
Arun Chandavarkar	Joint Managing Director & CEO (w.e.f April 24, 2014 , upto November 30, 2019)
Siddharth Mittal	Managing Director & CEO (effective from December 1, 2019)
	President - Finance & Chief Financial Officer (upto November 30, 2019)
Indranil Sen	Interim Chief Financial Officer (w.e.f May 15, 2020 , upto September 22, 2020)
	Chief Financial Officer (w.e.f April 28, 2021)#
Anupam Jindal	Chief Financial Officer (w.e.f September 22, 2020 upto April 28,2021)#
Mayank Verma	Company Secretary (w.e.f July 25, 2019)
Russell Walls	Independent director (upto July 26, 2019)
Daniel M Bradbury	Independent director
Jeremy M Levin	Independent director (upto January 23, 2020)
Mary Harney	Independent director
Vijay K Kuchroo	Independent director
M Damodaran	Independent director
Bobby K Parikh	Independent director
John Shaw	Non-executive director
Ravi Mazumdar	Non-executive director
Subsidiaries	
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 (w.e.f May 29, 2019)
Biocon FZ LLC	Wholly-owned subsidiary
Biocon Biologics Healthcare Sdn Bhd (Formerly known as Biocon Healthcare Sdn Bhd)	Wholly-owned subsidiary of Biocon Biologics UK Limited (w.e.f March 02, 2020)
Biocon Biosphere Limited	Wholly-owned subsidiary
Bicara Therapeutics Inc.	Subsidiary (upto January 09, 2021)
Biocon Pharma Inc	Wholly-owned subsidiary of Biocon Pharma Limited
Biocon Sdn.Bhd.	Wholly-owned subsidiary of Biocon Biologics UK Limited
Biocon Pharma Ireland Limited	Wholly-owned subsidiary of Biocon Pharma Limited
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

Particulars	Nature of relationship
Biocon Biologics Do Brasil Ltda	Wholly-owned subsidiary of Biocon Biologics UK Limited
Biocon Pharma Malta Limited	Wholly-owned subsidiary of Biocon Pharma Limited
Biocon Pharma Malta I Limited	Wholly-owned subsidiary of Biocon Pharma Limited
Biofusion Therapeutics Limited	Wholly-owned subsidiary
Associate	
Bicara Therapeutics Inc.	Associate (w.e.f. January 09, 2021)
Joint Ventures	
NeoBiocon FZ LLC	Joint-venture
Other related parties	
Biocon Foundation	Trust in which key management personnel are the Board of Trustees
Mazumdar Shaw Medical Foundation	Trust in which key management personnel are the Board of Trustees
Glentec International Limited	Enterprise owned by key management personnel
Narayana Hrudayalaya Limited	Enterprise in which a director of the Company is a member of board of directors
Immuneel Therapeutics Private Limited	Enterprise in which a director of the Company is a member of board of directors
Jeeves	Enterprise in which relative to a director of the Company is proprietor

The Company has the following related parties transactions

Particulars	Transaction / Balances	March 31,2021	March 31,2020
Key management personnel	Salary and perquisites [refer note (d) & (e) below]	101	127
	Sitting fees and commission	21	26
	Outstanding as at the year end:		
	- Trade and other payables	4	1
Subsidiaries	Sale of goods/other products	1,907	1,195
	Sales on behalf of a subsidiary	164	1,248
	Purchase on behalf of a subsidiary	424	1,250
	Rent income [refer note (b) below]	283	267
	Licensing and development fees	-	557
	Dividend income	-	596
	Cross charges towards facility and other expenses [refer note (a) &(b)]	1,851	2,622
	Interest income	161	232
	Expenses incurred on behalf of the related party	354	412
	Guarantee income	42	26
	Research services received	164	415
	Purchase of goods	188	630
	Royalty expense	-	2
	Professional charges	27	21
	Capacity reservation fees	450	-
	Sale of Business	-	7,675
	CSR expenditure	42	52
	Expenses incurred by related party on behalf of the Company	30	-
	Funding received towards Property, plant and equipment	610	56
	Transfer of Capital work in progress	96	35
	Transfer of Other intangible assets	16	-
	Investment in equity shares	-	8
	Investment in preference shares	6,091	18,732
	Sale of Equity shares	-	10,810
	Redemption of preference shares	5,000	-

Particulars	Transaction / Balances	March 31,2021	March 31,2020
	Loans given/(repaid), net [refer note (g) below]	(2,573)	1,358
	Outstanding as at the year end:		
	- Trade and other receivables	2,897	3,983
	- Trade and other payables	99	936
	- Loans receivable [refer note (g) below]	-	2,573
	Guarantee given on behalf of related party to Customs & Excise Department ('CED')	14,087	**18,678**
Associate	Cross charges towards facility and other expenses [refer note (a) &(b)]	102	-
	Interest income	2	-
	Outstanding as at the year end:		
	- Trade and other receivables	328	-
Joint venture	Expenses incurred on behalf of the related party	1	5
	Outstanding as at the year end:		
	- Trade and other receivables	-*	5
Other related parties	Sale of goods	-	30
	CSR expenditure	24	27
	Expenses incurred on behalf of the related party	-	1
	Other expenses	19	24
	Expenses towards Scientific and Research services	1	1
	Outstanding as at the year end:		
	- Trade and other receivables	1	6
	- Trade and other payables	-	1

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

Indranil Sen was appointed as the Chief Financial Officer of Biocon Limited effective from April 28, 2021 and Anupam Jindal resigned as Chief Financial Officer w.e.f April 28, 2021.

(a) Expenses incurred on behalf of the related party include ESOP cost and amount paid on behalf to vendors.

(b) The Company's SEZ Developer division has entered into agreements to lease land and provide certain facilities such as power, utilities etc. to SEZ units of Biocon Biologics Limited, Biocon Pharma Limited and Syngene International Limited, in respect of which the Company recovers rent and facilities usage charges.

(c) The above disclosures include related parties as per Ind AS 24 on "Related Party Disclosures" and Companies Act, 2013.

(d) The remuneration to key management personnel doesn't include the provisions made for gratuity and compensated absences, as they are obtained on an actuarial basis for the Company as a whole.

(e) Share based compensation expense allocable to key management personnel is ₹ 71 (March 31, 2020 - ₹ 15), which is not included in the remuneration disclosed above.

(f) All transactions with these related parties are priced on an arm's length basis and none of the balances are secured.

(g) The loans to related parties is presented net of repayments due to multiple transactions. Loans repaid includes loan subsequently converted into preference shares. The loan given to subsidiaries are for Business purposes and interest rates are at arm's length. The Loans are payables on demand.

(h) The above disclosures includes related party transactions pertaining to discontinued operations.

	March 31, 2020	March 31, 2019
33. Tax expense		
(a) Amount recognised in Statement of profit and loss		
Current tax:	462	857
- From continuing operations	-	42
- From discontinued operations		
Deferred tax expense/(income) related to:	273	187
MAT credit utilisation/ (entitlement)		
Origination and reversal of temporary differences:		
- From continuing operations	48	75
- From discontinued operations	-	29
Tax expense for the year #	**783**	**1,190**
# Includes credit for reversal of tax provision for earlier years amounting to ₹ 278 for the year ended March 31, 2021.		
(b) Reconciliation of effective tax rate		
Profit before tax and exceptional items		
- From continuing operations	3,588	3,885
- From discontinued operations	-	117
Add: Exceptional items, net	-	1,597
Profit before tax	**3,588**	**5,599**
Tax at statutory income tax rate 34.94% (March 31, 2020 - 34.94%)	1,254	1,956
Tax effects of amounts which are not deductible/(taxable) in calculating taxable income:		
Weighted deduction on research and development expenditure	-	(322)
Exempt income and other deductions	(200)	(428)
Non-deductible expense	23	123
Income from sale of investments, exempt from tax	-	(90)
Basis difference that will reverse during the tax holiday period	(13)	(3)
Reversal of provision for tax for earlier years	(278)	-
Others	(3)	(46)
Income tax expense	**783**	**1,190**

(c) Recognised deferred tax assets and liabilities

The following is the movement of deferred tax assets/liabilities presented in the balance sheet

For the year ended March 31, 2021	Opening balance	Recognised in retained earning	Recognised in profit or loss	Recognised in OCI	Closing balance
Deferred tax liability					
Property, plant and equipment, investment property and intangible assets	468	-	17	-	485
Derivative liability	-	-	-	5	5
Gross deferred tax liability	**468**	**-**	**17**	**5**	**490**
Deferred tax assets					
Defined benefit obligations	235	-	18	(5)	248
Derivative assets	11	-	-	(11)	-
Allowance for doubtful debts	12	-	-	-	12
Other disallowable expenses	127	-	(38)	-	89
MAT credit entitlement	1,629	-	(273)	-	1,356
Deferred revenue	42		(10)	-	32
Others	207	-	(1)	11	217
Gross deferred tax assets	**2,263**	**-**	**(304)**	**(5)**	**1,954**
Net deferred tax assets	**1,795**	**-**	**(321)**	**(10)**	**1,464**

For the year ended March 31, 2020	Opening balance	Recognised in retained earning	Recognised in profit or loss	Recognised in OCI	Closing balance
Deferred tax liability					
Property, plant and equipment, investment property and intangible assets	546	-	(78)	-	468
Derivative liability	15	-	-	(15)	-
Gross deferred tax liability	561	-	(78)	(15)	468
Deferred tax assets					
Defined benefit obligations	229	-	(27)	33	235
Derivative assets	-	-	-	11	11
Allowance for doubtful debts	31	-	(19)	-	12
Other disallowable expenses	187	-	(60)	-	127
MAT credit entitlement	1,816	-	(187)	-	1,629
Deferred revenue	92	-	(50)	-	42
Others	225	1	(26)	7	207
Gross deferred tax assets	2,580	1	(369)	51	2,263
Net deferred tax assets	2,019	1	(291)	66	1,795

	March 31, 2021	March 31, 2020
34. Contingent liabilities and commitments		
(to the extent not provided for)		
(i) Contingent liabilities:		
(a) Claims against the Company not acknowledged as debt	1,662	1,790
The above includes:		
(i) Direct taxation	685	684
(ii) Indirect taxation (includes matters pertaining to disputes on central excise, custom duty, service tax, VAT and CST)	629	701
(iii) Other matters	348	405

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.

	March 31, 2021	March 31, 2020
(b) Guarantees:		
(i) Corporate guarantees given in favour of the Central Excise Department in respect of certain performance obligations of the subsidiary:	148	148
(ii) Corporate guarantees given in favour of banks towards loans obtained by subsidiaries/step - down subsidiaries:	13,939	18,530
(ii) Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances:	1,747	1,569

(b) During the previous year, the Company and Biocon Biologics Limited has entered into an agreement with Active Pine LLP ('Investor I) whereby the Investor has infused ₹ 5,363 against issuance of equity shares of a subsidiary company, Biocon Biologics Limited. As per the agreement, the Company will be required to provide various options to enable the Investor to exit over a period of time. In the event, such exit events do not occur, the Investor may require the Company, to buy them out at certain prices agreed under the arrangement.

(c) During the current year, the Company and Biocon Biologics Limited has entered into an agreement with Beta Oryx Limited, a wholly owned subsidiary of ADQ (Investor II) whereby the Investor has infused ₹ 5,550 against issuance of equity shares of a subsidiary company, Biocon Biologics Limited. As per the agreement, the Company will be required to provide various options to enable the Investor to exit over a period of time. In the event, such exit events do not occur, the Investor may require the Company, to buy them out at certain prices agreed under the arrangement.

(d) During the current year, the Company and Biocon Biologics Limited has entered into an agreement with Tata Capital Growth Fund II (Investor III) whereby the Investor has infused ₹ 2,250 against issuance of equity shares of a subsidiary company, Biocon Biologics Limited. As per the agreement, the Company will be required to provide various options to enable the Investor to exit over a period of time. In the event, such exit events do not occur, the Investor may require the Company, to buy them out at certain prices agreed under the arrangement.

35. Employee benefit plans

(i) The Company has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972. Under this legislation, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement/termination age and does not have any maximum monetary limit for payments. The gratuity plan is a funded plan and the Company makes contributions to a recognised fund in India.

The plan assets are maintained with HDFC Life Insurance Company Limited (HDFC Life) in respect of gratuity scheme for employees of the Company. The details of investments maintained by the HDFC Life are not available with the Company, hence not disclosed. The expected rate of return on plan assets is 5.6 % p.a. (31 March 2020: 5.8% p.a.). The Company 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.

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:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as on April 01, 2020	338	(41)	297
Current service cost	34	-	34
Interest expense/(income)	20	(2)	18
Amount recognised in Statement of profit and loss	54	(2)	52
Liability transferred in/ Acquisitions	-	-	-
Liability transferred out/ Divestments	-	-	-
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense/(income)	–	-	-
Actuarial (gain)/loss arising from:			
Demographic assumptions	-	-	-
Financial assumptions	3	-	3
Experience adjustment	(17)	-	(17)
Amount recognised in other comprehensive income	(14)	-	(14)
Employers contribution	-	36	36
Benefits paid	(23)	-	(23)
Balance as at March 31, 2021	**355**	**(7)**	**348**

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as on April 01, 2019	432	(49)	383
Current service cost	32	-	32

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Interest expense/(income)	19	(3)	16
Amount recognised in Statement of profit and loss *	**51**	**(3)**	**48**
Liability transferred in/ Acquisitions	5	-	5
Liability transferred out/ Divestments	(158)	-	(158)
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(1)	(1)
Actuarial (gain)/loss arising from:			
Demographic assumptions	-	-	-
Financial assumptions	19	-	19
Experience adjustment	33	-	33
Amount recognised in other comprehensive income	**52**	**(1)**	**51**
Employers contribution	-	12	12
Benefits paid	(43)	-	(43)
Balance as at March 31, 2020	**338**	**(41)**	**297**

	March 31, 2021	March 31, 2020
Non-current	263	214
Current	85	83
	348	297

* including amount pertaining to discontinued operations.

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

	March 31, 2021	March 31, 2020
Interest rate	5.6%	5.8%
Discount rate	5.6%	5.8%
Expected return on plan assets	5.6%	5.8%
Salary increase	9.0%	9.0%
Attrition rate	14% - 30%	14% - 30%
Retirement age - Years	58	58

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

The weighted average duration of the defined benefit obligation was 6 years (March 31, 2020 - 6 years).

The defined benefit plan exposes the Company 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, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% Change)	(16)	19	(16)	18
Salary increase (1% Change)	18	(17)	18	(16)
Attrition rate (1% Change)	(4)	4	(4)	4

Sensitivity of significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.

As of March 31, 2021 and March 31, 2020, the plan assets have been invested in insurer managed funds and the expected contribution to the fund during the year ending March 31, 2022, is approximately ₹ 74 (March 31, 2021 - ₹ 66).

Maturity profile of defined benefit obligation amount

Particulars	March 31, 2021	March 31, 2020
1st Following year	74	66
2nd Following year	38	35
3rd Following year	35	33
4th Following year	33	34
5th Following year	33	32
Years 6 to 10	129	132
Years 11 and above	156	152

(iv) Risk Exposure

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

a) Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

b) Interest rate risk: A decrease in bond interest rate will increase the plan liability.

c) Longevity risk: The present value of the defined plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy will increase the plan's liability.

d) Salary risk: Higher than expected increase in salary will increase the defined benefit obligation.

(v) Other Long term benefits

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

Particulars	March 31, 2021	March 31, 2020
Compensated absences	170	161

36.Financial instruments: Fair value and risk managements

A. Accounting classification and fair values

	Carrying amount				Fair value			
March 31, 2021	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current investments	21,920	65	28,749*	50,734	65	-	21,920#	21,985
Current investments	1,343	-	2,050	3,393	1,343	-	-	1,343
Trade receivables	-	-	5,880	5,880	-	-	-	-
Cash and bank balances	-	-	6,012	6,012	-	-	-	-
Other financial asset	-	20	2,081	2,101	-	20	-	20
	23,263	**85**	**44,772**	**68,120**	**1,408**	**20**	**21,920**	**23,348**
Financial liabilities								
Lease liabilities	-	-	24	24	-	-	-	-
Borrowings	-	-	7	7	-	-	-	-
Trade payables	-	-	3,720	3,720	-	-	-	-
Other financial liabilities	140	6	446	592	-	6	140	146
	140	**6**	**4,197**	**4,343**	**-**	**6**	**140**	**146**
March 31, 2020	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current investments	17,864	90	30,186*	48,140	90	-	17,864#	17,954
Loans	-	-	2,573	2,573	-	-	-	-
Current investments	588	-	800	1,388	588	-	-	588
Trade receivables	-	-	5,732	5,732	-	-	-	-
Cash and bank balances	-	-	3,753	3,753	-	-	-	-
Other financial asset	-	3	2,830	2,833	-	3	-	3
	18,452	**93**	**45,874**	**64,419**	**678**	**3**	**17,864**	**18,545**
Financial liabilities								
Lease liabilities	-	-	30	30	-	-	-	-
Borrowings	-	-	14	14	-	-	-	-
Trade payables	-	-	5,212	5,212	-	-	-	-
Other financial liabilities	-	35	704	739	-	35	-	35
	-	35	5,960	5,995	-	35	-	35

(a) The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short – term nature

(b) There have been no transfers between level 1, 2 and 3 needs to be made.

(c) The Company enters into derivative financial instruments with various counterparties. Derivatives are valued using valuation techniques in consultation with market expert. The most frequently applied valuation technique include forward pricing, swap models and Black Scholes Merton Model (for options valuation), using present value calculations. The models incorporate various inputs including foreign exchange forward rates, interest rate curve and forward rates curve.

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

B. Measurement of fair values

Fair value of liquid mutual funds are based on quoted price. Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

Sensitivity analysis

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

Significant observable inputs	March 31, 2021 Impact on other equity		March 31, 2020 Impact on other equity	
	Increase	Decrease	Increase	Decrease
Spot rate of the foreign currency (1% movement)	(8)	8	(27)	27

C. Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

(i) Risk management framework

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

(ii) Credit risk

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

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

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to ₹ 5,880 (March 31, 2020: ₹ 5,732). The movement in allowance for impairment in respect of trade and other receivables during the year was as follows:

Allowance for Impairment	March 31, 2021	March 31, 2020
Opening balance	34	88
Impairment loss recognised	8	2
Impairment loss reversed/transferred	(8)	(56)
Closing balance	**34**	**34**

Note: During the year ended March 31, 2020 impairment loss reversed/transferred includes ₹ 42 pertaining to discontinued operations.

Details of financial assets – not due, past due and impaired

The ageing of trade receivables is given below

Particular	March 31, 2021	March 31, 2020
Neither past due nor impaired	4,363	3,471
Past due but not impaired		
Less than 365 days	1,275	2,116
More than 365 days	276	179
	-	-
Less: Allowance for credit losses	(34)	(34)
Total	5,880	5,732

Other than trade receivables the Company has no significant class of financial assets that is past due but not impaired.

Receivables from two customers of the Company's trade receivables is ₹ 2,321 (March 31, 2020 two customers - ₹ 1,893) which is more than 10 percent of the Company's total trade receivables. Other than trade receivables, the Company has no significant class of financial assets that is past but not impaired.

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

(iii) Liquidity risk

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

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

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

March 31, 2021

Particulars	Less than 1 year	1 - 2 years	2-5 years	Total
Long-term borrowings	7	-	-	7
Trade payables	3,720	-	-	3,720
Other financial liabilities	465	14	142	621
Total	4,192	14	142	4,348

March 31, 2020

Particulars	Less than 1 year	1 - 2 years	2-5 years	Total
Long-term borrowings	7	7	-	14
Trade payables	5,212	-	-	5,212
Other financial liabilities	730	39	6	775
Total	5,949	46	6	6,001

(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, 2021 and March 31, 2020 are as below:

March 31, 2021	USD	EUR	Others	Total
Financial assets				
Trade receivables	2,151	230	12	2,393
Cash and cash equivalents	1,924	345	1	2,270
Other financial assets	192	_*	_*	192
Financial liabilities				
Trade payables	(620)	(83)	(30)	(733)
Other current financial liabilities	(78)	(6)	-	(84)
Net assets/(liabilities)	**3,569**	**486**	**(17)**	**4,038**

March 31, 2020	USD	EUR	Others	Total
Financial assets				
Trade receivables	2,512	131	4	2,647
Cash and cash equivalents	2,604	283	11	2,898
Other current financial assets	42	_*	2	44
Financial liabilities				
Trade payables	(1,668)	(18)	(14)	(1,700)
Other current financial liabilities	(57)	(4)	-	(61)
Net assets/(liabilities)	3,433	392	3	3,828

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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
USD Sensitivity				
INR/USD - Increase by 1%	36	34	28	8
INR/USD - Decrease by 1%	(36)	(34)	(28)	(8)
EUR Sensitivity				
INR/EUR - Increase by 1%	5	4	5	3
INR/EUR - Decrease by 1%	(5)	(4)	(5)	(3)

* 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 matchs 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 and option contracts:

(in Million)

Particulars	March 31, 2021	March 31, 2020
Foreign exchange forward contracts to sell USD maturity between 0-1 Years	USD 8	-
European style range forward contracts with periodical maturity between 1-2 Years	USD 57	USD 50
European style range forward contracts with periodical maturity between 1-2 Years	-	EUR 1

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, 2020 the Company's borrowings at variable rate were mainly denominated in USD which has been repaid in the previous year.

(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, 2021	March 31, 2020
Fixed rate borrowings	7	14
Total borrowings	**7**	**14**

(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, 2021 and March 31, 2020 was as follows:

Particulars	March 31, 2021	March 31, 2020
Total equity attributable to the equity shareholders of the Company	79,071	75,373
As a percentage of total capital	100%	100%
Long-term borrowings	7	714
Total borrowings	**7**	**14**
As a percentage of total capital	0%	0%
Total capital (Equity and Borrowings)	79,078	75,387

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 ₹ 21.

The weighted average incremental borrowing rate of 10% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

The following is the movement in lease liabilities during the year ended March 31, 2021:

Particulars	March 31, 2021			
	Land	Buildings	Vehicles	Total
Balance as the beginning	5	2	23	30
Addition during the year	-	-	15	15
Finance cost accrued during the year	-	-	4	4
Disposals	-	-	(4)	(4)
Payment of lease liabilities	(3)	(2)	(16)	(21)
Balance as at March 31, 2021	**2**	**-**	**22**	**24**

Particulars	March 31, 2020			
	Land	Buildings	Vehicles	Total
Balance as at April 01, 2019 on account of adoption of Ind AS 116	-	-	-	-
Balance as the beginning	-	-	-	-
Addition during the year	6	13	32	51
Finance cost accrued during the year	1	1	3	5
Disposals/transfer*	-	(1)	-	(1)
Payment of lease liabilities	(2)	(11)	(12)	(25)
Balance as at March 31, 2020	5	2	23	30

*Disposals include disposal of assets relating to discontinued operations, refer note 39.

	March 31, 2021	March 31, 2020
(ii) The following is the breakup of current and non current lease liability		
Current lease liabilities	12	4
Non current lease liabilities	12	26
	24	**30**
(iii) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:		
Less than one year	17	4
More than one less than five year	12	32
	29	**36**
(iv) The following are the amounts recognised in the statement of Profit or Loss :		
Depreciation expenses on right of use-assets [refer note (a)]	16	15
Interest expenses on lease liabilities	4	5
Total amount recognised in Profit or loss	**20**	**20**

(a) During the year ended March 31,2020 Depreciation includes ₹ 1 amount pertaining to discontinued operations.

39. Discontinued operations

(I) Sale of Biologics business

Consequent to the approvals received from the Board of Directors on October 26, 2017 and from the shareholders on December 07, 2017, the Company had transferred the business undertaking related to manufacturing and commercialisation of Biosimilar, Insulins and drug substance manufactured in the GPP facility under the Biologics segment of the Group on a going concern basis by way of slump sale to Biocon Biologics Limited ('BBL') effective May 01, 2019 for a consideration of ₹ 7,054.

(II) Sale of Branded Formulations India (BFI) business

Consequent to the approval received from the Company's Board of Directors on June 17, 2019, the Company transferred Branded Formulations ('BFI') business on a going concern basis by way of a slump sale to BBL effective August 01, 2019 for a consideration of ₹ 621. Gain on disposal of assets / liabilities amounting to ₹ 121 which is exceptional in nature has been disclosed under the discontinued operations.

The combined results of the discontinued operations of the businesses disposed-off, are set out below.

(a) Details of assets and liabilities disposed off, and the calculation of the profit or loss on disposal are explained below:

Particulars	March 31, 2020 BFI	March 31, 2020 Biologics
(i) Consideration received		
Consideration received in cash and cash equivalents	621	7,054
Total consideration	**621**	**7,054**
(ii) Carrying value of assets and liabilities as on the date of disposal		
Non-current assets	26	5,263
Current assets	1422	4,698
Total assets	**1,448**	**9,961**
Non-current liabilities	52	995
Current liabilities	896	1,912
Total liabilities	**948**	**2,907**
Net assets disposed off	**500**	**7,054**
(iii) Gain on disposal		
Consideration received	621	7,054
Net Assets disposed off	500	7,054
Gain on disposal	**121**	–

(b) Financial performance and cash flow information

The financial performance and cash flow information presented below:-

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue including other income	-	1,958
Expenses	-	1,841
Profit before tax	-	**117**
Tax expense	-	(71)
Profit for the year from discontinuing operation	-	**46**

(c) Net Cash flows from:

	March 31, 2021	March 31, 2020
Operating activities	-	(213)
Investing activities	-	7,635
Net Cash inflows/ (outflows)	-	**7,422**

40. 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.

41. Other notes

a) The Company had entered into transactions of sale of products to a private company during the year ended March 31, 2013 and 2012 amounting to ₹ 28 and ₹ 17 respectively that required prior approval from Central Government under Section 297 of the Companies Act, 1956. These transactions, entered into at prevailing market prices were approved by the Board of Directors of the Company. During the year ended March 31, 2014, the Company had filed application with the Central Government for approval of such transactions and for compounding of such non-compliance and same is pending with Central Government as at March 31, 2021.

42. 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.

Sl. No.	Particulars	March 31, 2021	March 31, 2020
(a)	Amount required to be spent by the Company during the year:	66	79
(b)	Amount spent during the year on:		
(i)	Construction/acquisition of any asset	3	-
(ii)	On purposes other than (i) above	63	79

43. Exceptional Item

(a) During year ended March 31, 2020, pursuant to group entities restructuring the Company sold its investment in the equity shares of Biocon Biologics UK Limited (BUK), a wholly owned subsidiary to Biocon Biologics Limited ('BBL') for a consideration of ₹ 10,810 and received dividend of ₹ 456 from BUK. Gain arising from such sale of equity shares, including dividend income, amounting to ₹ 820 is recorded as an exceptional item. Consequential tax of ₹ 166 is included within tax expense from continuing operations in standalone financial statements.

(b) During year ended March 31, 2020, the Company has entered into a License Agreement with Bicara, a wholly owned subsidiary, pursuant to which the Company has granted a license to develop, manufacture and commercialize fusion proteins. Gain on such licensing of ₹ 550 has been recorded as an exceptional income. Consequential tax impact of ₹ 192 has been recorded in the standalone financial statements which is included within tax expense.

(c) Biocon Research Limited ('BRL') was the wholly owned subsidiary of Biocon Limited and engaged primarily in providing research and development and scientific support services in Biosimilar to other group companies of Biocon Limited.
On April 01, 2019, the Board of Directors of the Company approved a Scheme of arrangement ("Scheme") for merger of BRL ("the Transferor") with Biocon Biologics Limited ('BBL') ("the Transferee") under Section 230 to 232 of Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The National Company Law Tribunal vide its order dated February 04, 2020 approved the Scheme with appointed date of April 01, 2019. In consideration Biocon limited has received 155,300,000 shares of BBL. The merger did not have any material impact on the standalone financial statement.

(d) During the year ended March 31, 2020, the Company has sold Investment in equity shares of Biocon Biologics Healthcare SDN to its step down subsidiary Biocon Biologics UK Limited, for a consideration of ₹ MYR 100. Loss on such sale of equity amounting to ₹ 32 is recorded as an exceptional item.

(e) During year ended March 31, 2020, Biocon Employee Welfare Trust sold 812,249 equity shares of ₹ 10 each of Syngene International Limited ('Syngene') in the open market. Gain arising from such sale of equity shares, net of related expense and cost of equity shares amounting to ₹ 259 has been recorded as exceptional item in the standalone financial statements.

(f) Consequent to the approvals received from the Board of Directors on October 26, 2017 and from the shareholders on December 07, 2017, the Company has transferred the business undertaking related to manufacturing and commercialisation of Biosimilars, Insulins and drug substance manufactured in the GPP facility under the Biologics segment of the Group on a going concern basis by way of slump sale to BBL effective May 01, 2019 for a consideration of ₹ 7,054.

Also, consequent to the approval received from the Board of Directors on June 17, 2019, the Company transferred Branded Formulations (BFI) business on a going concern basis by way of a slump sale to BBL effective August 01, 2019 for a consideration of ₹ 621. Gain on disposal of assets/ liabilities amounting to ₹ 121 which is exceptional in nature has been disclosed under the discontinued operations in the previous year.

44. 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.

45. In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption.

The Company has considered internal and external information while finalising various estimates in relation to its financial statement captions upto the date of approval of the financial statements by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

46. The previous year's figures have been re-grouped/ reclassified, where necessary to confirm to current year's classification.

As per our report of even date attached

for B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

S Sethuraman
Partner
Membership No.: 203491

Chennai
April 28, 2021

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

Mayank Verma
Company Secretary

Indranil Sen
Chief Financial Officer

Bengaluru
April 28, 2021