

Syngene

Ref: Syn/CS/SE/AGM/2022-23/June/11

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June 27, 2022

To, The Manager, BSE Limited Corporate Relationship Department Dalal Street, Mumbai – 400 001	To, The Manager, National Stock Exchange of India Limited Corporate Communication Department Bandra (EAST), Mumbai – 400 051
Scrip Code: 539268	Scrip Symbol: SYNGENE

Dear Sir/Madam,

Subject: Notice of 29th Annual General Meeting (“AGM”) and Annual Report for FY 2021-22

We wish to inform you that the 29th AGM of the Company will be held on Wednesday, July 20, 2022 at 3:30 pm IST through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”).

In this regard and in compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Notice of the 29th AGM of the Company and the Annual Report for FY 2021-22, which is being circulated to the shareholders through electronic mode.

The Notice of the 29th AGM and the Annual Report for FY 2021-22 are also available on the Company’s website at <https://www.syngeneintl.com/investors/share-holder-services/>

Further, pursuant to Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company has fixed Wednesday, July 13, 2021, as the cut-off date for determining the list of members who are eligible to participate and vote at the AGM.

Information at a glance: -

Particulars	Details
Date and time of AGM	Wednesday, July 20, 2022 at 3:30 pm (IST)
Mode	Video Conferencing / Other Audio-Visual Means
Participation through video- conferencing	https://emeetings.kfintech.com
Cut-off date for e-voting	July 13, 2022
E-voting start date and time	Friday, July 15, 2021 (9:00 hours) (IST)
E-voting end date and time	Tuesday July 19, 2021 (17:00 hours) (IST)
E-voting website	https://evoting.kfintech.com/
Final Dividend record date	July 01, 2022
Final Dividend payment date	On or before August 01, 2022

Request you to kindly take this intimation on record.

Thanking You,
Yours faithfully,
For **SYNGENE INTERNATIONAL LIMITED**



Priyadarshini Mahapatra
Company Secretary and Compliance Officer

Enclosed: Notice of 29th AGM and Annual Report for FY 2021-22.

Science that

 Solves

 Scales

 Sustains

Scientific research is in Syngene's DNA, from the earliest stages of discovery through the development process into scale-up and commercial manufacturing. Every project brings a new opportunity to examine a target, molecule, compound or process, scrutinise the results and draw conclusions that take the project to the next milestone. Great science involves creativity, problem-solving, accuracy, resilience and persistence. To this, Syngene scientists add a unique wealth of experience gained from working on many projects in different domains, for a wide range of customers.

Solving problems for clients

Much of research is founded on solving problems: for example, the discovery of an oral agent for treatment of chronic liver disease (see showcase page 73) or the development of oligonucleotides as adjuvants for COVID vaccines (see showcase page 7). Working together with each partner, dedicated teams generated outcomes that moved promising molecules to the next stage.

Problem-solving can also mean delivering more with less. In a project with a major food company, the cost of production was significantly reduced by

using artificial intelligence to predict outcomes using parameters proven in prior research (see showcase on page 47). In a project related to Parkinsons Disease, the research project delivered a less invasive and costly intervention for the patient while improving outcomes (see showcase page 35).

Scaling science for people and patients

The journey from discovery research to manufacturing involves taking a production process from very small scale to one that can be delivered reliably, cost-effectively and rapidly at a commercial scale. Here, years of experience and manufacturing know-how are invaluable. Manufacturing remdesivir was one example. With a pressing need for the product in India and abroad, the development team reduced a complex manufacturing process to fewer steps, thus simplifying the manufacturing process and making drug available to patients more quickly.

Sustaining science for clients and the community

Above all, the focus on quality and continuous improvement sustains every project. With fully digitized quality processes, Syngene is routinely audited by the major global regulatory bodies, as well as clients themselves. Sustaining science also means leveraging new technology to improve processes, make them faster and reduce costs. Improving manufacturing processes is equally important and a project focused on viral clearance through a continuous flow reactor offered new thinking for the biologics industry (see showcase page 16 & 17).

For more than 25 years, Syngene has delivered solutions rooted in research. Today, as ever, it remains committed to offering **science that solves, scales and sustains** - to help our partners and clients make the next generation of materials and medicines.

Science that Solves, Scales and Sustains

Contents

Corporate overview

02	About Syngene	48	Quality Management
08	Our services	50	Information Technology
10	Market environment	52	Supply Chain Management
14	Strategic priorities	53	Operational Excellence
18	Message from our Chairperson	56	Our Employees
20	Message from our Managing Director and CEO	60	Environment, Health, Safety and Sustainability
24	Message from our CFO	64	Corporate Social Responsibility
29	Discovery Services	68	Board of Directors
37	Dedicated R&D Centers	70	Executive Committee
39	Development Services	72	Corporate information
43	Manufacturing Services		

Statutory reports

74	Board's report
98	Corporate governance report
130	Business responsibility report
158	Management discussion and analysis

Financial statements

178	Standalone financial statements
237	Consolidated financial statements
292	AGM notice



To view this report online,
please visit:
www.syngeneintl.com/investors/



About Syngene

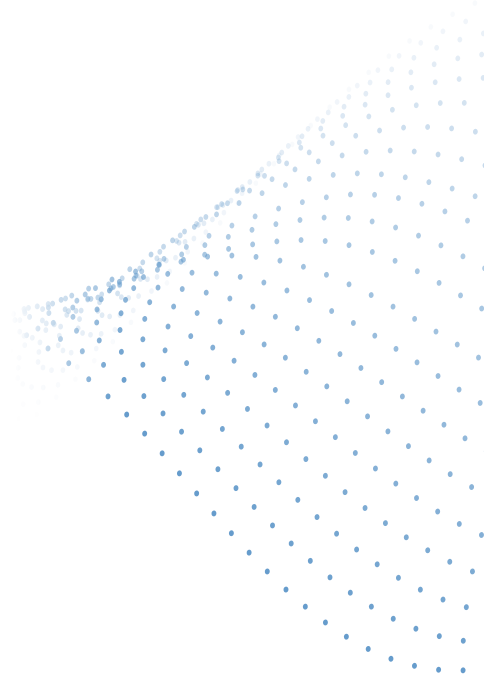
Dedicated to science

Syngene is an integrated research, development and manufacturing services organization. Working for clients around the globe, the Company delivers innovation that will benefit human and animal health and shape next-generation materials to improve people’s lives in the years to come.

For more than twenty-five years, the Company has partnered with clients to find solutions through science. Every project has specific requirements and the solutions and services provided range from specialist, stand-alone activities to longer term, integrated programs spanning the discovery, development and manufacturing value chain. While the Company focus is primarily on human and animal health, the same research and development capabilities are applied to a range of industry sectors including nutrition, consumer goods and specialty chemicals. Many of our clients are world leaders in their fields ranging from leading global multinationals to small and medium-sized start-ups, non-profit institutions, academic institutes and government organizations.

Headquartered in India and listed on the Indian stock exchanges, our research, development and manufacturing operations are based at our original 90-acre campus in Bangalore, supported by two satellite campuses which

house enabling functions and the clinical development facility. A new, state-of-the-art discovery research campus in Hyderabad, India located in the government-sponsored biotech zone, currently accommodates 600 scientists with further phases of expansion planned. The large-scale active pharmaceutical ingredient (API) manufacturing site is located on a dedicated campus in Mangalore, India. US clients are supported by Syngene USA Inc., a US-based subsidiary.



OUR VISION

To be a world-class partner delivering innovative scientific solutions.

OUR VALUES



Integrity



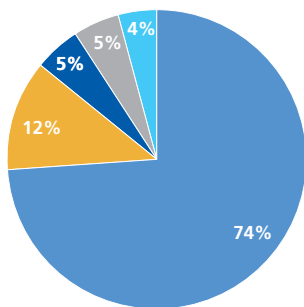
Excellence



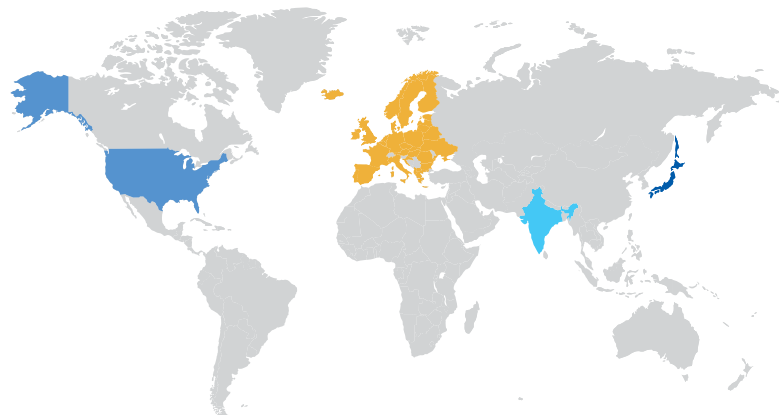
Professionalism



Client footprint by number of clients



USA Europe Japan
Rest of the world India



BUSINESS DIVISIONS



Discovery Services

Discovery Services undertakes early-stage research from target identification to delivery of drug candidates for further development. Capabilities include chemistry, biology, safety assessment and research informatics for small molecules; recombinant DNA engineering, cell line development, next-generation sequencing and protein sciences for large molecules. Discovery Services also lies at the heart of the SynVent platform which offers clients an end-to-end project delivery capability leveraging the breadth of technology and expertise available across the Company.

Development Services

Development Services takes drug candidates and offers services ranging from pre-clinical to clinical trials, including drug substance, drug product development and associated services to demonstrate safety, tolerability and efficacy. Using advanced technology platforms, the Company offers a comprehensive set of oligonucleotide synthesis services ranging from development to the manufacture of chemically synthesized oligonucleotides. The Chemical Development team is responsible for cGMP¹-compliant manufacturing of clinical supplies and registration batches for large and small molecules. The Performance and Specialty Materials team focuses on the science and engineering aspects of polymeric materials and small molecules working in areas such as biopolymers, specialty polymers, highly active monomers and performance chemicals.

Manufacturing Services

Manufacturing Services offers commercial scale manufacturing of small and large molecules from a cGMP-compliant API manufacturing campus in Mangalore, India and a biologics manufacturing facility in Bangalore, India.

Dedicated R&D Centers

Dedicated R&D Centers encompass teams of multi-disciplinary scientists, operating from ring-fenced infrastructure plus access to our entire ecosystem for research and development operations on an exclusive, dedicated basis for an individual client.

¹ cGMP compliant – compliance with current Good Manufacturing Practice

COLLABORATION MODELS

Recognizing that each client has different needs, our range of collaboration models offer flexibility and customization to meet those individual requirements. Clients can select a single model or a combination to suit their business needs.

Fee for Service (FFS)

Agreed services delivered within a defined scope. Flexible, on-demand personnel and research infrastructure deployed to achieve the project objectives. Engagements may be short or long-term.

Full-time Equivalent (FTE)

Pre-defined numbers of scientific personnel from pre-determined disciplines work full-time on client projects. Deliverables and team composition evolve as the project advances. Agreements are typically renewed annually.

Dedicated R&D Centers

Clients are provided with customized and ring-fenced infrastructure. Dedicated scientific and support teams work exclusively on the client's projects. Long-term strategic alliances that last usually five years or more.

Risk/ Reward

Implementing a stage-gate model across a portfolio of research projects. Clients benefit from reduced upfront payments in exchange for milestone payments based on pre-agreed success criteria.

Outcome based model with Service Level Agreement (SLA)

The contract is based on achievement of a defined outcome and linked to productivity goals.

Industry presence - over 400+ active customers

 <p>Large & Mid-sized BioPharma</p>	 	 	 	 
 <p>Emerging BioPharma</p>	 			
 <p>Animal Health</p>				
 <p>AgroChem</p>				
 <p>Consumer Products</p>				

Glycan profile prediction tool for monoclonal antibody



Solves



Scales



Sustains

Sustaining solutions with science

Engineered monoclonal antibodies offer new ways of treating a wide range of diseases. However, ensuring that the monoclonal antibodies have the profile needed to be effective has historically been the result of complicated and repeated experimentation. Syngene scientists introduced mathematical modelling to create virtual experiments and reduce the physical research program. This solution added speed and efficiency to the development program while reducing costs and improving the results.

Scientific Challenge: Engineered proteins and glycosylation

Modern engineered monoclonal antibodies (mAbs) are developed for numerous therapeutic applications ranging from cancer to COVID-19. An important aspect during mAbs manufacturing is to confer the right patterns of glycosylation at the right locations of the protein. Glycosylation is a post-translational modification critical for protein function, folding and activity. Finding the right set of factors to deliver the required glycosylation profile is complex. Currently, this is done by complicated and repeated experiments in the laboratory where the proteins are cultured with the addition of different sugars over a period of two weeks.

Using systems modelling, a mathematical modelling approach where processes and reaction kinetics are depicted in a set of coupled differential equations, simulations of complex processes can be used to run virtual experiments that can optimize processes and save resources. With the benefit of the simulations, a smaller number of experiments in the laboratory are required and more meaningful results are obtained.

Using technology to find a solution

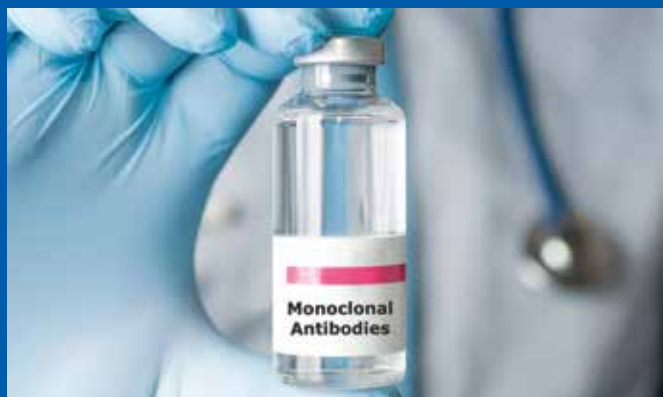
The Research Informatics team has developed two models that replicate the glycosylation processes (N-glycosylation and O-glycosylation models). These models are an AI (data-driven) approach to reduce the number of experiments required to produce generic (biosimilar) versions of therapeutic medicines (mAbs) that are comparable to the ones that are already approved by global regulatory bodies.

The N-glycosylation model, which captures the relevant enzyme kinetics in the cells to achieve the required glycosylation profile (fucosylation and/or sialylation). This technology will speed up mAb manufacture for the treatment of communicable diseases and non-communicable diseases.

The O-glycosylation model helps achieve the best adhesion properties for lymphocytes/immune cells and enhances the properties of chimeric antigen receptor (CAR) T-cells for cancer immunotherapy.

Why is this important?

Building mathematical models such as these bring speed and efficiency to the development process of glycoprotein therapeutics while reducing the need for conducting many experiments, offering cost benefits and reducing timelines for product development.



Advances in COVID research



Solves



Scales



Sustains

COVID-19

Syngene scientists applied their knowledge and skills to aid diagnosis, increase understanding of immune responses and find long-term solutions to COVID-19. They generated reagents and assays for monitoring COVID-19 infection and vaccine efficacy and partnered with clients to discover novel vaccines.

Partnering in diagnostics

Throughout the year, the Company supplied gram quantities of purified viral proteins (S1 subunit; receptor-binding domain, RBD; nucleocapsid) for use in diagnostic kits for clients including US-based Diabetomics Inc.¹ and Himedia Ltd. Reagents were also supplied to Bharat Biotech as part of monitoring the clinical efficacy of COVAXIN.

The scientists rapidly developed two assays to monitor immune response to natural infection or following vaccination: a surrogate neutralizing antibody assay (sNAb assay) and a COVID-specific T cell assay.

While the immune system mounts many specific antibodies against the virus, the antibodies that 'neutralize' or inactivate the virus are the most relevant. Conventional neutralizing antibody assays (NAb) use the virulent form of the wild-type virus in a plaque reduction neutralization (PRNT) assay. These assays require very stringent containment possible through the use of labs. They also take time and are tedious to perform. Syngene researchers developed a novel ELISA-based format for detecting host-cell ACE2 receptors binding to viral RBD protein in the presence and absence of patient sera.

The data from these studies showed a very high correlation (>95%) to the conventional PRNT assay—both in sensitivity and specificity. The assays have the potential to be configured to detect NAb to all the viral variants, including against the Omicron strain, as required.

While antibodies to COVID-19 offer protection, another arm of the immune system involves T cells which impart memory and long-lasting protection against re-infection. Our scientists developed assays to examine COVID-specific T cell responses using white blood cells from human blood in which cells are incubated with a cocktail of viral peptides. Samples obtained from donors who have been exposed to COVID infection or vaccination would result in release of mediators (IFN-gamma and IL-2) in response to peptide stimulation. These T cell assays have been used to monitor community surveillance of infection and vaccine effectiveness.

Science that sustains

Looking to the longer term, scientists have partnered with clients to evaluate the immunogenicity of novel vaccine candidates in preclinical settings. Some of these include a measles virosome based vaccine, mRNA vaccines and protein vaccines on novel scaffolds to improve immune response. Cell-based and animal-based studies are in progress.



¹ <https://www.prnewswire.com/news-releases/fda-issues-emergency-use-authorization-for-covab-sars-cov-2-ab-test-the-oral-fluid-rapid-test-for-sars-cov-2-antibodies-301318887.html>

Services are delivered by four business divisions

With the skills and technology to solve, scale and sustain scientific innovation, the four divisions work seamlessly to offer an end-to-end capability as well as offering individual specialist services.

Discovery Services

	Target identification and Validation	Hit Validation	Hit to lead	Lead optimization	IND enabling	IND/Ph1 DE
Biology translation	Target ID 1. Pathway analysis 2. Omics 3. Knock-in / knock-out	In vitro assays: 1. Biochemical 2. Orthogonal 3. HTS Formats	In vitro assays: 1. Cellular mechanistic 2. Cellular functional 3. Relevant off-target(s) In vitro ADME assays: 1. Protein binding 2. Metabolism 3. CYP inhib/induct	In vivo assays/studies: 1. PK (R/NR) 2. PD, PK/PD 3. Efficacy	Later translational: 1. PK/PD/efficacy 2. Refinement of patient selection hypothesis 3. Biomarkers	Ph1-HV or patient (as appropriate): 1. Exposure 2. PD
	Hypotheses: 1. Therapeutic 2. Mechanistic 3. Target engagement		Research Operating Plan: 1. Assay priority 2. Key studies 3. Critical path	Hypothesis: 1. Patient selection		
Chemistry development, Formulation, clinical development	HTS/DEL/fragments/virtual screening 1. Library design/synthesis/ maintenance 2. Hit validation, resynthesis 3. Series qualification, prioritization		Optimization: 1. Biochem/cell potency 2. Selectivity 3. Phys/chem properties 4. <i>In vitro/vivo</i> tool cmpds	Optimization: 1. Tgt optimal h-profile 2. Candidate selection 3. Backup strategy	Drug Substance (DS, aka API) 1. Route scouting (define specs) 2. Scale up 3. Manufacture/stability	Drug Product (DP) 1. Pre-formulation studies 2. Ph1 suitable formulation 3. Prototype/stability 4. Manufacture/stability 5. IND, BA/BE, DDI and Phase 1 clinical trials 6. GCP bioanalysis
Safety assessment			In vitro Safety: 1.hERG 2.Ion channels	Tax-suitable Formulation (maximize exposure)	DRF tox (R/NR) Bioanalysis GLP tox (R/NR) GLP bioanalysis	MTD or RP2D (as appropriate)

Iterative data analysis and interpretation, models, hypothesis generation



SynVent - fully integrated therapeutic discovery

Dedicated R&D Centres

Each research and development centre includes exclusive research infrastructure and dedicated research teams to support client requirements.



Development and Manufacturing Services

Small Molecules

	Developability assessment	Development Phase	Clinical Phase			Registration /Process validation	Commercial batches
			Phase I	Phase II	Phase III		
Safety Assessment	Early PK, MTD/ DRF studies, exploratory tox	<ul style="list-style-type: none"> IND enabling GLP tox studies: Ames, chromosomal aberration, micronucleus tests, pivotal repeat dose (rodent and non-rodent) Safety pharmacology: CNS, respiratory, CV telemetry, Herg 	Phase II <ul style="list-style-type: none"> NDA enabling studies: sub-chronic and repro-tox studies Local tolerance study 	Phase-III <ul style="list-style-type: none"> Chronic and carcinogenicity study 			
Chemical development and manufacturing	<ul style="list-style-type: none"> Route scouting Process safety evaluation Scalability 	<ul style="list-style-type: none"> Fit for purpose process dev Material supply Impurity identification Enable and scale Tox material delivery 	<ul style="list-style-type: none"> Process development, robustness and safety study Unit operation studies Impurity synthesis & characterization DS clinical batch supply 			Process DOE, QBD and scale-up studies <ul style="list-style-type: none"> Process risk assessment FMEA analysis Registration and process validation batches manuf. 	<ul style="list-style-type: none"> Commercial batches manufacturing and packaging
Formulation development and manufacturing	<ul style="list-style-type: none"> Pre-formulation Salt polymorph screening Excipient compatibility 	<ul style="list-style-type: none"> Solid oral and injectable dosage forms Enabling formulation technologies 	<ul style="list-style-type: none"> Clinical Supplies for all phases FIH formulation for phase I/IIa Final dosage form for phase IIb/III and onwards 				
Analytical services	<ul style="list-style-type: none"> Methods for pre-formulation and bio-analytical 	<ul style="list-style-type: none"> Methods for intermediate, Final DS, DP Forced degradation studies Solid state characterisation 	<ul style="list-style-type: none"> Phase appropriate method validation for DS & DP (microbial methods) Specifications for DS & DP In process and finished product analysis Final batch release with COA Reference standard, impurities, isolation and characterisation 			<ul style="list-style-type: none"> Robustness of analytical methods and full validation as per ICH 	<ul style="list-style-type: none"> Stability study of commercial batches
Stability services	Selection of suitable container closure system & packaging	<ul style="list-style-type: none"> Development stability studies 	<ul style="list-style-type: none"> ICH stability for all phases Shelf-life estimation Re-test extension 			<ul style="list-style-type: none"> Stability study of registration/ process Validation batch 	<ul style="list-style-type: none"> Stability study of commercial batches
Clinical Development			<ul style="list-style-type: none"> Human pharmacology unit (phase I/BE studies) Clinical trial A – full solution provider for conducting trials in India Central lab services including regulated bioanalytical lab Clinical data management, biostatistics and medical writing 				

and development across large and small molecules

Large Molecules

	Developability assessment	Development Phase	Clinical Phase			Registration /Process validation	Commercial batches
			Phase I	Phase II	Phase III		
Process & analytical development	<ul style="list-style-type: none"> Cell line development / selection Process screening Process characterization 	<ul style="list-style-type: none"> Clone to GM Upstream process Optimizatio Viral clearance studies 	Phase I <ul style="list-style-type: none"> Process DOE, robustness and safety study Unit operation studies Impurity synthesis & characterization DS clinical batch supply (non-GMP clinical & GMP) CMC & regulatory support Method development & testing 	Phase II	Phase III	<ul style="list-style-type: none"> Process risk assessment FMEA analysis Tech transfer package 	<ul style="list-style-type: none"> Commercial batches manufacturing and packaging technical support
Scale-up & QC/QA	<ul style="list-style-type: none"> Methods for pre-formulation and bio-analytical 	<ul style="list-style-type: none"> Methods for intermediate, final DS, DP Critical to quality parameter identification Forced degradation studies 	<ul style="list-style-type: none"> Clinical phase process development & supply Specifications for DS & DP In process and finished product analysis Viral clearance studies Packaging and ICH storage stability and shelf-life estimation 			<ul style="list-style-type: none"> 3-Lot testing & equipment validation Cleaning validation studies Pre-audit preparation 	<ul style="list-style-type: none"> QC/QA analysis & release of commercial product w/ COA Stability analysis Root cause Investigation & CAPA management
Commercial production & supply chain	<ul style="list-style-type: none"> Early screening of asset capability and capacity 	<ul style="list-style-type: none"> Capacity utilization planning 	<ul style="list-style-type: none"> Late phase clinical supply using manufacturing scale equipment Supplier identification Waste management plan CAPEX requirement identification 			<ul style="list-style-type: none"> Supplier qualification Pre-audit preparation Protocol documentation Master batch record development Operation training 	<ul style="list-style-type: none"> Sales and operations planning Delivery / logistics Customer & regulatory audits Process improvement & Regulatory filing updates

Regulatory support



Market Overview

Operating Environment

Looking ahead, the markets for research, development and manufacturing services in human and animal health, as well as specialty chemicals, are all showing promising growth both for large and small molecules. While there are many providers of specialist services, few companies offer the breadth of technology and capabilities that are available at Syngene.



Global context

The global market for contract research was valued at USD 48.55 billion in 2020 and is expected to reach USD 83.34 billion growing at a CAGR of 9.4%¹. Within this, the outsourcing market for drug discovery and early development services is expected to grow at a CAGR of 6.4% over 2020-2026 to reach a value of USD 44 billion by the end of this period². Drug discovery and early development includes target identification, hit-to-lead generation, lead optimization, *in vitro* and *in vivo* preclinical evaluation, and absorption, distribution, metabolism, and excretion (ADME), toxicology, pharmacokinetics (PK), bioanalytical, and analytical testing. *For more information*

on the CRO market, please refer to the Management Discussion & Analysis, page no. 158.

Contract Development and Manufacturing Organizations (CDMOs), which offer drug product development and manufacturing services, are becoming an integral part of pharmaceutical company value chains. This reflects the industry's increasing preference for using outsourced services to reduce complexity, decrease time-to-market, reduce costs and reallocate internal resources. The strong growth of industry pipelines is further driving up demand for CDMOs. The global small

molecule CDMO market is expected to grow from USD 79.79 billion in 2020 to USD 114.65 billion in 2026 at a CAGR of 6.2%³, whereas the large molecule CDMO market, valued at USD 11.38 billion in 2020, is expected to expand at a faster pace of 10.1% CAGR to reach USD 20.31 billion by 2026⁴. An increasing share of R&D investment and broader adoption of biologics to treat common diseases will boost the demand for large molecule CDMO services. *For more information on the CDMO market, please refer to the Management Discussion & Analysis, page no. 158.*

¹Frost & Sullivan - Post-COVID-19 Trends Disrupt the Global Contract Research Organization (CRO) Market, May 2021

²Frost & Sullivan - Global Drug Discovery and Early Development Outsourcing Growth Opportunities, August 2021

³Frost & Sullivan - Global Small Molecule Contract Development and Manufacturing Organization (CDMO) Growth Opportunities, September 2021

⁴Frost & Sullivan - Global Biologics Contract Development and Manufacturing Organizations Growth Opportunities, June 2021

Major trends influencing our markets



Growth in pharmaceutical R&D investment

According to Evaluate Pharma, worldwide pharmaceutical R&D spend is forecast to grow at an annualized rate of 4.2% between 2020 and 2026 to reach USD 254 billion⁵. The rise in R&D expenditure will drive outsourcing activities as an alternative to capital investment.

Implications for Syngene

Sustained investment in scientific capabilities in the field of drug discovery and early-phase development underpins the Company reputation as a scientific solution provider in the CRO segment. With a client base that spans large multinationals and small and medium-sized biotechs, the Company has the financial strength and scientific insight to identify and invest in R&D trends in order to meet the needs of clients in a growing market.



Increasing R&D costs and complexity

The R&D cost for bringing a new drug into the market is high due to the complexity of drug molecules and stringent regulatory requirements. Drug discovery and development processes are also becoming increasingly complex as modern science provides a greater understanding of the human genome and potential disease targets. To counter this complexity and streamline operations the largest companies are using outsourcing to avoid capital investment and retain flexibility while smaller biotechs are choosing not to invest in building the scale, infrastructure or experience required to take a molecule through all the R&D and manufacturing steps making CROs/CDMOs an essential part of the value chain.

Implications for Syngene

The Company has a sizeable scientific talent pool, cutting-edge capabilities and robust infrastructure which underpin our value proposition as a strategic partner to drive pharmaceutical R&D. The opportunity to integrate services into end-to-end project delivery benefits clients seeking to drive greater efficiency and lower costs. In addition, flexible business models attract a wide range of clients from multinationals to medium-sized biotechs. Reliable project delivery, underpinned by execution excellence and a focus on quality management standards, put the Company in a strong position to grow in the global CRO/CDMO sector.

⁵Evaluate Pharma 2021 World-Preview

Market Overview



Increasing use of disruptive technologies

Data automation and innovative, advanced technologies are helping to improve the success rate for new molecules while also reducing discovery and development timelines and cost. Biopharmaceutical companies' growing interest in AI-driven solutions is driving them to partner with CROs that offer these technologies and have a proven track record in delivering successful, compliant outcomes.

Implications for Syngene

Sustained investment in differentiated technologies and proprietary platforms strengthens our R&D efficiency and productivity and ensures that our services are globally competitive.



Growing innovation by small/virtual biotech companies

According to data from IQVIA, emerging biopharma companies account for approximately 80% of the total industry drug development pipeline by value, meaning small companies are the primary driving force behind early-stage early stage development of innovative new therapies⁶.

Between 2019 and 2020, the biotech sector showed double-digit annual growth in fundraising from venture capitalists and deals such as partnerships, co-developments and joint ventures. It also recorded triple-digit growth in IPOs. The funding environment cooled in 2021, nonetheless some 75 new biotech listings on NASDAQ are being planned.

Implications for Syngene

The continuing growth in the number of emerging biopharma companies is expanding the CRO/CDMO market. As these companies often choose to have limited research and development infrastructure, the breadth of services offered by Syngene and the ability to deliver an integrated end-to-end solution is particularly attractive to this segment.

⁶<https://www.forbes.com/sites/forbesfinancecouncil/2021/06/16/the-evolving-landscape-of-funding-and-investing-in-biotech-startups/?sh=76c6ebf922bf>



Manufacturing outsourcing by biopharmaceutical companies

While small molecules still dominate the pipeline of new drugs, the large molecule segment is growing. Large molecules are complex to manufacture and capital intensive. These challenges are particularly acute for biotechs in the clinical stage which are virtual or have limited infrastructure. Partnering with specialist CDMOs offers flexibility while delivering speed to market and cost efficiency.

Implications for Syngene

Sustained investment in state-of-the-art biologics facilities over the past three years has resulted in capacity for companies seeking to fulfil their commercial biologics manufacturing requirements. In the past 12 months, further investment has driven the expansion of microbial and mammalian manufacturing capacity to accommodate pent up demand for biological manufacturing.



Pandemic-induced demand for R&D services

The COVID-19 pandemic prompted biopharmaceutical companies and governments to channel resources into diagnostics, therapies and vaccine development efforts. This trend is estimated to boost the spending on COVID-19 R&D and associated outsourcing.

Implications for Syngene

Since the start of the pandemic, Syngene has drawn on its specialist skills and infrastructure to contribute to the fight against the coronavirus. From supplying reagents for COVID-19 diagnostic testing and conducting RT-PCR tests to manufacturing remdesivir and working on research projects related to vaccine development, the Company remains committed to contributing to COVID-19 research and development for as long as the pandemic persists.

Strategic Priorities

Delivering science that solves, scales and sustains

Strategy	Progress in FY22	Looking ahead
Research: Discovery Services		
<p>Provide end-to-end therapeutic discovery capabilities including differentiating technologies and platforms</p>	<p>The Division reported strong performance largely driven by new client demand - particularly within the emerging biopharmaceutical segment - and further expansion of relationships with existing clients.</p> <p>The focus on driving Integrated Drug Discovery (IDD) projects contributed to growth and newer services such as targeted protein degradation and peptide synthesis drove increased demand.</p> <p>New capacity/capability:</p> <ul style="list-style-type: none"> (i) Further expansion of the the research facilities in Bangalore and Hyderabad. (ii) The Research Informatics unit provided computational support to programs within SynVent and launched a collaborative drug discovery platform that offers data visualization and analysis using predictive tools to facilitate faster and more informed evaluation of hypotheses. 	<p>Market demand remains strong for discovery research services. The Company is well-positioned to capitalize on this opportunity through its focus on driving Integrated Drug Discovery solutions; commitment to continued investment in differentiating capabilities, technologies and platforms; while expanding laboratory space.</p>
Research: Dedicated Centers		
<p>Build on the existing strategic alliances as the dedicated R&D centers provide a strong foundation for future planning, revenue visibility over the medium to long term and predictable cash flows.</p>	<p>BMS contract extended to 2030, Amgen contract extended to 2026. Commitments to expand laboratory capacity and the range of services have been incorporated in both contract extensions.</p>	<p>Focus on strong project management and excellent client delivery to drive continued extension and expansion of the dedicated centres.</p>
Development and Manufacturing Services – Small Molecules		
<p>Leverage existing capabilities to build a chemical manufacturing control (CMC) capability.</p> <p>Securing USFDA and other major global regulatory approvals for the small molecule manufacturing facility in the next two years to attract a broader scope of projects.</p>	<p>The division's core strength is its ability to provide integrated CMC services. During the year, efforts continued to enhance this capability by simplifying processes, leveraging technology, and adopting sustainable practices</p> <p>Digitization via electronic laboratory notebooks is complete across the division, thus establishing accurate data traceability.</p> <p>New capacity/capabilities:</p> <p>A new injectable fill-finish facility is under qualification and validation. This will meet the drug product requirements of both small and large molecules for early phase clinical supplies for the injectable market.</p> <p>In the manufacturing plant, progress was made in building a project pipeline with a combination of novel molecules, niche generic APIs and intermediates.</p>	<p>The Company's focus on new chemical entities (NCEs) and molecule flow-through from Discovery Services and from early to late-stage clinical trials is expected to drive capacity utilization.</p> <p>The commercial manufacturing facility is expected to ramp up utilization post USFDA approval expected in the second half of FY24.</p>

Strategy	Progress in FY22	Looking ahead
Development and Manufacturing Services – Large Molecules		
<p>Drive an integrated approach for biologics development and manufacturing to provide end-to-end solutions from drug discovery to commercial manufacturing. Accelerate capacity building.</p>	<p>Biologics capabilities and capacity were expanded to strengthen the value proposition for clients.</p> <p>Development of a process platform that can process a gene through to clinical grade GMP product for first-in human studies in 9 months.</p> <p>Development of a process intensification strategy in mammalian cell culture that delivered a three-to-four-fold increase against the standard titer, thus offering a lower cost per gram as the product progresses to late stage clinical and commercial launch.</p> <p>New capacity/capability:</p> <ul style="list-style-type: none"> (i) A cGMP microbial manufacturing facility was commissioned in the first quarter of FY22. The facility will enable GMP manufacturing of plasmid DNA and mRNA, thus extending the range of services available to clients. (ii) The USFDA and EMA-compliant mammalian manufacturing facility was expanded with the addition of a 2,000-liter single-use bioreactor increasing the production capability for cGMP clinical and commercial manufacturing of bulk drug substances. 	<p>Facing strong demand for biologics development and manufacturing, the Company is well-positioned with its capabilities and infrastructure to capture its share of this expanding market. Operationally the focus remains on increasing capacity utilization and building new capacity in anticipation of future client demand.</p>
Operational Excellence		
<p>Focus on customer delivery</p>	<p>The continuous improvement program, covering safety, quality, delivery, engagement, cost and compliance, continued to drive operational rigour and increases in key metrics.</p>	<p>Continuing to introduce digital tools and processes is part of continuous improvement. Digitization reduces human error and increases traceability of processes and data.</p>
People		
<p>Develop strong leaders and managers while offering all employees career-long learning opportunities</p>	<p>Efforts to hire, develop and retain employees continued to ensure that the Company had the skills and capabilities to scale and sustain its growth.</p> <p>In addition to experienced industry hires, virtual campaigns were used to attract new graduates. Over a six-month period, the Syngene Training Academy (STA) enables these staff to develop the skills they need to operate safely and productively in a demanding, industrial science working environment.</p> <p>All employees had access to life skills training (eg. business writing skills, communication skills) offered alongside the existing technical and mandatory training modules. An emerging leaders development program was offered to middle managers to help them transition into leadership roles.</p>	<p>Continue to attract skilled scientists and functional professionals to drive further growth.</p> <p>Build a differentiating learning environment which offers fulfilling careers at every stage.</p>

Designing viral clearance strategies



Solves



Scales



Sustains

Sustaining solutions through science

Cleaning viral contaminants is paramount in ensuring the safety of biopharmaceutical drugs. Syngene scientists partnered with clients to optimize the preferred approaches to viral clearance (low pH incubation and nanofiltration) to enable continuous manufacturing mode to be used in one case and to improve efficiency and reduce costs in the other.

Ensuring viral safety of therapeutic drugs expressed in mammalian expression systems is paramount as, they can harbour viruses introduced from sources like raw materials, GMP practices not followed, clone development or may be of endogenous origin. The quality requirement for biotechnological products defined in viral safety guidance (ICH Q5A)¹ mandates that the monoclonal antibodies (mAbs) manufacturing process remove or inactivate viral contaminants. Different control strategies are available to clear enveloped viruses during biopharmaceutical manufacturing. The two commonly used approaches are – low pH incubation (a virus inactivation step) and nanofiltration (a potential virus removal process).

The viral clearance approach needs to be confirmed and validated for each biopharmaceutical process since every process has different starting materials. Therefore, an essential regulatory requirement is to demonstrate that the downstream operation can clear viruses by performing virus spiking studies in a controlled environment. The Syngene Viral Testing facility routinely helps clients conduct studies showing the viral clearance capability of their process.

Two case studies discuss how the scientific challenges were solved at Syngene while working with diverse clients.

Case Study

1

Virus inactivation in a continuous process

Scientific Challenge

Syngene's client had developed a novel coiled flow inversion reactor (CFIR) to operate continuously and perform various downstream operations such as refolding, PEGylation and precipitation. This is different from the routinely used static unit operation of the low pH viral clearance step and hence poses a challenge in demonstrating viral clearance through the continuous mode operation.

CFIR studies

The low pH treatment was performed for CFIR in continuous mode and compared with static batch for an hour. To determine viral inactivation data, time point studies were performed by collecting virus-spiked mAbs samples from different ports.

The results of virus inactivation were comparable between CFIR continuous mode and batch mode (fig.1, page 17).

¹ ICH Q5A (R1) Quality of biotechnological products: viral safety evaluation of biotechnology products derived from cell lines of human or animal origin <https://www.ema.europa.eu/en/ich-q5a-r1-quality-biotechnological-products-viral-safety-evaluation-biotechnology-products-derived>

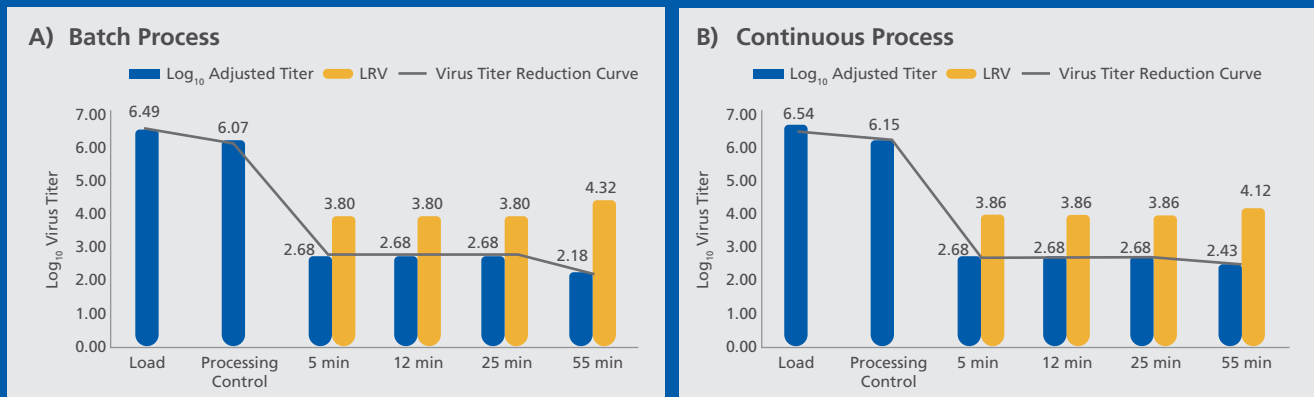


Figure 1: Viral inactivation data at different time points for A) Batch process and the B) Continuous process. A solid line joining the average Log₁₀ virus titer was plotted in both the curves (to represent the inactivation kinetics).

How will this innovation make a difference in drug manufacturing?

The continuous flow of the CFIR eliminates the need for large storage tanks used in the batch mode and a small plant footprint would process large volumes of the drug. This way, the manufacturing process can be made more affordable and reduce the costs of therapeutics for patients.

Case Study

2

Nanofiltration studies by optimum virus spike

Scientific Challenge

The virus spiking in the nanofiltration step used to demonstrate virus clearance is typically performed at 1% or 0.5% of the load volume in a mAb process. This approach resulted in performance issues such as reduced filtration efficiency due to low protein concentration passing through the membrane and decay of the filter (flux decay) while processing the protein.

Virus spiking studies

The Viral Testing team performed nanofiltration using optimum viral load to ensure high throughput and attaining robust virus clearance from the process step. The key factor is total virus load which was overcome by decreasing the spike percentage in the suspension. This is compatible with filter, protein matrix, concentration of virus.

How will this innovation make a difference in drug manufacturing?

The client completed the nanofiltration step by achieving the desired target throughput, maintaining the flux decay to low levels (under 40%) and virus aggregates under check. The efficient viral clearance enables the operation in the manufacturing plant at higher flow rates with reduced filter changes, thereby reducing the cost of drug manufacturers.

Dear Shareholders,

As we mark the end of a second year of operating under pandemic conditions, I am pleased to reflect on the continued growth and progress of your Company. Last year, I highlighted the crucial role that pharmaceutical research was playing in supporting the world through the turbulence generated by the spread of the coronavirus. This year has been no different. In fact, the Company started the financial year 2021-22 as India was at the peak of the devastating second wave of the COVID-19 virus which was mitigated through an aggressive, countrywide vaccination effort.

Message from our Chairperson

Kiran Mazumdar Shaw



Strict COVID protocols - reinforced by a company-wide vaccination campaign - stood the Company in good stead and operations continued at near normal levels throughout the year. I must acknowledge the considerable demands made on our employees. For example, teams of scientists worked in shifts to reduce density in the laboratories; the strategic sourcing team shored up global supply chains for raw materials to ensure client projects could be delivered in time; the occupational health professionals and the clinical development team tested, vaccinated, verified and counseled employees to keep them and their families safe; and, with employee attrition higher than usual, the recruitment team ran virtual campaigns to attract talent, despite the challenging environment. These are just a few of the many individuals and teams who went beyond the normal boundaries of their jobs to cope with exceptional circumstances.

In the laboratories, scientists continued to partner with clients on COVID-related treatments, diagnostics and vaccines. Under a Voluntary Licensing Agreement with Gilead, the Company manufactured remdesivir, an anti-viral infusion for hospitalized COVID-19 patients around the world. Despite a complex manufacturing process, the team established the production process and obtained the relevant inspections, validations and regulatory approvals in record time to meet pressing demand from healthcare providers.

Beyond the coronavirus, scientists worked on a wide spectrum of molecules and disease targets for clients ranging from large pharma to small and medium-sized biotechs. Syngene's flexible business models were adapted to cater

to fully integrated discovery research programs, as well as those requiring very specific support. The Company has also introduced Artificial Intelligence and Machine Learning in many areas and clients have seen the advantages in terms of time and cost of research productivity. The theme of this report, 'Science that solves, scales and sustains', provides an opportunity to showcase examples of innovation delivered to clients this year.

Against this backdrop, the Company delivered a strong financial performance that reflects prudent management of people and resources. Full year operating revenue growth was 19% at Rs 26,042 Mn (USD 347 Mn) and Profit after tax before exceptional items (net of tax) growth was 10% at Rs 4,211 Mn (USD 56 Mn) - a significantly stronger performance than anticipated at the beginning of the year.

Operational highlights included the five-year extension of a long-standing partnership with Amgen, thus driving long term, sustainable growth for the dedicated research centers. The year also witnessed strong growth for the Integrated Drug Discovery platform, SynVent, which is proving to be an attractive model for the venture backed biotech segment globally. The Company has added 100+ new clients to its portfolio this fiscal whilst augmenting the repeat business from existing clients, illustrating the value delivered through enduring partnerships.

During the year the Company invested further in digitization and automation aimed at improving accuracy and productivity. Cybersecurity also received close attention to protect the data generated for clients, as well as the Company's own infrastructure.

A commitment to safeguard the environment and deliver shared value to all stakeholders is embedded in the culture of the Company. Consequently, making a commitment to report non-financial performance was a logical next step and I was delighted to present the first Company ESG report this year. The Board will offer oversight and guidance to management through the renamed Stakeholder Relationship and ESG Committee on behalf of shareholders.

The needs in local and underserved communities have been greater than ever this year and Syngene has contributed through its CSR program focusing primarily on mental and physical health, the environment and science education. In this exceptional year, nutrition for children in rural communities and support for healthcare workers have also been part of the program.

In closing, I want to pay tribute to Syngene employees who have demonstrated both commitment and resilience throughout the year. I also want to recognize the leadership team which has steered the Company through an unpredictable set of circumstances to enable uninterrupted growth. As ever, I am grateful for the sound counsel and strong support offered by our Board members. Finally, I offer my thanks to our clients, shareholders and all other stakeholders for the trust they have placed in Syngene.

On behalf of the Board of Directors, I wish you a safe and prosperous year ahead.

Kiran Mazumdar Shaw

Message from our **Managing Director and CEO**

Jonathan Hunt

Dear Shareholders,

Looking back over the year, I am proud of the adaptability and determination shown by our employees which has enabled us to deliver strong operational performance, despite the continuing pandemic, while creating new avenues for further growth.



Through a prudent management approach and focused business continuity planning, we were able to operate at normal levels throughout the year. This was particularly important for many clients as we were able to advance their science when their own facilities were shut. In addition to expanding our existing collaborations, we won new customers and we continued to build capability and capacity in line with our growth strategy. Towards the end of the year, we saw a resurgence of demand for discovery chemistry and biology as many of our Western clients came out of the pandemic and resumed operations full time, which bodes well for the year ahead.

During the year, SynVent, our proprietary platform for integrated drug discovery programs, made strong progress. It is proving to be a particularly attractive model for biotech companies which choose not to establish their own infrastructure or build large-scale teams with the know-how required to progress molecules through the discovery and development process. At the end of its first full year, there are 15 integrated drug discovery programs currently active, with more in the pipeline.

Development Services delivered steady performance throughout the year. A key feature of the year was the continued manufacturing of remdesivir under a voluntary license from Gilead. Demand was particularly high in the first quarter of the year as India suffered a second wave of the coronavirus. We remain committed to manufacturing this important treatment while the pandemic persists, although we expect demand to be significantly less this year.

In Manufacturing Services, our biologics manufacturing unit continued to gain momentum, despite having to cope with global supply chain challenges as a result of high demand for certain raw materials due to COVID-19 vaccine manufacturing. Looking ahead, we see strong demand for both biologics development and biologics manufacturing capacity reflecting the growing range of applications of these capabilities to treat many diseases. Recent investments in expanding both our mammalian and microbial facilities will put us into a strong position to capture some of that demand.

Building partnerships

During the year, we gained many new clients across the various research and development disciplines and established broader relationships with existing clients. Following the 10-year extension of the collaboration with Bristol Myers Squibb (BMS) at the end of the previous financial year, our long-standing contract with Amgen was also renewed and will run until 2026. Under the new contract, the scope of services was expanded and a new dedicated laboratory will be commissioned to accelerate research and development for Amgen projects.

Investing for the future

In discovery research, the third phase of expansion at the Hyderabad facility was completed bringing the total population of scientists in the facility to approximately 600. This research center will meet the needs of the next phase of growth and we are planning further expansion in the current year. In Development Services, we expect the injectable fill-finish facility to be completed in the

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



During the year, we gained many new clients across the various research and development disciplines and established broader relationships with existing clients.



During the year, we made a commitment to formalize our environmental, social and governance (ESG) activities by forming the ESG Council which I chair. In future, we will be driving an ESG strategy that aligns with our business strategy and reporting our progress annually.



first quarter of the current financial year which will add a new capability to our formulation operating unit and help us meet the needs of customers seeking manufacturing support for their clinical trials.

In addition to the investments in biologics manufacturing, the small molecule manufacturing facility in Mangalore continued to progress on its pathway to securing global regulatory approvals and we anticipate this to occur in FY24, as per our long term plan for the facility.

Operational excellence

During the year, we saw further improvements on multiple operational excellence metrics as we reap the benefits of our Company-wide investment in operational excellence and training employees in tools such as Lean and Six Sigma. As part of our commitment to operational excellence we have seen widespread adoption across our operating units of the Japanese manufacturing practices of Gemba and Kaizen which, in different ways, harness the ideas and creativity of all our employees to drive continued improvement in how we operate.

Growing responsibly

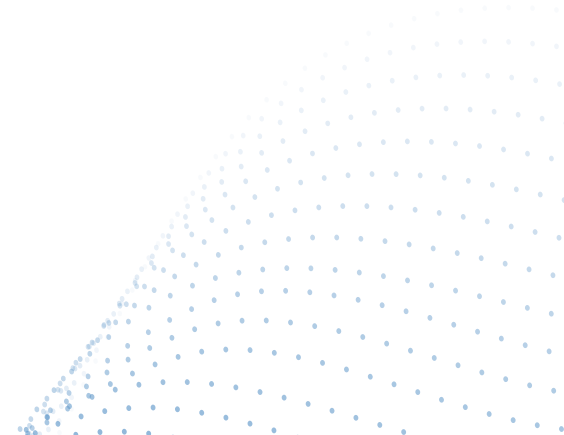
Across the Company, we are proud of delivering high quality science that has the potential to positively impact the lives of millions of patients and people around the world. At the same time, we recognize the importance of operating

in a responsible and sustainable manner that minimizes the impact on the planet, nurtures the communities that surround us and makes us a great employer.

During the year, we made a commitment to formalize our environmental, social and governance (ESG) activities by forming the ESG Council which I chair. In future, we will be driving an ESG strategy that aligns with our business strategy and reporting our progress annually. As a first step, we published our first ESG Report for the year FY 2020-21, aligned with Global Reporting Initiative reporting standards.

Mitigating the impact of COVID-19

As we publish this annual report to shareholders, the pandemic is weakening and many aspects of the lives and work of our employees are back to normal. During the year protecting the health and safety of our workforce remained a key priority. We continued to implement COVID appropriate safety and control measures such as regular COVID testing, working in shift patterns and social distancing. We also conducted campus-wide vaccination drives for employees, their families and our local communities. By the end of the financial year, 100% employees had been vaccinated with at least one dose and 96% of employees had received both doses.



Outlook

We enter the new fiscal year amid more favorable market conditions with positive signs of improving demand and good growth prospects for our services.

In our Manufacturing Services division, we see positive opportunities for growth in both our biologics operating unit and our API operating unit. In biologics development and manufacturing, we are well positioned with broad capabilities and modern infrastructure and expect to make further investments to increase overall capacity to meet rising customer demand. Within small molecule APIs, we expect our focus on supporting customers with innovative new chemical entities to allow us to accelerate overall capacity utilization in the year.

In Discovery Services, we will continue to drive Integrated Drug Discovery solutions and invest in different capabilities, technologies and platforms including AI-enabled drug discovery. Alongside the emphasis on digitization and automation, we are also evolving our business models to offer our clients the choice between existing FTE- or fee-based contracts and contracts based on the achievement of pre-defined milestones.

In Development Services, we expect to see a continuation of the improved operational efficiency that was a hallmark

of FY22 and will continue to invest in developing new service offerings for our customers.

In recent weeks, global markets have started to open for travel to scientific and sales events, giving our growing in-market commercial team opportunities to engage directly with clients. This is a welcome development. Getting back to talking science face-to-face with clients gives us great insight into their current and future plans and allows us to highlight the exceptional scientific talent available in our laboratories.

Our employees are central to our continued success and I would like to express my deep gratitude for the commitment they have shown towards the Company, the organizations we serve and to each other over the past year. I would also like to thank my leadership team members who have stayed the course during a second challenging year and created momentum across the Company. Finally, I would like to acknowledge all our stakeholders for their unwavering support. Building on the progress of the last 12 months - and with the pandemic beginning to fade - we look forward to delivering continued, sustainable growth in the years to come.

Jonathan Hunt

In biologics development and manufacturing, we are well positioned with broad capabilities and modern infrastructure and expect to make further investments to increase overall capacity to meet rising customer demand.



Message from our CFO

Sibaji Biswas

Performance highlights

The last two financial years have reaffirmed the resilience of Syngene's business. Prudent management, carefully planned capex spending and investment in COVID safety protocols characterized the last twelve months. Revenue from operations grew by 19%, margins were maintained above 30%, our net cash position increased and our balance sheet remains strong. With a healthy demand environment visible as the world emerges from the pandemic, this provides a good platform to step up our investments to take advantage of the momentum in the market and strengthen the business for the next few years.



Overall revenue from operations grew 19% year-on-year to Rs 26,042 Mn (USD 347 Mn). This growth was driven by solid performances from all businesses. Discovery Services grew by 24% on the back of good traction across new and existing clients and added momentum from the integrated drug discovery portfolio. The Dedicated Centres reported a 15% revenue growth. These facilities are governed by long-term contracts: ten years in the case of Bristol Myers Squibb and five years in the case of Amgen. These extended contracts benefit the collaboration because they facilitate joint forward planning for technology and infrastructure, as well as providing a clear horizon for recruitment purposes.

Development and Manufacturing Services grew by 21% year-on-year. Development Services benefited from strengthening technical capabilities in process development for complex chemistry and extending capabilities to include oligonucleotides, polymers and highly potent APIs. This has helped to build client confidence on scale-up manufacturing for clinical supplies and resulted in repeat orders.

In Manufacturing Services, we invested in Biologics adding key capabilities in process development, in order to scale up for clinical and commercial scale manufacturing. While logistical challenges constrained growth in FY 2021-22, the demand for biologics manufacturing capacity remains robust and will be an additional growth driver for the Company in the year ahead.

The growth reported in Manufacturing Services included the manufacturing

of remdesivir, a COVID-19 treatment, during the year. We remain committed to manufacturing this important treatment as long as the pandemic persists in the current financial year. However, it is likely that volumes will be lower in the year ahead.

Cost and margin overview

Earnings before interest, tax, depreciation and amortization (EBITDA) grew by 15% to Rs 8,490 Mn (USD 109 Mn). EBITDA margin for FY 2021-22 was at 31.9% compared to 32.7% in the prior year. Raw material expenses increased to 28.2% of revenue in the current financial year compared to 23.4% last year. This was due to a shift of business mix favouring manufacturing, driven by early-stage development projects, the manufacturing of remdesivir and acceleration of biologics manufacturing in the later part of the year. The increase in raw material cost was offset by other cost elements, which increased less than the revenue growth.

Employment costs increased by 9% to Rs 7,180 Mn (USD 93 Mn) in line with headcount additions and the salary increments. This increase was offset by the one-time adjustments relating to a special bonus paid at the end of last year.

Other costs, which consists of selling expenses, IT costs, maintenance expenditure and other general overheads, declined by 200 basis points to 12.5% of revenue driven by effective management of discretionary costs, offsetting inflationary pressures.

Depreciation for the year increased by 13% in line with the fixed asset additions.

Development and Manufacturing Services grew by 21% year-on-year



31.9%

**EBITDA margin for
FY 2021-22**

Overall, profit before tax increased 19% year-on-year. Profit after tax before exceptional items (net of tax) grew 10% to Rs 4,211 Mn (USD 56 Mn) as compared to Rs 3,821 Mn (USD 51 Mn) in FY 2020-21. The effective tax rate for the year was around 18% compared to 12% in the previous year. In FY 2020-21 there was a one-off tax reversal due to a change in the tax position which benefited the effective tax rate last year. Two other factors which affected the effective tax rate this year were the sale of remdesivir which gets taxed at the full rate and a gradual increase in the effective tax rate as our units move out of SEZ tax benefit period. After adjusting for all these factors, underlying PAT growth is in line with the EBITDA growth during the year.

Rs 6,146 Mn

Capex for the year

Our net cash balance increased to Rs 7,320 Mn (USD 94 Mn) at the end of March 2022 driven by an increase in cash profits.



Capex

Capex for the year was Rs 6,210 Mn (USD 80 Mn), which included capital projects under progress and capitalization of lease rentals from long-term lease arrangements. Total assets capitalized during the year was around Rs 5,120 Mn (USD 68 Mn).

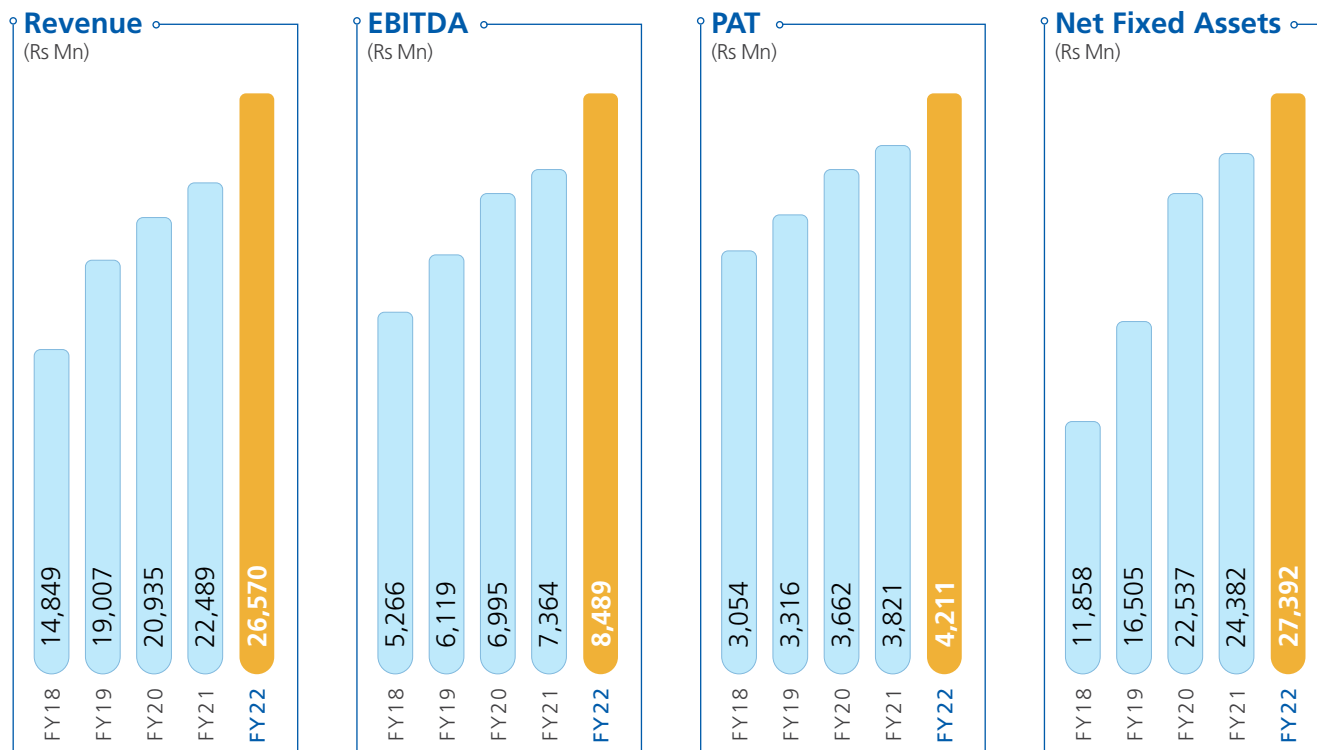
Of the total capex expenditure, approximately 70% was invested in Discovery Services where laboratory capacity was added in Hyderabad and the Dedicated Centers. Around 10% was invested in Development Services primarily in completing the clinical-scale fill-finish facility and another 10% was invested in the manufacturing business for the addition of a fourth reactor in biologics as well as a microbial development and manufacturing facility. The remaining investments were in common assets used across the Company including added power grid capacity.

Foreign exchange movement

With most of our sales being denominated in foreign currency, hedging is an important part of Syngene's strategy to minimize the risks of currency fluctuation. During the year under review, with the average hedged rate at Rs 77 per USD against the average spot rate of Rs 75 per USD, we registered a foreign exchange gain of Rs 548 Mn (USD 7 Mn) as compared to Rs 170 Mn (USD 2 Mn) in the prior year.

Healthy balance sheet

As planned, we ended the year with a healthy balance sheet and maintained strong liquidity. Inventory levels increased during the year in a planned effort to ensure there was no disruption to client deliveries due to supply chain delays and to compensate for the increased lead time for materials in the case of biologics. Our net cash balance increased to Rs 7,320 Mn (USD 94 Mn) at the end of March 2022 driven by an increase in cash profits.



Looking ahead

In light of the positive demand environment for CRO and CDMO services, we see FY 2022-23 as a year to sharpen execution across all parameters to capture the business opportunities. This will require investment in talent, facilities and other services and we plan to incrementally invest to put Syngene on a strong growth path for the future.

In our research business, we expect continued growth in Discovery Services and we intend to further expand our laboratory footprint in Bangalore and Hyderabad, along with moving integrated drug discovery projects up the value chain.

The extension and expansion of the partnerships with BMS and Amgen provide good visibility of the future of the dedicated research facilities.

In development and manufacturing services, good traction is expected in Development Services, underpinned by visibility of the order book for clinical manufacturing. In biologics development and manufacturing services, we have built our expertise in process development and GMP manufacturing capabilities, which we believe will help us play a growing role in complex large molecule development and manufacturing of new drugs.

In conclusion, I am confident that we are well-positioned to ensure long term profitability and create value for all our stakeholders. I would like to express my gratitude for your confidence and continued support and look forward to an exciting year ahead.

Sibaji Biswas

Oral antiviral medicine to fight new COVID-19 variants



Solves



Scales



Sustains

Immunologists, infectious-disease researchers and virologists reckon that coronavirus can be managed with the right access to vaccines¹ and medications². Despite the ongoing vaccination campaigns, experts predict that disease risk will continue because existing vaccines may not remain effective against future variants^{3,4} or may show reduced vaccine effectiveness⁵. Three of the major variants of interest identified thus so far, alpha, delta and omicron, possessed mutations such that the existing vaccines varied in activity against them^{1,2}.

¹ The coronavirus is here to stay — here's what that means; News feature, *Nature*, 16 February 2021. <https://www.nature.com/articles/d41586-021-00396-2>

² Efficacy and safety of three new oral antiviral treatment (molnupiravir, fluvoxamine and Paxlovid) for COVID-19: a meta-analysis. *Ann Med*. 2022 Dec;54(1):516-523. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8820829/>

³ How to redesign covid vaccines so they protect against variants; News in focus, *Nature*, Vol 590; 4 February 2021. [https://media.nature.com/original/magazine-assets/d41586-021-00241-6.pdf](https://media.nature.com/original/magazine-assets/d41586-021-00241-6/d41586-021-00241-6.pdf). <https://www.nature.com/articles/d41586-021-00241-6>

⁴ Christie A, Mbaeyi SA, Walensky RP. CDC interim recommendations for fully vaccinated people: an important first step. *JAMA*. 2021;325(15):1501-1502. <https://jamanetwork.com/journals/jama/fullarticle/2777536>

The existing vaccines target the spike protein of the SARS-CoV-2 (severe acute respiratory syndrome coronavirus) virus, which enables the virus to attach to lung, heart, kidney and other cells. Vaccines and monoclonal antibodies used for treatment are injected intramuscularly and intravenously. Drugs that can be taken orally are preferred by patients and hence research in this area needs to continue.

Scientists identified that the omicron variant had more than 30 mutations in spike proteins but, in contrast, only one mutation in replication proteins. In some patients suffering with COVID-19 the antiviral medications aim to prevent hospitalization and death by targeting the components of the viral replication process² that are less vulnerable to mutations.

Scientific Challenge

There is a need to develop new oral medicines with unique mechanisms of action to protect patients against COVID-19 and its evolving variants for timely intervention at home. A protease enzyme essential for viral replication was identified by a client as a biological target for therapeutic intervention.

Discovery of anti-virals

Building mathematical models such as these bring speed and efficiency to the development process of glycoprotein therapeutics while reducing the need for conducting many experiments, offering cost benefits and reducing timelines for product development.



- Syngene investigators from Discovery Chemistry and Discovery Biology (Assay Biology and DMPK) performed molecular design, chemical synthesis, enzyme inhibition screening and characterization of pharmacokinetic properties of key compounds.
- Structure Based Drug Design (SBDD) capabilities were used to enhance the design of inhibitors for the protease target as part of the design-make-test-analyze cycle. Cryo-EM helped to understand the molecular interactions with the target and assisted in developing potential drug candidates. Boceprevir (a weak HCV protease inhibitor) was used as the starting point for SBDD efforts in this project.
- Public domain structures were exploited in early designs and each chemical series was structurally enabled with high-resolution crystal structures developed by the client.
- A head-to-head comparison with clinical stage agents from a leading pharma company was executed. After more than one year of rigorous execution of the program, SH-879 was identified as a pre-clinical candidate.
- Currently, the compound is undergoing IND-enabling studies to initiate the clinical development of the inhibitor.

How will this innovation make a difference to patients' lives?

The antiviral drug is more than 100-fold more potent *in vitro* than boceprevir and comparable to an existing approved oral treatment. The new drug is formulated as a tablet providing easy administration for patients. It will be economical and could help keep COVID-19 and all its variants under control while supporting people to recover from early and late stages of the disease. If this drug is successful, then it may offer attractive properties for health care providers and empower them to manage the evolution of pathogenic viruses and meet the market demand on a global scale.

Discovery Services

Solving complexity through integrated science

Our integrated approach to discovery projects goes beyond routine research to offer bespoke discovery research collaborations for clients of all sizes and across many domains of science. Our skilled scientists apply the newest technology, the latest thinking and their deep experience to find answers that will improve our health and the way we live in the years to come.



Discovery Services had a strong year. Most activity focuses on human health. During the year, projects related to animal health, specialty chemicals and materials and consumer goods were also undertaken.

Discovery science encompasses the complex process of reviewing large volumes of data, forming hypotheses

and testing them to find new patterns or correlations in order to identify mechanisms that address health targets. It is a complex process and it is the quality of thinking and analysis that counts.

Much of the competitive differentiation for Discovery Services derives from an end-to-end capability strategy, with scientists working across multiple

therapeutic areas and therapeutic modalities. Collaborations with clients include therapeutic target identification and validation, translational sciences, lead identification and optimization and candidate selection and preclinical evaluation. Importantly, these candidates can be transitioned directly into Syngene's clinical development-related functions, including chemical

Discovery Services

development, formulation development and bioanalytical sciences.

To accommodate sustained growth in this division, investment in infrastructure continues. During the year, the third phase of expansion of the laboratory campus in Hyderabad was completed. Along with the additional space of 48,200 sq. ft. the facility now accommodates nearly 600 scientists working on synthetic and organic chemistry and integrated drug discovery projects. Continued expansion in Hyderabad is planned during the current year, both for Discovery Chemistry and Discovery Biology. In addition, further investments are planned to expand the Discovery Biology facilities in Bangalore.

Building strong leadership

Consistent with its growth ambitions, the leadership team for Discovery Services was expanded and roles in strategic scientific and commercial leadership were filled to increase the focus on delivering integrated projects and driving long-term growth.

Focus on productivity

During the year, Discovery Chemistry increased the average number of reactions by each chemist per month by 25%. Similarly, for a large set of key analytical instruments that determine molecule purity, the sample turnaround time was reduced significantly: today, 70% of samples are completed within one hour. These and other incremental efficiency gains help us meet our ambition to be among the most productive and operationally responsive research organizations in the industry.



The breadth and quality of our scientific capabilities are exemplified by a track record of successes for clients. Three client projects successfully identified small molecule candidates for preclinical evaluation during the year. Two additional candidates were identified within the targeted protein degradation modality. Significant advances were made toward candidate selection for an antibody-drug conjugate, including validation of a novel molecular change that significantly improved physical properties such as solubility. Several new client programs were added to the integrated drug discovery portfolio, SynVent, particularly from emerging biopharmaceutical companies.



Discovery Chemistry

Within Discovery Chemistry at the Hyderabad campus, the commissioning of a new, 2,800 sq. ft., state-of-the-art, scale-up laboratory was completed. This facility will offer fee-for-service synthesis services for up to 1 kg of product. It will support advancing integrated

discovery client portfolios by preparing key intermediates and scaling molecules of interest for studies requiring more significant amounts of material. Photochemistry and electrochemistry capabilities were introduced to enhance the synthetic organic chemistry repertoire, and the establishment of a catalyst screening group to accelerate route scouting and optimization has been launched. The analytical chemistry department onboarded Energy Dispersive X-Ray (EDX) technology to facilitate quantitative and qualitative non-destructive elemental analysis

for molecules containing ${}^6\text{C}$ to ${}^{92}\text{U}$ elements. In addition, the supercritical fluid chromatography (SFC) team within the analytical department developed Experimental Polar Surface Area (EPSA) assay capability.

During the year, Discovery Chemistry scientists were listed as authors in four publications and as inventors on eight patent applications, reaffirming their wider contribution to science and delivering unique value for clients.

Discovery Services



Discovery Biology

Discovery Biology features translational and pharmacological expertise across multiple therapeutic areas including oncology and immuno-oncology, immunology, neuroscience and cardiovascular diseases. During the year, the therapeutic antibody discovery capabilities were significantly scaled including bispecific antibodies designed specifically to redirect immune cells to

target and kill cancer cells. Other areas that were added or expanded include: the expansion of capabilities in both allogeneic and autologous chimeric antigen receptor- (CAR-) T cell therapy; the creation of germ-free animal facilities to evaluate the effect of the microbiome in health and disease; the range of *in vitro* ADME assays was increased; and new *in vivo* pharmacological models of disease were added.

During the year, Discovery Biology scientists were listed as authors in five publications and four posters were presented in events.

New technologies

INSTRUMENT	APPLICATION
IncuCyte S3	High throughput co-culture assays (immuno-oncology applications)
Sirius T	Fully-automated compound physico-chemical property determination
Envision	Multi-mode plate reader supporting high-throughput applications
Biotek Citation 5	Automated microscopy and conventional microplate detection
Cytation	High content imaging
ECHO	Acoustic dispensing

*The full article can be found here [Safety and immunogenicity of an inactivated SARS-CoV-2 vaccine, BBV152: interim results from a double-blind, randomized, multicentre, phase 2 trial, and 3-month follow-up of a double-blind, randomized phase 1 trial \(thelancet.com\)](https://www.thelancet.com)



Safety Assessment

Safety Assessment experienced a significant surge in study requests compared to the prior year. Approximately 80 single/repeat-dose *in vivo* toxicology studies and 39 genetic toxicology and *in vitro* toxicity studies were completed. The menu of services was expanded to include further *in vitro* toxicology studies (HPRT cell gene mutation, *in vitro* skin absorption, *in vitro* skin corrosion, *in vitro* eye irritation and *in vitro* skin sensitization). A rodent carcinogenicity model was added, including additional clinical pathology parameters to support IND toxicology studies. Stand-

alone histopathology service offerings were introduced, the DEREK and SARA Nexus software applications that enable predictive toxicology were deployed and the Standard for Exchange of Nonclinical Data (SEND) application for USFDA submissions was adopted.

Safety assessment completed a surveillance inspection by the Indian National GLP Compliance Monitoring Authority (NGCMA). The registration

with the Committee for the Purpose of Control and Supervision of Experiments on Animals (CPCSEA) was renewed and practices across the vivarium facility on selected scientific procedures for laboratory animals were harmonized to ensure compliance with international standards.

During the year, safety assessment scientists were listed as authors in five publications and one poster.

Discovery Services

Research Informatics

A major focus for the department during the year was to provide seamless computational support to integrated drug discovery programs within SynVent. This includes the application of genomics, biological target family and pathway analysis, and automated literature collation to support target identification and validation. Also included are crystallographic analysis and homology model generation; virtual screening for binding molecular hits and analog binding prediction;

qualitative structure-activity-relationship (QSAR) models; predictive models for physicochemical properties and potential off-target or sources of toxicity; and AI-based multiparameter optimization algorithms. In the context of therapeutic discovery, Research Informatics has produced a collaboration platform that allows in-house scientists to engage directly with their client counterparts for data visualization and analysis and hypothesis generation.

Research Informatics has created a comprehensive data management platform. Once complete, this will form the foundation of Syn.AI, a customized artificial intelligence platform that will enhance and accelerate decision-making with respect to therapeutic discovery, development and manufacturing, as well as other Syngene priorities.



Computer-aided drug discovery for Parkinson's disease



Solves



Scales



Sustains

Sustaining solutions with science

Developing drugs that penetrate the blood-brain barrier is a major pharmaceutical challenge. Often the solution involves direct administration through surgery. Partnering with a client, mathematical models were used to develop a patient-friendly form of a peptide drug which could be delivered non-surgically and used to treat a wide range of neurodegenerative diseases. This solution, delivered more quickly than through traditional research, is good for the client but also for patients and healthcare systems.

Beating the blood-brain barrier

The blood-brain barrier has been a significant hurdle in achieving drug delivery into the brain to fight debilitating neurodegenerative diseases like Parkinson's disease and Alzheimer's disease. A biopharma company has developed a peptide drug candidate for Parkinson's disease that needs to be administered directly into the brain by surgery. Syngene is using a Research Informatics based approach to develop a non-invasive and patient-friendly variation of the peptide drug that makes delivery of the drug non-surgically possible.

Seeking solutions with computer-based tools

Experimental assessment of the peptide's potential to penetrate the blood-brain barrier is complex, laborious, and expensive. Instead, two mathematical models were used:

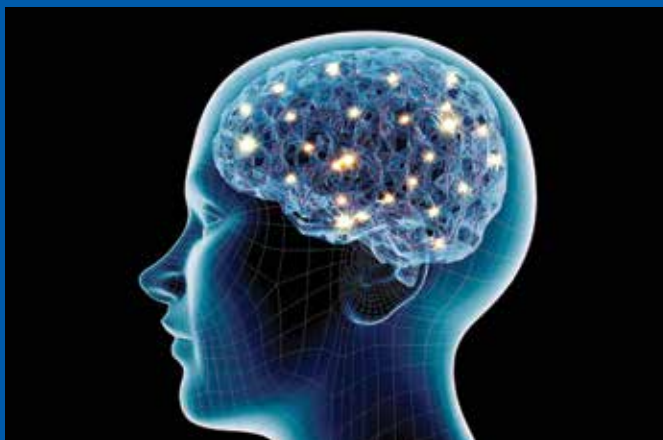
- Physics-based blood-brain barrier model - A molecular dynamics simulation was set up to model the diffusion of peptides through a brain's lipid membrane, compute the membrane-peptide interaction-free energy, and assess the membrane permeability. This method was developed to evaluate the design of better constructs or drugs.

- Systems mode - This model provided mechanistic insights into the drug's mechanism of action inside the body. The model used *in vitro* measurements to simulate the *in vivo* effect of the drug at different doses. Biological subnetworks relevant to the neurodegenerative disease targeted by the therapeutic program were set up and a disease model was created using the project data. The model consisted of coupled differential equations between each node in the network. It took a set of *in vitro* protein level measurements with the drug as input and simulated the outcome by instantaneously solving these coupled differential equations.

The drug's blood-brain barrier penetration and pharmacokinetic/pharmacodynamic (PK/PD) properties were optimized using the physics-based model, machine learning models of project data, and PK/PD simulations.

Why is this important?

The optimized drug candidate could be used to treat a wide range of neurodegenerative brain diseases as well as brain-related diseases such as cancer and traumatic brain injury. The medicine would be administered directly into patients' circulatory systems without needing surgery and avoiding post-operative complications.



Multi-drug combination for companion animals



Solves



Scales



Sustains

Solving problems with science

Administering medicines to treat chronic conditions in pets is not easy. Any pet owner would be drawn to a combination pill administering several drugs in one dose. However, the scientific challenge of accommodating the individual characteristics of the components, while making the pill palatable and scalable for commercial manufacturing, posed a series of technical problems. Syngene scientists designed a 3-drug combination, already on the market, with more to come.

Dogs become ill because of the infection transmitted by ticks which are blood-sucking parasites found worldwide. They are harmful as they cause an array of microbial diseases, but it is a challenge to have medicine that is effective against different types of ticks while being palatable for easy administration to the animals. Syngene partnered with a client to deliver a 'first-in-class' complex, multi-drug combination pill to protect against heartworm disease, ticks and fleas, and intestinal worms.

The Challenge

Among the unique problems of the multi-drug combination were: one component was highly prone to hydrolytic degradation; one component was present in a low dose, so content uniformity of the tablet had to be ensured; one component showed low solubility and bioavailability; one was reported to have a bitter taste with significant challenge to achieve palatable formulation.

Syngene Approach

The formulation team was able to provide innovative solutions to these challenges and developed a stable formulation composition.

- The stabilization of the active ingredient prone to degradation was done at a low dose using a novel polymer system
- A simple and robust granulation process ensured content uniformity of the low dose drug

- The bitter taste of one component was masked by appropriate polymer selection
- The development was performed via the design of an experiment to determine the relationship between multiple input variables and key output variables of a process
- The development of discriminatory dissolution media which is an analytical tool for checking the efficacy of the formulation to achieve a consistent and reproducible quality of drug product
- A novel texture analysis technique was used to optimize the physical strength of tablets and crush properties of chew tablet to improve pet's acceptance
- The team ensured that the tablet weight, dimensions and texture were suitable for the pets and matched manufacturing feasibility

Process scale-up

Process scale-up from lab-scale to commercial-scale.

A three-drug combination pill is now available in the market and another such formulation is in the process of regulatory review with new drug combination.

Contribution to science

This innovative process for the stabilization of multiple APIs in a single pill has been patented by the client.



Dedicated R&D Centers

Strategic partnerships for science

Dedicated R&D facilities for three global companies: Amgen, Baxter Inc. and Bristol Myers Squibb are housed on the Bangalore campus. Each one is located in a customized laboratory facility

and operates as an extension of the company's own internal R&D division. A dedicated team of scientists and support personnel work exclusively in each facility and embrace the culture and practices of

the company concerned. Each facility has a clear governance model which applies to long-term planning as well as day-to-day operations creating a sound basis for sustaining these valuable partnerships.

Biocon Bristol Myers Squibb Research & Development Center

The long-term association with Bristol Myers Squibb is a good example of our ability to deliver world-class scientific research to solve, scale and sustain the molecules that make modern medicines. The collaboration started in 1998 and the Biocon BMS Research and Development Center (BBRC) was fully commissioned in 2007 in Bangalore, India. BBRC has contributed to the discovery and pre-clinical development of multiple drug candidates and many patent filings for Bristol Myers Squibb. It has also played a key role in reducing the time and cost associated with advancing new compounds to first-in-human studies. The scientific contributions arising from the work of BBRC scientists have also been published in peer-reviewed journals.

The partnership has expanded over the duration of the relationship. Today, BBRC is a strategic R&D facility for Bristol Myers Squibb providing integrated

services including: target identification, lead discovery, lead optimization, early and late-stage pharmaceutical development, molecular and cell biology, protein sciences, assay biology and clinical biomarkers, amongst others. It is the largest research and development alliance in the Bristol Myers Squibb network working in a range of therapeutic areas such as cardiovascular, fibrosis, immunology and oncology.

In February 2021, the collaboration was extended until 2030, with an expansion of the scope of work and a commitment to invest in additional laboratory space to accommodate a projected 40% increase in the number of dedicated scientists. During the year, the execution of the renewed contract progressed as planned with the new laboratories handed over for operations and a 30% increase in dedicated scientists. More new recruits will join in the current financial year.



We greatly value our collaboration with Syngene International and are proud to extend and expand our work together. The dedicated facilities and scientific team at Syngene play an important role in helping us realize our vision to transform patients' lives through science.

Gregory Vite

Ph.D., Senior Vice President, Small Molecule Drug Discovery, Bristol Myers Squibb, February 2021 on the occasion of the contract renewal



Dedicated R&D Centers

Baxter Global Research Center (BGRC)

The partnership with Baxter Inc. started in 2013. Over the years, the collaboration has grown by increasing the number of scientists working at the dedicated center and expanding the diversity of research. Today, a multidisciplinary team of scientists partners with Baxter to provide analytical services for their global operations. Activity in Bangalore ranges from new product development to regulatory filing of their products. The relationship spans a number of Baxter's global business units from Renal Care, Medication Delivery and Pharmaceuticals to Clinical Nutrition and Advanced

Surgery. As a result, the dedicated facility in Bangalore handles research and development for a wide range of products including: acute and chronic

dialysis therapies, sterile intravenous (IV) solutions, infusion systems and devices, parenteral nutrition therapies, inhaled anaesthetics and generic injectables.



Syngene Amgen Research & Development Center (SARC)

While SARC was established in 2016, Syngene's association with Amgen Inc. dates from 2012. Over this period, the areas of collaboration have progressively increased. During the year we announced the extension of our collaboration with Amgen until the end of 2026. The scope of engagement covers integrated drug discovery and development solutions in discovery chemistry and biology, peptide chemistry, antibody and protein reagents, pharmacokinetics and drug metabolism and pharmaceutical development. In addition to operating the existing dedicated facility, a new exclusive laboratory will be built to accelerate Amgen projects.



Amgen is pleased with the success of the long-standing collaboration with Syngene that has contributed to the advancement of a number of molecules into clinical trials. We look forward to continuing to work together with the shared goal of addressing serious disease for patients in need.

Margaret Chu-Moyer

Ph.D., Vice President of Research and Head of Chemistry, Characterization & Technology, Amgen

Herbalife Nutrition Research & Development Center (HNRD)

Since 2016, Syngene has been operating a small, dedicated facility for Herbalife - the first company nutrition center in India. Herbalife moved its R&D to its own facility in India in January 2022 and the existing collaboration with Syngene came to an end in December 2021. During the

partnership, HNRD collaborated on seven new product launches and the approval of over ten concepts. Alongside moving into their own R&D facility the strong and trusted relationship built with Herbalife is expected to translate into a continued collaboration in a non-dedicated, fee for service mode.

Development Services

Solving problems with science

As the bridge between early stage research and commercial manufacturing, Development Services embraces the challenge of designing medicines and materials for the future. Meeting the needs of people and patients while balancing process complexity, speed and the cost of the end product, nowhere better illustrates the power of science in problem-solving.



In the Development Services division, clients can access differentiated science and expertise from integrated development solutions including chemistry, manufacturing and control (CMC) services under one roof to non-GMP and GMP clinical manufacturing facilities and clinical trials services. Dedicated to sustainable innovation, key areas of focus include simplification of the development processes, finding solutions that are kind to the environment and shortening the time to clinical trials.

Performance highlights

During the year, the division maintained a steady performance. Client commitments were met, despite the disruption of the pandemic, with a focus on quality and timely delivery.

Chemical Development

Recognition of the skill of Syngene scientists in designing novel solutions was highlighted by the US patent filed by Panbela Therapeutics Inc. citing six employees among the inventors. The patent was related to the synthesis of a

lead investigational product in which the number of production steps was reduced from seventeen to six. If the drug is approved, a streamlined production process would result in simpler, more cost-effective production and the drug would reach patients more quickly.

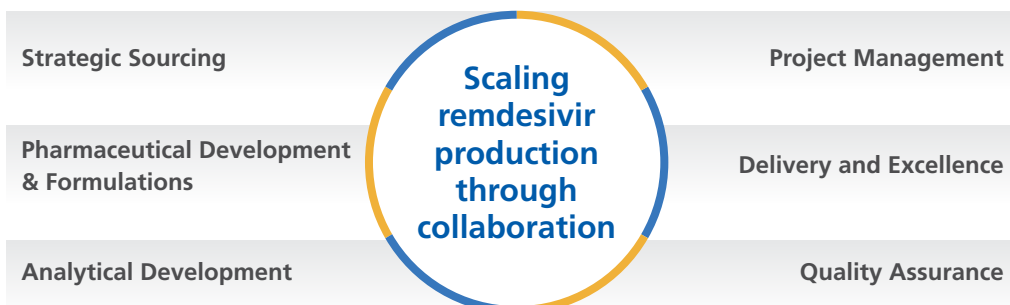
In the competitive world of generic medicines, speed to market plays a critical role in the commercialisation strategy. During the year, the development team took this to heart working on the development stage of a generic

Development Services

drug for one of the world’s largest drug companies within five months, against an industry standard of eight to ten months. The project scope included technology transfer, pilot batches, scale-up batches and registration batches.

The commitment to scale-up the manufacturing of remdesivir, the USFDA-approved drug for COVID-19 treatment was a source of pride. In FY 2020-21, Syngene entered a voluntary licensing agreement with Gilead Sciences to manufacture this drug for distribution in India and other global markets. During the second wave of the pandemic, demand surged requiring a rapid scale-up. Production was increased from 50,000 units to 700,000 units per month and, preparing for an uncertain future, capacity was created to manage up to 1 million units per month if needed in future.

From sourcing raw materials in a tight market to identifying additional suppliers without compromising quality - and while ensuring compliance with vendor partners - multiple teams pulled together to find solutions and make a contribution to human health in exceptional circumstances.





From 50,000 units to 700,000 units per month - a 14x increase



The development of the drug product and scale-up of remdesivir manufacturing were the first of their kind for Syngene and some elements were unique to the product. The team approached each challenge meticulously, bringing appropriate closure within the right timelines.

Dr. Jan-Olav Henck

Sr. Vice President – Development Services

Clinical Development

During the year, Clinical Development participated in international pivotal phase 3 trials for key bio-therapeutics, handling the pharmacokinetics and immunogenicity dimensions. A cross-functional team of scientists from Discovery Chemistry and Chemical Development collaborated with a client to develop a drug candidate to fight Alzheimer's disease. Immunoassays for complex molecules were developed using new technologies (flow cytometry and luminex) as well as repurposing existing assay technologies. In addition to routine bioavailability and bioequivalence studies, more complex studies including vaccine and biologic molecule clinical studies were also completed. Extending beyond human health, the ability to conduct immunogenicity assays for animal health therapeutics was established to further strengthen this growing portfolio.

In the human pharmacological unit, Syngene was instrumental in initiating execution of a complex biosimilar program for a client. Despite the difficulties faced by the client in recruiting study subjects globally, the Company was able to execute the study efficiently enabling our partner to complete the project on time.

With the pandemic still impacting communities, providing specialist scientific support was a priority. This included validating serology assays for antibodies against SARS-CoV-2 and developing assays on new platforms such as U-PLEX resulting in higher throughput for SARS-CoV-2 vaccines

Development Services

and therapeutics. In addition, the dedicated COVID-19 RT-PCR testing center, established in 2020, continued to contribute towards Bangalore's COVID-19 testing capacity with over 165,000 samples tested during the year.

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

Digitization continues to streamline bench and trial data handling.

Formulations Development

Formulations Development is at the forefront of scientific problem-solving. During the year, the team developed a drug combining four APIs in a single tablet, which is a significant challenge from both a formulation development and an analytical development perspective. With one drug serving the purpose of multiple drugs, combination therapies are particularly convenient for certain categories of patients. They are also used in animal health. However, the complexity in formulation increases exponentially in these circumstances due to the potential interactions between the active ingredients, which may lead to unwanted product degradation. Such a compound also involves dealing with more excipients and requires more sophisticated management of the manufacturing process. A further challenge in this case was getting the technology transfer right first time for the commercial drugs batches due to tight client timelines and restricted volumes of the active ingredients.

During the year, a pilot project was initiated to increase alignment of processes and improve 'on time' delivery. The project involved bringing together the relevant decision-makers from multiple functions and empowering them to achieve a single, common goal – on time delivery to clients - instead of each working towards a goal related to individual process completion. The project demonstrated very clearly the benefit of the collective approach in providing a forum for real-time problem-solving and driving closer alignment across processes. The project will be rolled out further in the current year.'

Analytical Development

The analytical research and development facility was expanded by an additional 4,000 sq.ft. of laboratory space. This will help to meet the growing demand for analytical solutions and the speciality chemicals business. The new analytical laboratories are designed to handle the characterization activities of biopolymers, speciality polymers, highly active monomers and performance chemicals using new technology and advanced characterization techniques.



Manufacturing Services

Taking science to a larger scale

The complexity of manufacturing modern medicines and materials at scale requires state-of-the-art technology, specialist expertise and industry know-how. With the discovery and development of small and large molecules under the same roof, the multi-year investment in manufacturing facilities offers much needed capacity to produce the products that play such an important role in improving lives.



Our manufacturing infrastructure includes both large and small molecules. With biologics development, clinical and commercial supply for mammalian, microbial and advanced therapy medicinal products, our clients are offered multiple modalities to treat a wide variety of patient indications. The facilities for both biologics and API/intermediates,

which are designed to USFDA and EMA standards, offer a range of equipment and provide flexibility to meet the needs of our clients, both large and small.

By delivering services for drug development, clinical supplies and commercialization all under one roof, clients can work with a single provider

for every stage of their project removing both the time and uncertainty that arises from linking multiple providers along the value chain. It also ensures that process knowledge gained during the drug development stage can be leveraged during the critical technology transfer process, making it seamless and faster.

Manufacturing Services

Building experienced leadership

During the year, Alex Del Priore was appointed to the newly created position of Senior Vice President, Manufacturing Services, responsible for all commercial manufacturing of large and small molecules. The manufacturing leadership team has also been strengthened to ensure that clients benefit from experience gained in the world's most sophisticated manufacturing environments.

Performance highlights - Biologics

Syngene continues to expand its capacity and capability to support market growth. During the year, an expansion of the existing mammalian facility and a new cGMP microbial manufacturing facility were commissioned. Mammalian capacity was increased by 30% while the now fully operational microbial plant includes two stainless steel fermenters of 200L and 500L capacity. The new microbial capability can produce recombinant proteins from bacteria and yeast cells with intracellular or secreted expression. This microbial facility will offer further integration opportunities with the existing Discovery and Development Services capabilities.

In addition to traditional microbial services, the new facility has been constructed to also produce plasmid DNA and mRNA is capable of manufacturing over 200 million doses of equivalent drug substance across Protein Sub-units, pDNA and mRNA. The manufacturing facilities comply with the biosafety requirement of Bio Safety Level 1 & 2 (BSL-1 and BSL-2), which provide an opportunity to manufacture vaccines across different platforms.



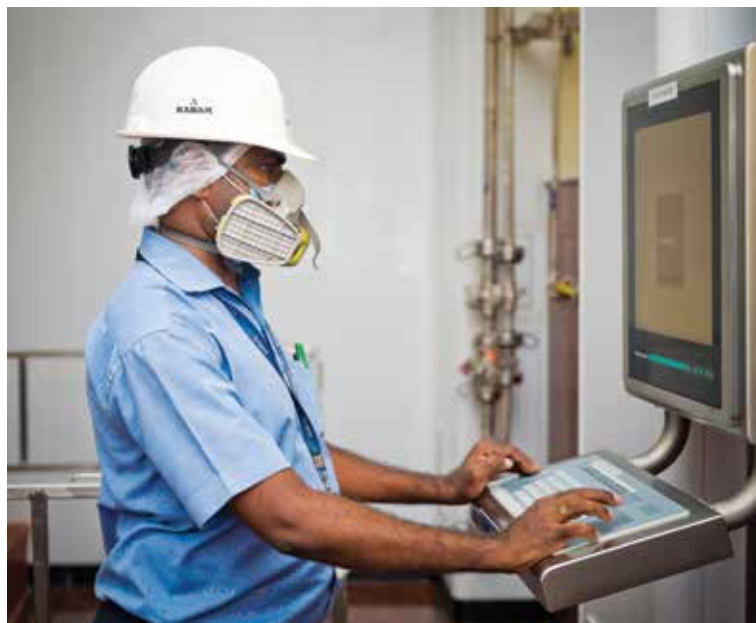
Syngene's viral testing facility continues to expand its services: in addition to standard biologic product testing and viral clearance studies, a new cell banking capability was established to manufacture and characterise GMP cell banks. With this, clients can commission a complete start-to-end service for both microbial and mammalian biopharmaceutical product development.

In addition to capacity increases, the manufacturing services team has focused on delivery value by improving the overall cycle time and productivity of cell lines. The "Time x Titer" program creates value for our development and commercial partners by reaching the GMP supply in the shortest possible time while achieving optimal batch titers.

Clients value a short timeline to develop and deliver early clinical product of high quality but would prefer to have

a low-cost option as well. A recently developed "process intensification strategy" for mammalian cell platforms has demonstrated three to four-fold increase in standard titers resulting in a lower cost per gram when the product progresses to late stage clinical and on to commercial launch. The "Time x Titer" approach eliminates the need to make a choice between time and cost considerations.

The microbial and mammalian manufacturing facilities are supported by proven processes for efficient, scalable, customized and compliant commercial manufacturing. The use of digitization and automation tools such as electronic quality management records and digital signatures helps reduce the risk of human errors, decreases operational costs and provides a robust and traceable audit trail for every compound.



Performance highlights - Small molecule manufacturing

During the year, the first year of production at the API manufacturing facility located in Mangalore was completed. The site was certified by the Central Drugs Standard Control Organization (CDSCO), the Indian regulatory body for pharmaceuticals. Current qualification and validation batches are underway which will attract a USFDA and EMA regulatory inspection in 2023.

Occupying 46 acres, the facility has benefited from some USD 80 million in investment to create a facility well suited to manufacturing high-value bulk drugs

and new chemical entities. Commercial manufacturing is underway, and the operational focus is now on increasing capacity utilization by producing both key starting materials and intermediates working towards global regulatory approvals.

Recognizing the opportunities that emerging technologies offer to deliver greater efficiency, the Mangalore facility is digitally driven and fully automated. It is equipped with a Distributed Control System – a system that facilitates remote monitoring and supervision – which minimizes human intervention during operations and improves cycle times for unit operations. The 21 CFR Part 11¹ compliant control system enables

integrated batch automation, safety interlocking, digital communication and setting up of solvent transfer sequences. The facility is accredited with ISO 45001, 14001 and 9001:2015 certifications for its quality management systems, enhanced environmental performance and strong occupational health and safety (OH&S) management systems respectively.

Science for the future

While solving the scientific problems of today, plans to invest in the science for the future are in hand. Cell and gene therapies (CGTs) offer significant promise to treat severe diseases such as cancer and certain rare diseases. However, the high cost of production is a major challenge for commercialization of these revolutionary therapies. Syngene has invested in Advanced Therapeutic Medicinal Products (ATMP) like CGT by recruiting and establishing development capabilities to serve various clients seeking to bring these promising modalities to market. Manufacturing is a key component in the overall cost of CGTs and we are evaluating the strategy to develop the services for these new therapies and design a new facility to play a role in making CGTs more affordable and accessible at a global scale.

¹21 CFR Part 11 is a U.S. federal regulation specifying FDA guidelines for electronic records and signatures.

Clinical supply from Gene to GMP in 9 months



Solves



Scales



Sustains

Solving problems with science

Every monoclonal antibody is unique, complex, vulnerable to degradation and unstable. In addition, availability of specific raw materials needed for production processes may be sporadic impacting production timelines. Consolidating learning from many projects, Syngene scientists have designed and proven a proprietary process that takes the production timeline down to 9-12 months from the industry standard of 12-18 months. With the patent clock ticking, every additional month saved in production represents value for the client and faster availability for patients.

Therapeutic monoclonal antibodies (mAbs) constitute approximately 40% of the biopharmaceutical market. Advance innovation drive new biopharmaceutical candidates into the clinic. One approach for improving speed is through the development of broad platform approaches that can be applied across the mAbs class of products. The biopharma development team at Syngene focused on the process of bringing a mAb product from the gene stage to the clinical supply stage to offer clients a fast, efficient development schedule.

Expediting clinical batches

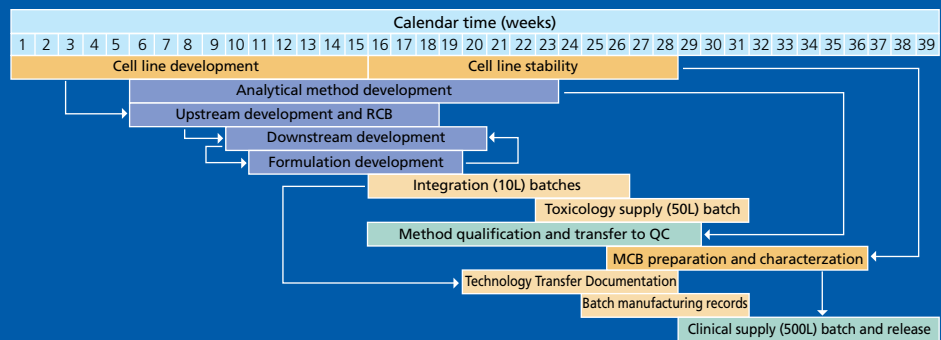
Syngene scientists consolidated their experience from multiple projects and designed a process development approach that can result in expedited timelines of 9-12 months for producing the mAb from gene to GMP grade clinical supply.

The biologics process development team has built a proprietary platform that provides a reliable starting point for any new product by analyzing extensive data from several projects. The platform process development is integrated with platform analytical methods

to provide appropriate analytical readouts for the critical product quality attributes. Upon availability of the cell line expressing the mAb, the platform process is evaluated at laboratory scale. The data obtained from this study are analyzed with respect to prior knowledge of the platform and unique product-specific issues are tackled through statistical methodologies such as Design of Experiment (DoE) and multivariate analysis. Notably, the platform has been tested at a commercial manufacturing scale (2KL and 500L) ensuring quick scale-up in the GMP manufacturing suite.

Making a difference in patients' lives

Leveraging the experience of Syngene scientists gained by working on a unique breadth and depth of projects, the proprietary data platforms reduce the time to the clinic so that drugs can reach patients safely and faster.



Gene-to-GMP DS workflow mapped over the 9-month period

Creating a safe work environment and reducing the cost of manufacturing



Solves



Scales



Sustains

Unintended exposure of workers to higher than permitted levels of drugs and chemicals while working in a manufacturing environment can cause significant health hazards. It is important to protect the workforce from these deleterious effects by limiting exposure to an acceptable level, known as the occupational exposure limit (OEL). This limit is defined as airborne concentrations, usually expressed as a time-weighted average for an 8-hour workday and a 40-hour work week of a substance that workers may repeatedly be exposed to without any adverse effects.

Whenever more than one drug is manufactured at a shared facility or using shared equipment, there is the chance of cross-contamination of the drug in the current batch with minute quantities of the drug manufactured in an earlier batch. Permitted daily exposure (PDE) is a dose that is unlikely to cause adverse effects if a patient is exposed, by any route, at or below this dose every day over a lifetime.

Scientific Challenge

Syngene's Chemical Development unit was faced with a challenge of working with a compound predicted by the client to have very low OEL values. The implication of this OEL classification was felt in terms of volumes to be produced, the need for a higher-level containment facility and therefore impacting cost and throughput.

Seeking a solution

The Safety Assessment team leveraged the power of data science, machine learning and artificial intelligence to build an approach to assess the OEL classification of a given compound with a high degree of confidence and use it with the right level of controls (contained or non-contained facility) required in the manufacturing facilities. The controls depend on the compounds nature – toxic or non-toxic.

The Toxplanet software and Derek Nexus (Lhasa, UK) tool was used to perform data mining from the public domain and prediction of toxicity of the compound. This analysis provided additional insights into the class of compounds being worked on and led to a conclusion that the compound could be produced in a manufacturing facility without the need for an additional specialized level of containment.

The additional data generation and data analysis approach used by the team to generate the revised PDE and OEL values will also help ensure patient and occupational workers' safety in other settings. This improved method is a better way to determine PDE and OEL levels for correct assessment of all compounds Syngene works with such as API, starting material, intermediates and impurities.

Why is this important?

Based on the data-driven approach, the client's project was executed safely at a lower cost since the use of high-containment facility was not needed. This method delivers fast and accurate toxicity predictions and reduces expensive testing while ensuring the safety of the working staff and patients is not compromised. The same approach to toxicity prediction and data analysis for patient safety (PDE) and worker safety (OEL) can be applied for other pharmaceutical or chemical companies and other projects. This study will provide scientific guidance for setting up OEL values and establishing PDE limits in shared manufacturing facilities, thus contributing to a safe working environment while reducing the costs associated with bringing drugs to the market.

Contributing to science

The team published two papers^{1,2} - Approaches for setting occupational exposure limits in the pharmaceutical industry (Journal of Applied Toxicology 2022) and Challenges in setting Permitted Daily Exposure (PDE) Limits for pharmaceuticals: A review (International Journal of Risk & Safety in Medicine, 2021).

¹ Ahuja V, Krishnappa M. Approaches for setting occupational exposure limits in the pharmaceutical industry. *J Appl Toxicol*. 2022 Jan;42(1):154-167. doi: 10.1002/jat.4218. Epub 2021 Jul 12. PMID: 34254327. <https://pubmed.ncbi.nlm.nih.gov/34254327/>

² Ahuja V, Krishnappa M. Challenges in setting Permitted Daily Exposure (PDE) Limits for pharmaceuticals: A review. *Int J Risk Saf Med*. 2021 Oct 26. doi: 10.3233/IJRS-210021. PMID: 34924402 <https://content.iospress.com/articles/international-journal-of-risk-and-safety-in-medicin/IJRS210021>

Quality Management

Science sustained by rigorous standards

A commitment to meeting the most rigorous quality standards is a hallmark of all our operations and reflects the responsibility that we carry in order to make a difference to the lives of people and patients through our work.



The Quality Management System includes robust, automated systems and processes that aim to eliminate human error and provide a clear audit trail of the research outcomes produced for clients. The ALCOA+¹ principles underpin our approach to data integrity. These

principles are applied across all research activities and all facilities are accredited by major global regulatory authorities. Our quality management systems are continually evaluated and upgraded to meet evolving industry regulations and to incorporate industry best practices.

¹ ALCOA is an acronym for the original five principles of data integrity: Attributable, Legible, Contemporaneous, Original and Accurate. ALCOA+ has four additions: Complete, Consistent, Enduring and Available.

Driving digitalization

The breadth and complexity of processes and documentation in R&D and commercial manufacturing activities is constantly growing. To stay ahead of these requirements and better manage compliance as operations expand, we are driving a high level of digitization across our quality systems.

The shift to Electronic Laboratory Notebooks (ELN) has increased the efficiency of the research operations. The further rollout of ELNs in the Quality Control (QC) laboratories will be completed in the current financial year.



Phase-appropriate quality systems

Phase-appropriate quality systems are the industry standard and have been introduced in the pre-clinical, early and late phases of drug development. Adapting the quality management system to the differing needs of each stage of operations ensures that standards and controls are fit for purpose and allows faster, more efficient operations while meeting global regulatory standards and client needs.

Regulatory approvals

- OECD GLP extension of certification by the Government of India
- NABL certification for large molecule bioanalytical laboratory
- Completed NABL re-certification audit in central laboratory

Regulatory approvals

1. US market

- a. Odevixibat (for genetic liver disease) - NDA approval for the client – Drug substance manufactured in Syngene.
- b. Ibrexafungerp (Immediate-release tablets for the treatment of vaginal yeast infections) - NDA approval for the client – Drug product manufactured in Syngene.

2. Europe market

- a. Odevixibat (for genetic liver disease) - EMA approval for the client – Drug substance manufactured in Syngene.
- b. Certificate of Pharmaceutical Product (CoPP) and Written Confirmation (WC) for the above drug substance for export to Europe.

3. India market

Marketing authorization (MA) for remdesivir manufactured from Kamla Life Sciences, Maharashtra.

International accreditations

ISO 9001, ISO 45001, ISO 14001, ISO/IEC 17025, ISO/IEC 27001, ISO 15189, ISO 13485, GLP, cGMP, AAALAC, CAP accreditations. USFDA, EMA and PMDA approved facilities.

7

successful USFDA audits in past 4 years

Information Technology

Advanced solutions for better science

We are committed to advancing scientific breakthroughs while leveraging advances in information technology to increase the speed of projects, decrease use of resources, process ever greater volumes of data and streamline projects through process automation. We apply the highest standards of data confidentiality and use the latest techniques to test and manage cybersecurity across the Company.



As an ISO 27001* certified company, Syngene has a comprehensive IT strategy to combat IT and data protection risks. This includes regularly measuring and evaluating the effectiveness of the multi-layer protection mechanism and investing in future-proof solutions to handle changes in the threat landscape.

Driving digitization

During the year, the rollout of Electronic User Access Management for Discovery Services was completed. This solution manages online user access requests, approvals and the availability of active user lists for all instruments and applications. The system will eliminate the use of paper-based records.

Electronic Laboratory Notebooks are now being used by scientists across Discovery, Development, Manufacturing and Quality Services. The notebooks facilitate the recording of experiments on a real-time basis, ensuring 'Anytime Audit Readiness' and compliance with Good Research Practices (GRP), Goods Manufacturing Practices (GMP), and

ALCOA+^ principles. This high level of digitization has reduced compliance risk and improved data quality, while simultaneously increasing productivity and facilitating data traceability and reproducibility.

Advanced digital solutions are used to strengthen supply chain management. During the year, a project to create strategic sourcing dashboards was started. The enhanced data visibility will help us monitor and manage supply chain performance and help make procurement more agile and resilient.

With operations that depend on high standards of reliability and safety, 24 hour vigilance and information flow is a priority. The introduction of an IoT (Internet of Things) solution, started during the year, will deliver a fully integrated digital ecosystem, collating data from over 1200 existing systems across multiple locations.

Pharma 4.0 is a concept which introduces automation into pharmaceutical manufacturing to increase connectivity and productivity while simplifying compliance. Pharma 4.0 has been introduced in the Biologics and Chemical Development units. As part of this digital transformation, a Manufacturing Execution System (MES) is under implementation.



During the year, Synpliance, the compliance management system, won an award under the Compliance Program category at the Legasis Compliance 10/10 Awards.

*ISO 27001 - the internationally recognized standard for information security management systems

^ALCOA+ - ALCOA is an acronym for the original five principles of data integrity: Attributable, Legible, Contemporaneous, Original and Accurate. ALCOA+ has four additions: Complete, Consistent, Enduring and Available.

Supply Chain Management

Sourcing strategically to build competitive advantage

The pandemic created disruption in supply chains in multiple ways. Good forward planning and a diversified supplier base was the key to avoiding disruption to operations.

Syngene has unique and diverse sourcing requirements ranging from chemicals to electronic and capital equipment. Over the years the Company has developed niche sourcing skills required to efficiently manage the diversity of its procurement needs. Amidst global supply chain disruptions during the year, the sourcing teams demonstrated strong resilience to ensure timely availability of critical raw materials for delivering client projects as planned. Our business continuity plans along with the learnings from the initial phase of the pandemic were instrumental in navigating supply chain disruptions.

Syngene offers a diversified portfolio of services, each having its own unique sourcing needs and challenges. Fast delivery of catalogue chemicals is a top priority in Discovery Services. In Development Services building a strong network of custom synthesis suppliers with technical expertise in complex chemistry is critical. The ability to build a supply ecosystem that is tailored to the needs of each of the businesses makes supply chain a competitive advantage for Syngene.

In FY 2021-22, the Company continued its build of the supplier ecosystem with the focus to create multiple sourcing points to de-risk supply lines. With over 2,000 sourcing partners and suppliers around the globe, Syngene's supply sources are distributed across the world to ensure business continuity.



Operational Excellence

Scientific solutions with world-class standards

In a highly regulated environment, a focus on operating standards is critical. The commitment to operational excellence that underpins every aspect of our activity demands rigor and proven tools are widely used to drive productivity while meeting all quality parameters as well as the client timeline.

LEAP (Leveraging Excellence to Ascend and Perform), the company-wide operational excellence program, is based on a three-pronged approach: building the right philosophy, building robust processes and building sustainability. The cultural transformation brought about by LEAP is reflected in the high level of maturity of the core internal program, SQDECC – an acronym representing the six elements of operational excellence: safety, quality, delivery, engagement, compliance and cost.



Operational Excellence

Building the Right Philosophy

At the heart of driving operational excellence is the mindset of every employee so the core of the LEAP program is a focus on training to equip all staff with the skills, techniques and knowledge needed to consistently deliver exceptional operational performance.

Lean/Six Sigma Training

All new joiners are required to complete a Lean Six Sigma White Belt Certification via an e-module within 30 days of joining the Company. During the year, the existing White Belt training program was scaled up to cover 95% of employees. Taking the Lean/Six Sigma discipline to the next level, 50+ employees certified as Lean Sigma Green Belt taking the total number of green belts to 240. This group, together with 29 Black Belts and 35 senior leaders who were trained as 'Champions' for Lean programs, drove efficiencies in the operations as a result of the projects that were undertaken throughout the year.

With the aim of engaging every employee in the drive for continuous improvement, other techniques widely used across the Company include: 5s (sort, set in order, shine, standardize, sustain), the Japanese techniques of Gemba and Kaizen and the use of Why-Why analysis. During the year, more than 2000 Kaizen were submitted and ~600 why-why analysis were used to improve operational processes.



Building Robust Processes

Operational excellence relies on employees applying the knowledge gained in their training to the workplace thus putting theory into practice. This is the second element of the LEAP program.

Quality by Design

81 individuals from Chemical Development, Formulation, Quality and the Mangalore manufacturing plant were trained in Quality by Design. The focus was on identifying risks while executing critical steps to ensure 'right first-time' technology transfer and method transfer from Analytical Development to Quality Control, as well as reducing revisions of documentation.

Building Sustainability

Instilling a high-performance culture across the organization is the third dimension of the LEAP program to sustain the training and implementation initiatives.

A key element of continuous improvement is measurement. Syngene's approach to continuous improvement is based on six measurable dimensions: safety, quality, delivery, engagement, cost and compliance (SQDECC). These metrics are inscribed on a board in every laboratory and operational area so that they can be reviewed daily. During the year, 80% of teams recorded a sustained improvement in delivery.

Continuous improvement tools in action

Case Study

1

Enhancing productivity in Discovery Chemistry analytical laboratories

Achieving an average turnaround time of 24 hours for 86% Reverse Phase-High Performance Liquid Chromatography and 89% SFC (Supercritical Fluid Chromatography) from a baseline turnaround time of 70% in 48 hours was made possible using a Kaizen and with no significant financial investment.

2

Improving the efficiency of the nitrogen generator plant

Kaizen principles were applied to the nitrogen generator plant to reduce power consumption while retaining the plant's efficiency. The change reduced power consumption by 269,520 kWh saving of Rs 2 Mn annually.

3

Managing waste responsibly

A cross-functional team from EHSS and Engineering and Maintenance identified waste of freshwater while on a Gemba walk around the Mangalore facility: around 2,500 and 500 litres per day of fresh water was used to clean the multiple effective evaporator area and the agitated thin film dryer, part of the effluent treatment plant. The team designed a process to tap the water in the reverse osmosis reject line and divert it to the dryer flushing line. The water was also redirected to the evaporator skid cleaning area by providing another outlet in the condensate line, thereby saving fresh water and recycling used water in a purposeful manner.

High standards win recognition

Syngene won the prestigious India Pharma Awards 2021 for Operational Excellence in Manufacturing. Syngene is the first CRO/CDMO to have won this coveted award in the Operational Excellence category.



Our Employees

Building capabilities and careers to sustain growth

Science is a dynamic and evolving field and it requires a curious mind and an empowering environment where new ideas are valued just as much as established norms. At Syngene the focus is on creating an environment where people can learn, develop and build a fulfilling career in science, or an enabling function.



Managing a pandemic year

With all divisions operating at normal levels, most employees worked on one of the Company campuses observing pandemic protocols, undergoing routine COVID-19 testing and, eventually, benefitting from a Company sponsored vaccination drive for employees and their families. Throughout, their commitment to clients and resilience in coping with COVID constraints was remarkable. Many of the constraints were finally relaxed from 1 March 2022 on Company campuses.

During the year, business volumes expanded and approximately 1,000 new scientific jobs were created during the two years of the pandemic. The need to expand the workforce led to a busy year for the recruitment team who visited more campuses than ever to attract the latest cohort of science graduates.

In the workforce today, many employees have no experience of life at Syngene before the pandemic. As the COVID protocols are relaxed, that population will discover the value of being able to engage with colleagues right across the campus and re-establish face-to-face meetings to replace the virtual kind. As a new scientist, the opportunity to learn from others at the bench or in an adjacent laboratory plays an important role in sparking new ideas and shaping new hypotheses.

Upskilling managers

With a relatively young workforce, building a strong pipeline of leaders and highly capable first line managers is an important enabler to ensure teams receive clear direction, maintain operating standards and to help shape the skills and future career paths of all our employees. With this in mind, the Emerging Leaders Development Program aimed to identify emerging management talent within the Company and support those individuals to transition from managerial to leadership roles. For more junior managers, Springboard, another management development program, was deployed to develop the capabilities of newly promoted managers. Providing training in people management, communications and performance management, the six-month training program equipped 70 first-time managers to realize their potential and make positive contributions to the organizational goals.

Nurturing fresh talent

Meeting the needs of new graduates joining the Company, the Syngene Training Academy (STA) offers recruits a six-month extended induction to help them understand and align with the Company's goals, vision and core values as well as learning the skills of an industrial scientist. Introduced in 2015, STA serves as a platform to train new graduates in all aspects of their job and fulfil their responsibilities with greater speed, agility and efficiency. The curriculum evolves to meet changing requirements. During the year, it was upgraded to encompass behavioral training modules in addition to technical training.

1,000

new scientific jobs created during the pandemic

2,097

new joiners

5,975

Total headcount

161

Fresh graduate recruits trained at STA in FY22

Our Employees

Nurturing science

As a science-based organization, it is important that scientists stay abreast of scientific developments and update their knowledge regularly. The Science Certification Program aims to enhance the capabilities of our scientific staff and provide opportunities for continuous learning. The program comprises multiple modules delivered by recognized industry leaders, internal

subject matter experts and academics. Initial courses offered during the year covered aspects of Discovery Chemistry, Discovery Biology, Safety Assessment and Research Informatics. The program will be extended in the current year to encompass more areas to broaden the knowledge and skills of the scientific teams.



Promoting workplace diversity

Diversity and inclusion in the workplace help drive innovation, stimulate new thinking and make for a more enriching environment overall. With a focus on gender diversity, during the year 34% of employees onboarded were female. Overall, the proportion of female employees has shown a steady increase

with 27% female representation at the end of FY22, as against under 16% in FY16. The proportion of women in executive leadership roles has also increased. In FY22, the Company had 22% females in management positions, as against 14% in FY21.

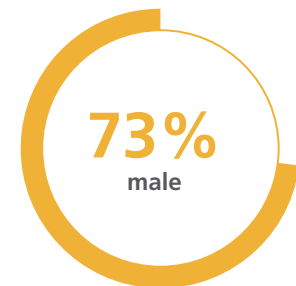
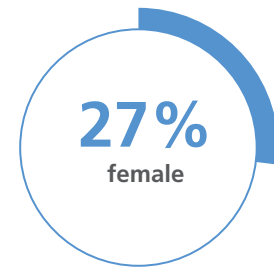
Company Code of Conduct

Given the highly regulated nature of our industry, compliance with the Company Code of Conduct and standard operating procedures related to each individual's role is extremely important. All employees must complete four mandatory training modules each year covering essential elements of employment: Code of Conduct (refresher); Data Privacy; IT Security; Prevention of Sexual Harassment* (POSH). This routine training reminds employees of the personal responsibility associated with working in the field of

human or animal health. It also clarifies the standards of behaviour expected of Syngene employees in the workplace and governs their interactions with each other.

The training provides an important reminder of the consequences of non-compliance for individuals. It also highlights various ways of reporting non-compliance, including a confidential whistleblower telephone line available to anyone unable to use another reporting mechanism.

Gender diversity



No. of whistleblower reports

7

**In accordance with POSH Act 2013, mandatory training is provided to all employees.*

Environment, Health, Safety and Sustainability

Contributing to a sustainable future

Running safe operations and protecting the planet are principles that are deeply embedded in the Company culture. While making an important contribution to humanity through research, balancing the needs of the planet, our employees and the community, is also critical to ensure that we deliver long-term value to all our stakeholders.



During the year, the Stakeholders Relationship Committee of the Board was given additional responsibility for oversight of Environment, Social and Governance (ESG) reporting in the Company. An ESG Council was formed, chaired by the Managing Director and Chief Executive Officer, to shape and deliver the ESG strategy. As a first step, our first Syngene ESG Report was published, providing an opportunity to showcase activity in fiscal year 2020-21 on sustainability-related issues such as energy and water use, waste management; social topics related to the workforce, employment conditions and community engagement; and governance activity in the Company and in the supply chain. The report is available on the Company website at Syngene (syngeneintl.com).



Energy

A two-pronged approach was applied to energy: increasing renewable energy procurement and reducing overall energy consumption. In FY 2021-22, 97% of the energy consumption at the Bangalore SEZ campus came from green energy sources. A total reduction of 1,890,000 kWh (~2.4%) energy was achieved during the year and 28.68 MT of CO₂ equivalent was avoided through the introduction of electric-powered bicycles and vehicles for transportation within the campus.



Water

Freshwater is an essential requirement for some operations, however recognizing the scarcity of this resource, measures to recycle and reuse water, complemented by rainwater harvesting, have been implemented. During the year, a 20% reduction in freshwater usage was achieved as a result of utilizing recycled water. Wastewater management practices, including a zero-discharge policy for effluent, protected the surrounding water bodies from pollution, in compliance with the regulations set by the State and Central Pollution Control Board of India.



Waste

In a business that generates both hazardous and non-hazardous waste, proper sorting, recycling and disposal of waste is critical. All Company facilities are fully compliant with the local standards and regulations. In addition, a dedicated purpose-built storage facility is used to segregate and manage operational waste in a safe and efficient manner while incinerating non-recyclable hazardous waste to avoid contamination.

During the year, an organic waste composter was introduced to convert food waste generated at the Mangalore premises into compost for use on the premises for gardening and landscaping. Designed to convert each 100 kg of food waste into 20 kg of soil enhancer, in six months the composter generated more than 520 kg of organic compost which was used for site landscaping and enriching the staff gardens.

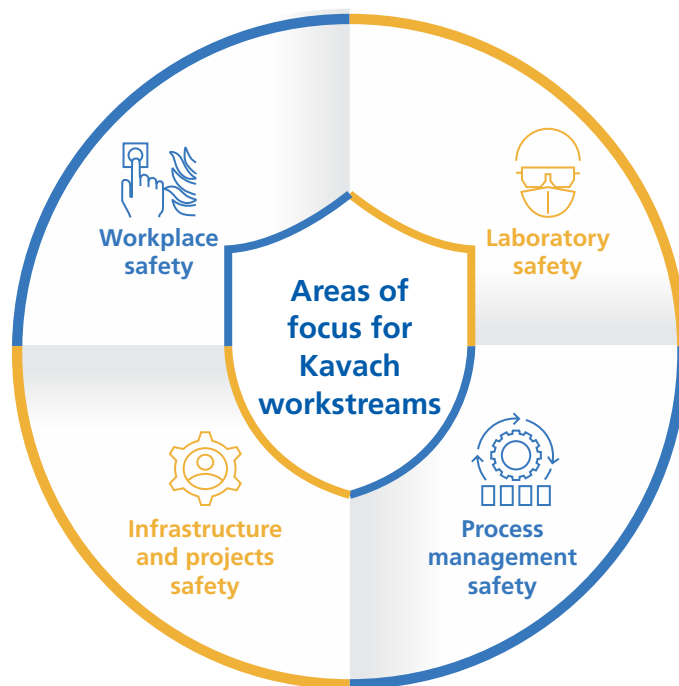
Wastewater generated from our manufacturing and operational facilities is recycled, in compliance with the regulations of the pollution control boards and utilized for landscaping. A proactive approach is taken to recycle hazardous solvents thus reducing unnecessary waste disposal and the need for fresh solvents. In FY 2021-22, a 42% reduction in expired chemicals inventory was achieved as a result of the introduction of a centralized chemical inventory management system.



Building a safe workplace

Creating a safe workplace for everyone on campus is our primary concern. An occupational health facility is operational at each campus, strengthened by regular safety training programs and emergency evacuation drills. During the year, more than 120,000 man-hours of EHSS training were delivered by qualified trainers.

Kavach, the company-wide safety program, which has now completed its fourth year, continues to focus on four core areas and enhances safety through problem-solving and action.



Environment, Health, Safety and Sustainability



A personal risk awareness program, 'Switch On', introduced during the year, encourages the adoption of safe behaviour. The program was integrated with SQDECC (Safety, Quality, Delivery, Engagement, Cost & Compliance) to help identify risks in the workplace. The 'SynZero' portal and app were launched to make it easy for employees to make suggestions and report anything that they consider to be unsafe on site.

During the year, as infrastructure improvements were made, EHSS standards were upgraded keeping safety and sustainability in mind. Safety measures implemented in the year included the creation of a dedicated space to store high-energy chemicals

and improved fire safety systems within cold rooms.

More than one hundred employees were trained in fire-fighting by the Karnataka State Fire Department Training Academy to enhance the on-site emergency response capability.





Health

Taking care of the health of our employees is of the utmost importance to us, particularly as new waves of the COVID-19 pandemic emerged during the year.

All on-site COVID-19 safety protocols introduced in financial year 2020-21 were maintained including: mask wearing; reduced density laboratory operations and transport arrangements; and regular COVID-19 testing. An on-site vaccination center was created to offer free of charge employees and their families COVID-19 vaccinations, with an almost universal uptake of the vaccine.

Syngene offers preventive health care for all employees through counseling, pre-employment screenings and periodic medical examinations. The Company also undertakes occupational health initiatives such as the introduction of vertigo tests to qualify those working at heights as a way of avoiding falls.



162,520

RT-PCR tests conducted for COVID-19

85%

energy procured from renewable resources

1,890,000 kWh

reduction of energy consumption

1720 tCO₂

greenhouse gas emissions avoided

20,716

vaccinations administered

152

Kilo liters of rainwater harvested

20%

reduction in freshwater usage

5%

of waste water recycled or reused

92%

of total hazardous and non-hazardous waste recycled

42%

reduction in expired chemicals inventory

123,052

man-hours of EHSS training

Corporate Social Responsibility

Building sustainable solutions in the community

By investing in the communities within which we live and work we aim to have an impact that improves lives, can scale to help many and make an enduring difference for future generations. Our chosen areas of focus are community health, education, especially STEM education and environmental matters where science offers a sustainable response.

Syngene's support for communities is delivered primarily through the Biocon Foundation, a registered trust and the CSR arm of the three companies in the Biocon group. During the year, corporate social responsibility programs encompassed socio-economic initiatives to address a range of issues including healthcare, education, environmental conservation, safety for women and children and nutrition.



Educating underserved children in rural India

Education plays an important role in empowerment and building sustainable communities. In this case, focusing on science education draws on one of

the Company's strengths which adds additional value for the children and schools which are part of the program. In the second year of the science education

program, several interventions were used to deliver high-quality science education for economically disadvantaged children at a time when other parts of their education had stalled due to the pandemic.

- The experiential science learning program delivered through a mobile science laboratory continued to meet the education needs of rural children through hands-on learning methods. More than 3,200 students of 21 government schools in Anekal, Bangalore, received more than 59,000 virtual and face-to-face learning opportunities, each one a minimum of one hour long.

Other science education initiatives included

- **Summer Workshops** - To keep children engaged in learning activities over the school holidays and enhance their confidence and independence
- **Science Fair** - To encourage children to apply scientific knowledge to solve real-world problems
- **Shikshana** – To upgrade Science Technology, Engineering and Mathematics (STEM) classroom skills for teachers and promote professional development
- **Mental Health Workshop** - In partnership with NIMHANS, a workshop on Psychosocial Care was organized to provide training to instructors as first responders to child mental health issues during the pandemic
- **Career Guidance** – To help class nine and class ten students in selecting and pursuing the right career

Impact of Explore Play Learn (EPL) initiative on students

The EPL program is a digital e-learning platform to cater to the needs of students in rural areas and enhance their self-learning and exploration skills. With the principle of accessibility in mind, this program encouraged students to learn and explore through household materials and real-life scenarios.

10.9%

improvement in awareness

10.2%

improvement in curiosity

11.5%

improvement in confidence

14.0%

improvement in science knowledge



Corporate Social Responsibility

Driving tech-enabled healthcare innovations

By developing tech-enabled healthcare solutions and integrating them within the current public healthcare system, Syngene is improving and building capacity, increasing operational efficiency and enhancing the patient experience.

eLAJ Smart Clinics

A real-time health information system has been set up with 20 primary health centers of the Government and three clinics of the Biocon Foundation in the state of Karnataka, India. By capturing critical data for every patient and enabling seamless exchange of information, the system offers preventive care by early diagnosis and treatment for patients, thus reducing their out-of-pocket expenses. The smart clinics also support evidence-based care using high-quality diagnostic capabilities, optimizing trust amongst patients and boosting their experience. Despite the shifting healthcare priorities during the pandemic, strong diagnostic capabilities, provision of an additional trained laboratory technician and an uninterrupted supply of consumables allowed these centers to perform more than 22,000 essential haematology and biochemistry tests during the year.

Mental Healthcare

Recognizing the need to address the growing mental health concerns in urban India the Company, in collaboration with National Institute of Mental Health and Neurosciences (NIMHANS), sponsored three programs to establish sustainable models for delivering mental healthcare in three key areas - urban areas, elderly healthcare and school mental health activities. The aim of the programs is to create awareness about mental health, assess the impact of hearing loss among the elderly and support them, promote self and community care and address the issues pertaining to technology addiction amongst the young and adolescents.

Specialist Clinics

Specialist Clinics to combat non-communicable diseases (NCDs) offered free of charge tech-driven diagnostic facilities. The clinics undertook efficient screening and management of multiple NCDs including type 2 diabetes, hypertension, cardiovascular diseases, geriatric issues, women and child health issues.

eLAJ Impact 2022

23

eLAJ Clinics

~71,000

patient visits recorded

22,000+

haematology and biochemistry lab investigations performed

1,000+

patients benefitted from specialist clinics

Environmental Conservation

Determined to leave a safe and sustainable planet for future generations, Syngene is committed to protecting the environment.

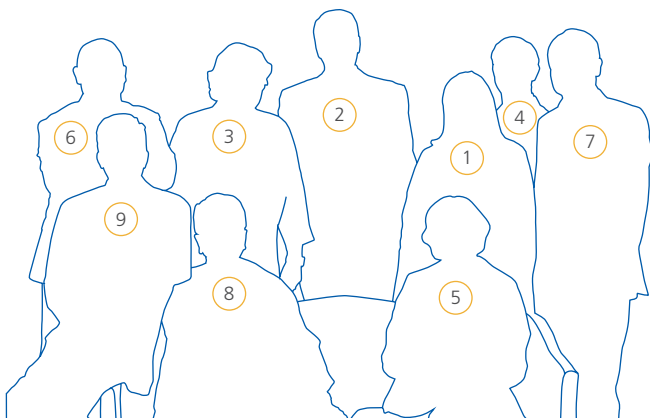
- Syngene has agreed to co-found the construction of the proposed Biocon-Hebbagodi Metro Station along with other group companies to strengthen an alternate solution to mass mobility in line with our commitment to environmental sustainability.
- The Miyawaki Urban Forest Project, a Japanese technique to improve air quality and enhance biodiversity and to create clean and green urban spaces for people of Mangalore is thriving.



Safeguarding women and children

- Parihar is an initiative of the Bengaluru City Police in Bangalore, India, where Syngene partners to deliver a program that raises awareness of women's rights and child safety and create a safe and supportive environment for them. Parihar registered 1,403 cases of which 1,293 (92%) cases were reconciled and settled.
- In an effort to end malnutrition, in line with the action framework to attain the United Nations's Sustainable Development Goals, adolescent girls and pregnant women were supported through provision of micronutrient supplements.
- Through numerous social collaborations, nutritious meals were provided for 3,900 students across 72 government schools in Anekal, Bangalore, more than 1,800 children under six years of age and pregnant and lactating women in Narsingi, Telangana. In addition, more than 1,300 nutrition kits were distributed for malnourished children across about 450 Anganwadi Centers in Anekal, Bangalore.

Board of Directors



1

Kiran Mazumdar Shaw
Non-Executive Chairperson

Ms. Shaw is a first-generation entrepreneur with over 45 years of experience in the field of biotechnology. She is a recipient of 'Padma Shri' and the 'Padma Bhushan' awards. She was also conferred with the highest French distinction – Chevalier de l'Ordre national de la Legion d'honneur (Knight of the Legion of Honour) in 2016. She is a recipient of ICMR's Lifetime Achievement Award for Outstanding Achievement in Healthcare in 2019. She was Honoured with Order of Australia, Australia's highest civilian award and was named EY World Entrepreneur of the year in 2020. She is also the Chairperson of Biocon Limited, Independent Director on the Board of Infosys, United Breweries Ltd and Narayana Hrudayalaya.

2

Jonathan Hunt

Managing Director and
Chief Executive Officer

Mr Hunt completed his BA in Business Studies & Economics from the University of Sheffield and MBA from Durham University, United Kingdom. He has over 30 years of experience in the global biopharmaceuticals industry. At Syngene, he is responsible for developing the strategy, leading the Company's business operations and steering its investments in developing and strengthening its capabilities and capacity. He also chairs the Executive ESG Council. Prior to joining Syngene, he held leadership positions at AstraZeneca for over a decade, including President and Director of AstraZeneca, Austria, and President and Chief Operating Officer, AstraZeneca, India. He has been a member of the Board of Directors since 2016 and is a member of the Stakeholder Relationship and ESG Committee, the Risk Management Committee and the Science and Technology Committee.

3

Catherine Rosenberg

Non-Executive Director

Professor Rosenberg is the Canada Research Chair in the Future Internet, the Cisco Research Chair in 5G Systems and a professor in electrical and computer engineering at the University of Waterloo, Canada. She is a Fellow of the Institute of Electrical and Electronics Engineers and of the Canadian Academy of Engineering. At Syngene, she is Chairperson of the Corporate Social Responsibility Committee, and a member of the Nomination and Remuneration Committee, the Stakeholder Relationship and ESG Committee and the Science and Technology Committee.

4

Kush Parmar

Independent Director

Dr Parmar holds an MD from Harvard Medical School, a Ph.D. in experimental pathology from Harvard University and a BA in molecular biology and medieval studies from Princeton University. Currently, he is a Managing Partner at 5AM Ventures, a life sciences venture capital firm headquartered in San Francisco. Dr Parmar serves on the Advisory Boards of Harvard Medical School, Penn Medicine, Princeton University's Department of Molecular Biology, and the Grace Science Foundation. At Princeton University, Dr Parmar worked on developmental genetics with Nobel Laureate Eric F. Wieschaus. Dr Parmar also serves on the Boards of Akouos,

Entrada Therapeutics, GlycoEra, Homology Medicines, Rallybio, Vor Biopharma, and is a founding member of the COVID R&D alliance. At Syngene, Dr Parmar is a member of the Risk Management Committee and the Science and Technology Committee.

5

Vinita Bali

Lead Independent Director

Ms Bali is a global business leader with extensive experience in leading and transforming large companies both in India and overseas. She served as Chief Executive Officer & MD of Britannia Industries Ltd., from 2005 to 2014. Prior to that, she worked for The Coca-Cola Company and Cadbury Schweppes Plc in a variety of Marketing, General Management and Chief Executive roles in the UK, Nigeria, South Africa, USA and Chile. At present, she is a Non-Executive Director on the global boards of SATS Ltd and Cognizant Technology Solutions and in India serves on the board of CRISIL Ltd - a S&P Company. At Syngene, she is the Chairperson of the Nomination and Remuneration Committee, and a member of the Audit Committee and the Corporate Social Responsibility Committee.

6

Carl Decicco

Independent Director

Dr Decicco retired on January 11, 2022 as the Chief Scientific Officer at Foghorn Therapeutics in Cambridge MA after serving in the position for three years. Prior to joining Foghorn in 2018, he served as the Head of Discovery at Bristol Myers Squibb (BMS). He is a Partner at Flagship Pioneering and serves on the Board of Cellarity Pharmaceuticals. Dr Decicco completed post-doctoral studies with Professor EJ Corey at Harvard University, was a teaching fellow at the University of British Columbia and obtained his Ph.D. with Professor Gordon Lange in Organic Chemistry from the Guelph-Waterloo Center in Ontario, Canada. At Syngene, he is a member of the Risk Management Committee and the Science and Technology Committee.

7

Paul Blackburn

Independent Director

Mr Blackburn has a BSc in Management Sciences from Warwick University, United Kingdom, and a professional accounting qualification from the Chartered Institute of Management Accountants, United Kingdom. With more than 40 years' experience in the field of finance, he worked as a senior finance executive at GlaxoSmithKline in the UK. Mr

Blackburn also served on the Board of Mereo Biopharmaceuticals, UK, and chaired the Audit and Risk Committee for five years ending 1st October, 2020. At Syngene, Mr Blackburn is Chairman of the Audit Committee and the Risk Management Committee and a member of the Stakeholder Relationship and ESG Committee.

8

Sharmila Abhay Karve

Independent Director

Ms Sharmila Abhay Karve is a Fellow of the Institute of Chartered Accountants of India. She retired as audit partner from Price Waterhouse in June 2019. During her tenure in Price Waterhouse, she was an engagement partner with several large Indian and multinational clients. She was appointed as the Chief Ethics Officer. In 2009, she was appointed as the Assurance Leader of the firm and was elevated to the role of Assurance Risk & Quality Leader in April 2012. In her last role as Global Diversity Leader since December 2016, Ms. Karve focussed her efforts on bringing more diversity throughout the PwC network. At present, she is a Director on the boards of CSB Bank Limited, EPL Limited, Vanaz Engineers Limited, Aadhar Housing Finance Limited and Thomas Cook (India) Limited in India. At Syngene, she is a member of the Audit Committee and Nomination and Remuneration Committee and Chairperson of the Stakeholder Relationship and ESG Committee.

9

Vijay Kuchroo

Independent Director

Dr Kuchroo has a doctorate in Pathology from the University of Queensland, Australia. He is also the Samuel L. Wasserstrom Professor of Neurology at the Harvard Medical School, Senior Scientist at the Brigham and Women's Hospital and Institute Member at the Broad Institute of MIT and Harvard, all in the United States. Dr Kuchroo has won many awards for the discovery of TIM-3 'checkpoint' molecules for cancer immunotherapy and Th17 cells in induction of autoimmunity. Dr Kuchroo holds over 50 patents and has published over 400 research papers in immunology. He is a member of the scientific advisory boards of leading pharmaceutical companies including Pfizer, Novartis, Sanofi and GSK. He has founded eight biotech companies including CoStim Pharmaceuticals and Tempero Pharmaceuticals. At Syngene, Dr Kuchroo is a member of the Nomination and Remuneration Committee and the Corporate Social Responsibility Committee and the Chairman of the Science and Technology Committee.

Executive Committee



1 Jonathan Hunt
Managing Director and
Chief Executive Officer

Mr Hunt completed his BA in Business Studies & Economics from the University of Sheffield and MBA from Durham University, United Kingdom. He has over 30 years of experience in the global biopharmaceuticals industry. At Syngene, he is responsible for developing the strategy, leading the Company's business operations and steering its investments in developing and strengthening its capabilities and capacity. He also chairs the Executive ESG Council. Prior to joining Syngene, he held leadership positions at AstraZeneca for over a decade, including President and Director of AstraZeneca, Austria, and President and Chief Operating Officer, AstraZeneca, India. He has been a member of the Board of Directors since 2016 and is a member of the Stakeholder Relationship and ESG Committee, the Risk Management Committee and the Science and Technology Committee.

2 Sibaji Biswas
Chief Financial Officer

Mr Biswas is a certified Chartered Financial Analyst from ICFAI, holds a B.Tech from IIT-Kharagpur and an MBA from University of Calcutta. He has also completed Management Development Programs at the Indian Institute of Management (IIM), Ahmedabad and London Business School. He has over 20 years of experience in finance and related functions. His prior experience includes working with Vodafone (Romania), Vodafone (India), Hutchison Essar Limited, Fascal Limited



3 Mahesh Bhargat
Chief Operating Officer

Dr Bhargat holds a Ph.D. in Medicinal Chemistry from the University of Utah, United States and a bachelor's degree in Pharmaceutical Sciences from the University of Mumbai. He has over 25 years of experience in biopharmaceuticals, vaccines and diagnostics. He has worked in different areas of Operations, R&D and Quality including analytical development, technology transfer and regulatory sciences. During his career, he has been associated with companies such as Sanofi, Amgen, Celera Genomics, Molecular Probes, Monsanto and Biological E. Prior to joining Syngene, he was the Executive Director and Chief Operating Officer at Shantha Biotechnics, a Sanofi company, where he was also the Site Head for all vaccine operations and responsible for manufacturing, quality, engineering and projects, supply chain, project management and long-term strategic planning and development. Dr Bhargat represents the company on industry committees such as CII-Biotechnology. As Chief Operating Officer and a member of the Executive Committee, he is responsible



4 Alok Mehrotra
Chief Quality Officer

Mr Mehrotra holds an M. Tech in Chemical Technology (Food Technology) from Harcourt Butler Technological Institute. He has over 25 years of experience in Manufacturing Operations, Quality Assurance, Sustainability/ EHS and Production and Supplier Technical Assurance across various industries. Over the years, he has worked with leading corporates including Godrej Pillsbury, Pepsi Foods India Limited and Reckitt Benckiser. At Dr Reddy's Laboratories, he established the Global Quality Management System and was also responsible for the quality oversight of all external suppliers worldwide. Prior to joining Syngene, he was Head of Operations Excellence, EHS and Sustainability at Dr Reddy's Laboratories. As Syngene's CQO, he is a member of the Executive Committee and leads the Quality function with responsibility for maintaining standards in quality and compliance.

5 Ashu Tandon
Chief Commercial Officer

Mr Tandon holds a BA (Economics) degree from the University of Delhi, India as well as a Post Graduate Diploma in International Marketing from the Delhi School of Economics. He completed his MBA at IMT Ghaziabad, India and has over 25 years





of management experience in multiple geographies, functions and services within the biopharma industry. His commercial experience spans various areas within R&D, including Pre-clinical Discovery, Clinical Development, Pharmacovigilance, Product Development (CMC) and Manufacturing. Prior to joining Syngene, he held leadership roles at IQVIA, Infosys and Accenture. He is based in New Jersey and has responsibility for Syngene's global commercial function, which includes the business development, marketing and commercial enablement teams. As a member of the Executive Committee, he plays an important role in driving the Company sales and marketing strategy.

6 Jan-Olav Henck

Sr. Vice President – Development Services

Dr Henck holds a doctoral degree from the Faculty of Natural Science, Leopold-Franzens University, Innsbruck and completed his postdoc studies at the Department of Chemistry, Ben-Gurion University of the Negev, Israel. He has over two decades of experience across both small and large molecule pharmaceutical development, including API and drug product work from late lead optimization to commercialization. He is also experienced in drug formulation production under cGMP conditions. His prior experience includes working with SSIC Inc and Aptuit LLC. Prior to joining Syngene, he was the Vice President and Head of Formulations Development at Bayer AG. He has over twelve research publications and several patents to his credit. As a member of the Executive Committee, he oversees

the development value chain connecting upstream discovery service programs that transition into downstream development programs and creating a smooth transition into commercial manufacturing.

7 Kenneth Barr

Sr. Vice President – Discovery Services

Dr Barr holds a Ph.D. in Synthetic Organic/Organometallic Chemistry from the Massachusetts Institute of Technology and has pursued his postdoctoral study in natural product synthesis from the University of Texas. He has nearly three decades of experience in drug discovery and has been associated with organizations including Abbott Labs, Merck Sharp and Dohme, Amplyx Pharmaceuticals and Sunesis Pharmaceuticals. Prior to joining Syngene, he was the Head of R&D Strategic Global Operations at FORMA Therapeutics, where he was responsible for driving research effectiveness through optimization of internal and external R&D research efforts and providing alliance management for key CRO relationships. As a member of the Executive Committee at Syngene, he is responsible for the strategy and operations of the Discovery Services Division.

8 Alex Del Priore

Sr. Vice President – Manufacturing Services

Mr Del Priore holds a BSc in Chemical Engineering from the University of South Carolina and completed his MBA from Vanderbilt University, both in the United States. He has three decades of experience in developing, commercializing and life-

cycle management of products in various life science industries. His experience includes senior roles in the US, Europe and Asia with global P&L responsibility. Prior to joining Syngene, he was Vice President Operations and Health COO at Johnson Matthey in Greater London where his remit included M&A activity, strategy development and new product introduction. As a member of the Executive Committee, he leads the Manufacturing Services Division. In this role he leads both the development, clinical and commercial manufacturing of Syngene's biologics business and the commercial manufacturing of API/Advance Intermediates in Mangalore, India.

9 Sanjeev Sukumaran

Chief Human Resources Officer

Mr Sukumaran is a mechanical engineer. He holds a management degree from the Indian Institute of Management (IIM), Kozhikode and has completed an Executive Leadership Program at INSEAD, Singapore. He has nearly 25 years of experience in the areas of strategic management, business advisory, sales and marketing, business development, client relationship management and team management across a range of sectors including healthcare, life sciences, financial services, software and IT, FMCG, big data, supply chain management, e-commerce and shipping. Prior to joining Syngene, he held multiple senior level positions at Thomson Reuters and was also the former CEO of Force Fulcrum Solutions Pvt. Ltd. As a member of the Executive Committee and CHRO, he spearheads initiatives to strengthen leadership development and enhance the employee value proposition.

Corporate Information

Company Secretary and Compliance Officer

Priyadarshini Mahapatra

Registered Office

Syngene International Limited

Biocon SEZ, Biocon Park, Plot No. 2 & 3
Bommasandra Industrial Area,
IV Phase Jigani Link Road
Bangalore - 560 099, Karnataka, India
Tel: (+91 80) 6891 9191
E-mail: investor@syngeneintl.com
Website: www.syngeneintl.com

Statutory Auditors

B S R & Co. LLP

Chartered Accountants
Maruthi Info-Tech Center
11-12/1 Inner Ring Road
Koramangala, Bangalore - 560 071,
Karnataka, India

Registrar and Share Transfer Agents

KFin Technologies Limited

(formerly known as Karvy
Computershare Private Limited)
(Unit: Syngene International Limited)
Plot No. 31 & 32, Selenium, Tower - B,
Gachibowli, Financial District,
Nanakramguda,
Serilingampally Mandal,
Hyderabad, India
E-mail: einward.ris@kfintech.com

Secretarial Auditors

V. Sreedharan & Associates Company Secretaries

No. 291, 1st Floor, 10th Main Road
Jayanagar 3rd Block,
Bangalore - 560 011, Karnataka, India

Discovery of viral entry inhibitors to treat Hepatitis B and Hepatitis D



Solves



Scales



Sustains

Hepatitis B virus (HBV) and hepatitis D virus (HDV) are important human pathogens causing potentially fatal liver infections. A HDV infection only occurs when a patient is already infected with the HBV. Hepatitis results in inflammation of the liver and may cause liver failure, cirrhosis and liver cancer.

Despite effective vaccination and medical treatments, HBV infection is among the 30 leading causes of death worldwide. It can be treated with liver transplantation but finding a living donor is a challenge. Currently, no drug is available to treat HDV infection so there is an unmet medical need.



An estimated 12 million people worldwide¹ have experienced HDV infection with higher prevalence in certain geographic areas and populations. This new therapeutic approach has the potential to treat HBV and HDV patients with chronic hepatitis. In addition, it may eliminate the need to undergo time-consuming and expensive liver transplants.

Scientific Challenge

The viral entry gates (receptors) on the liver cells form the entry points for hepatitis B and D viruses and blocking these receptors has not been successfully pursued so far. These receptors offer a novel route to block viral infection using a small molecule. The peptide sequences from viral surface proteins of Hepatitis B and D block the entry of viruses into the liver.

Seeking a solution

- Syngene scientists, while partnering with a client specializing in liver disease, have discovered a novel class of oral inhibitors that target the receptors on the liver cells
- Several potential lead molecules were identified based on the structure-activity relationship (SAR) to block the viral entry gate receptors in the liver selectively
- Advanced assessment of compounds in a mouse model resulted in the development of a human translational model to establish a pharmacokinetic-pharmacodynamic correlation and assessment of safety parameters
- On successful completion of the efficacy studies, a compound was selected as a development candidate for the treatment of chronic liver infections

Syngene Approach

- Multiple teams played a role in delivering the studies and models needed to move the development candidate forward: The design and synthesis of compounds was performed by medicinal and synthetic chemistry teams from Discovery Chemistry; the cell-based assay and gene expression studies were reviewed by the Discovery Biology and DMPK (Drug metabolism and pharmacokinetics) teams; the development of process development models was done by the *in vivo* Pharmacology team; CMC (chemistry manufacturing and controls) and IND (investigational new drug) enabling studies were completed by the Process Development team; and scale-up activities were assessed by the Chemical Development team
- First, the impact of the candidate in *in vitro* and *in vivo* models of HBV infection and target engagement in animal models was explored
- Then the SAR studies helped to select a series of compounds that inhibit the viral receptors, exhibit improved activity and have a suitable *in vivo* profile
- Lastly, the inhibitor was processed by multi-step enantioselective synthesis to produce high quality pure material

Outcome

The researchers' innovative synthesis skills and scale-up efforts helped produce the lead molecule in a multigram scale for further development. The potential drug is a first in class viral entry inhibitor for Hepatitis B and D with high potency, good selectivity and has demonstrated efficacy in non-human primate models. This compound can be administered orally, providing a significant advantage in the long-term treatment of this condition.

¹ The global prevalence of hepatitis D virus infection: Systematic review and meta-analysis. *J Hepatol.* 2020 Sep;73(3):523-532. doi: 10.1016/j.jhep.2020.04.008. Epub 2020 Apr 23. PMID: 32335166; PMCID: PMC7438974

Board's Report

Dear Members,

Your Directors are pleased to present the 29th Annual Report of your Company, along with the Audited Financial Statements and Auditor's Report for the Financial Year ended 31st March, 2022. On the business front, your Company weathered the pandemic very well and continued to innovate, build capabilities, attract new client relationships and explore novel areas of science. It adapted quickly and embraced a new operating model that prioritized the health and wellbeing of its employees, while enabling it to continue supporting its clients.

We take this opportunity to record our thanks to the executive team, the talented scientists and those around them for their continued support.

Financial Review

Your Company's standalone performance during FY22, compared to the previous year is summarized below

(Rs. in Mn)

Particulars	March 31, 2022	March 31, 2021
Total revenue	26,542	22,440
Total expenditure	18,080	15,094
Profit before Depreciation, Finance Costs, Exceptional Items and Tax Expense	8,462	7,346
Less: Depreciation & Interest	3,338	3,022
Profit before Exceptional Items and Tax Expense	5,124	4,324
Add: Exceptional Item	(307)	350
Profit before tax expense	4,817	4,674
Less: Tax expense	879	637
Profit for the year	3,938	4,037
Other Comprehensive Income	433	1,906
Total Comprehensive Income	4,371	5,943
Profit after tax for the year excluding exceptional item	4,245	3,687

Key highlights of the Company's standalone financial performance during FY22 are as follows:

- Revenue increased by 18% (from Rs. 22,440 Mn to Rs. 26,542 Mn)
- Earnings before interest tax depreciation and amortisation (EBITDA) increased by 15% (from Rs. 7,346 Mn to Rs. 8,463 Mn)
- Profit after tax including exceptional item declined by 2% (from Rs. 4,037 Mn to Rs. 3,938 Mn) on account of exceptional item. Profit after tax excluding exceptional gain increased 15% (from Rs. 3,687 Mn to Rs. 4,245 Mn)

A detailed financial performance analysis is provided in the Management Discussion and Analysis Report, which is part of this Annual Report.

Operational Review

Syngene International Limited is an integrated research, development and manufacturing services organization. Working for clients around the globe, the Company delivers innovation that will benefit human and animal health and develop next generation compounds to improve people's lives in the years to come. Headquartered in India and listed on the National Stock Exchange and Bombay Stock Exchange, the operations are driven by its highly qualified teams comprising ~5200 scientists and its state-of-the-art facilities, spread over 2 million sq. ft., across three locations in India: Bangalore, Hyderabad and Mangalore. Syngene has four business divisions: Discovery Services, Development Services, Manufacturing Services and the Dedicated Centers.

DISCOVERY SERVICES

Discovery Services reported a robust performance for the year, characterized by strong client demand, particularly within the emerging biopharmaceutical segment, as well as further expansion of relationships with existing clients. SynVent, Syngene's Integrated Drug Discovery platform, continued to attract new clients and expand business from existing customers. The Company attracted positive demand for newer services like Protein Degradation Technology (PROTACS) and peptide synthesis, complemented by demand from key client markets in the US and Europe with the resumption of normal operations.

Key scientific achievements include successful delivery of three candidates for preclinical evaluation. Two additional candidates were identified within the targeted protein degradation modality. Significant progress was made in selecting candidates for an antibody-drug conjugate, including validation of a novel linker moiety that imparts significantly improved physical properties such as solubility.

The Discovery team supplied high-quality viral proteins to Bharat Biotech, the makers of India's indigenous COVID-19 vaccine. The scientific team also generated several variants of the SARS-CoV2 spike S1 protein including the alpha, beta and delta variants. The Company has received a grant from India's Biotechnology Industry Research Assistance Council (BIRAC) for the co-development of a measles virosome-based COVID-19 vaccine.

The Company expanded its research facilities in Bangalore and Hyderabad. Post the completion of Phase-II expansion of the Hyderabad facility earlier in the year, Phase-III expansion is now underway. The Company also continued to invest in enhancing its scientific capabilities to both sustain and advance its position as a service provider for fully integrated therapeutic discovery.

The Research Informatics unit focused on providing seamless computational support to programs within SynVent. The unit launched a drug discovery informatics platform to empower the scientists with project information and tools to generate and evaluate hypotheses.

DEVELOPMENT SERVICES

The Development Services Division reported a steady performance for the year. The business experienced an uptick in enquiries as clients resumed activities following a lull during the pandemic. All project commitments were met despite the pandemic. The Company is in the process of establishing a new, state-of-the-art injectable fill-finish facility with a filling capacity of up to 2,000 vials per hour. This will help Syngene address the drug product requirements of both small molecule and large molecule for early phase clinical supplies on the injectable segment.

During the year, biopharmaceutical client Panbela Therapeutics, which develops disruptive therapeutics for cancer treatment, received a US patent. The patent covers a shortened synthesis of a lead investigational product. The Development Services team collaborated with the client to streamline this production process.

Syngene signed a five-year agreement with IAVI¹, a USA-based, non-profit, scientific research organization to develop and manufacture three recombinant, monoclonal antibodies (mAbs) for Human Immunodeficiency Virus (HIV). Other key collaborations include a partnership with Dyadic International, Inc., a global biotechnology company, to develop a vaccine candidate to immunize people against current and future variants of the COVID-19 virus.

MANUFACTURING SERVICES

The Manufacturing Services Division reported a steady performance for the year, driven by traction in Biologics business and manufacturing of remdesivir, the USFDA-approved COVID-19 drug. The Company continues to expand its biologics facility. A cGMP microbial manufacturing facility with 500-liter capacity was commissioned in 2021. A fourth 2,000-liter single-use bioreactor was added during the year to the mammalian biologics facility. In biologics manufacturing, the Company expanded its client base.

The Mangalore API facility is now qualified and its validation activities have resulted in approval from the Indian drug regulatory body. This facility is aiming to secure regulatory approvals from USFDA and EMA in two years. Some commercial supplies from the Mangalore unit have already started.

DEDICATED R&D CENTERS

Syngene operates dedicated R&D Centers for three clients: Amgen Inc., Baxter Inc and Bristol-Myers Squibb (BMS). During the year, the Dedicated R&D Centers reported a steady performance. This was primarily driven by five-year renewal of the long-standing contract with Amgen Inc. and expansion of the Dedicated R&D Center for Bristol-Myers Squibb. These contract extensions confirm the stability of relationship with these key clients and provide a clear perspective on the future of the Dedicated Centers. As part of the contract extension with Amgen, Syngene will build and operate a new dedicated laboratory to accelerate advancement of Amgen's R&D projects. The strategic collaboration with BMS is now effective until 2030 and includes more areas of research and an increase in the number of scientists working on the client's projects..

¹ The International AIDS Vaccine Initiative is a global not-for-profit, public-private partnership

SUBSIDIARY COMPANY/JOINT VENTURE

A report on the salient features of the financial statements, performance and financial position of the subsidiary of the Company is outlined in AOC-1 which is annexed to this report as Annexure – 1 pursuant to the first proviso to Section 129(3) of the Companies Act, 2013 ('the Act') and Rules 5 and 8(1) of the Companies (Accounts) Rules, 2014. In accordance with the provisions of Section 136 of the Companies Act, 2013 and the amendments thereto, read with the SEBI Listing Regulations, the audited financial statements, including the consolidated financial statements and related information of the Company and financial statements of the subsidiary company will be available on our website www.syngeneintl.com. Syngene USA Inc. is a wholly-owned subsidiary of Syngene, incorporated in FY 2018, to have a firm foothold in the US market and allow easy access to the Company's clients based in that region.

The Consolidated Financial Statements presented in this Annual Report include the financial results of the subsidiary.

DIVIDEND

The Board has recommended a Final Dividend @10% or Re 1.00/- per share (comprising 5% or Re 0.50 as regular dividend and 5% or Re 0.50 as additional special dividend) for FY22. The total dividend pay-out will amount to approximately Rs. 401 Mn and tax pay-out as applicable. The dividend, if approved at the Annual General Meeting (AGM), will be paid to those members whose name appears in the Company's Register of Members as on the record date of July 1, 2022, and the dividend pay-out date will be on or before August 01, 2022.

In compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("SEBI Listing Regulations"), the dividend distribution policy of the Company is available on the Company's website at <https://www.syngeneintl.com/investors/corporate-governance/governance-reports-policies/>.

RELATED PARTY CONTRACTS OR ARRANGEMENTS

All contracts, arrangements and transactions entered into by the Company with related parties during FY22 were in the ordinary course of business and on an arm's length basis. During the year, the Company did not enter into any transaction, contract or arrangement with related parties that could be considered material in accordance with the Company's policy on dealing with related party transactions.

Accordingly, the disclosure of related party transactions in Form AOC-2 is not applicable. However, detailed disclosure on related party transactions as per IND AS 24 containing the name of the related parties and details of the transactions entered with such related parties have been provided as part of the notes to the financial statements provided in the Annual Report.

The Company has formulated the policy on 'Materiality of Related Party transactions and on dealing with Related Party Transactions', and the same can be accessed using the following link: <http://www.syngeneintl.com/investors/corporate-governance/governance-reports-policies/>

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars, as prescribed under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are annexed to this Report as Annexure 2.

TRANSFER OF UNPAID AND UNCLAIMED DIVIDENDS TO INVESTOR EDUCATION AND PROTECTION FUND

The Ministry of Corporate Affairs under Sections 124 and 125 of the Companies Act, 2013 requires dividends that are not encashed/ claimed by the shareholders for a period of seven consecutive years, to be transferred to the Investor Education and Protection Fund (IEPF). In FY22, there was no amount due for transfer to the IEPF.

CHANGE IN NATURE OF BUSINESS

There has been no change in the Company's nature of business. Your Company continues to be one of the largest and fastest growing internationally reputed Contract Research and Manufacturing Organization and world-class partner delivering innovative scientific solutions.

LOANS, GUARANTEES OR INVESTMENTS

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the Financial Statements.

DEPOSITS

During the FY22, the Company did not accept any deposits covered under Chapter V of the Companies Act, 2013.

CREDIT RATING

During the year, CRISIL vide its letter dated March 10, 2022, has placed its 'CRISIL AA+' rating on the long-term bank facilities of the Company on 'Watch with Developing Implications' following the rating action on the long term debt facilities of the holding Company, Biocon Limited. The rating on the short-term bank facilities has been reaffirmed at 'CRISIL A1+'.

During the year, ICRA vide its letter dated March 16, 2022, has placed its 'ICRA AA+' and 'ICRA A1+' rating on the Company's long-term and short-term banking facilities respectively on 'Watch with Developing Implications' following the rating action on the debt facilities of the holding Company, Biocon Limited.

PAID UP CAPITAL

During the financial year, the paid-up share capital of the Company was increased by allotment of 796,500 Equity shares at Rs. 10 each to Syngene Employee Welfare Trust under the Syngene Long Term Incentive Restricted Stock Units (RSU) Plan, 2020. The paid-up share capital as on March 31, 2022 stood at Rs. 4,007,965,000

MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.

HUMAN RESOURCES

Syngene's multidisciplinary workforce is committed to operating safely and to world class quality standards. In these challenging circumstances, employees have shown commitment and resilience during the past twelve months, consistent with our values of excellence, integrity and professionalism. The headcount for year ending FY22 was approximately 5975 full-time employees, including more than 5200 scientists.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this Report as Annexure 3.

Particulars of Employees' Remuneration, as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report. Considering the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report, excluding the said information, is being sent to the shareholders of the Company and others entitled thereto. The information is available for inspection at the registered office of the Company during working hours up to the date of the ensuing AGM. Any shareholder interested in obtaining such information may write to the Company Secretary in this regard.

EMPLOYEE STOCK OPTION PLAN /RESTRICTED STOCK UNITS PLAN

The Board of Directors of the Company had formulated the Syngene Employee Stock Option Plan 2011 (hereinafter referred to as the "ESOP Plan") which was approved by the members of the Company on 14th December, 2011 and further ratified by the members subsequent to the Initial Public Offering ("IPO") on 5th December, 2015. The ESOP Plan is administered by the Syngene Employee Welfare Trust ("the Trust") under

the instructions and supervision of the Nomination and Remuneration Committee ("NRC"). The Trust had subscribed to equity shares of the Company on 31st October 2012, using the proceeds from interest free loan of Rs 150 million obtained from the Company. The NRC, on various occasions, has granted options to eligible employees of the Company through the Trust. During the financial year, there was no change in the ESOP Plan. During FY22, no options were granted to eligible employees under the ESOP Plan. However, 489,152 equity shares were transferred to eligible employees by the Syngene Employee Welfare Trust on exercise of stock options. The ESOP Plan complies with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ["SEBI (SBEB & SE) Regulations, 2021"].

The shareholders, at the 26th Annual General Meeting ("AGM") of the Company held on 24th July, 2019 had approved the "Syngene Restricted Stock Unit ("RSU") Long Term Incentive Plan FY 2020" (hereinafter referred to as "the RSU Plan") designed to drive performance to achieve the Board approved strategic plan. The RSU Plan covers key employees who, by virtue of their roles, influence the accomplishment of the strategic plan. The RSU Plan is administered by the Trust. The shareholders have also approved at the 26th AGM the issue and allotment of further equity shares to the Trust over a period of time for the purpose of implementation of the RSU Plan. Vide special resolution passed through postal ballot on 30th August, 2020, the shareholders have approved variations to the RSU Plan to streamline the plan with similar plans adopted by group companies to achieve uniformity in the approach to rewarding employees across the group. The terms of the modified plan are not detrimental to the interests of the employees of the Company. The RSU Plan is in compliance with the provisions of SEBI (SBEB & SE) Regulations, 2021. During the financial year, there was no change in the RSU Plan.

The Company has granted 418,132 RSUs as on 31st March, 2022 under the RSU Plan. 427,352 equity shares were transferred to eligible employees by the Syngene Employee Welfare Trust on exercise of stock options.

The details of both plans form part of the notes to accounts of the Financial Statements in this Annual Report. The Company has obtained a certificate from the secretarial auditors of the Company that both the plans have been implemented in accordance with SEBI (SBEB & SE) Regulations, 2021 and are in accordance with the resolutions passed by the shareholders. As required under Regulation 14 of the above-mentioned regulations, the applicable disclosures as on 31st March, 2022 with respect to both the plans are available on the website of the Company at <https://www.syngeneintl.com/investors/shareholder-services/>

CORPORATE GOVERNANCE REPORT

Your Company believes that good Corporate Governance emerges from the application of sound management practices, compliance with laws, coupled with adherence to the highest standards of transparency and business ethics. Integrity, transparency, fairness, accountability and compliance with the law are embedded in the Company's business practices, ensuring ethical and responsible leadership at the Board as well as the Management level. Syngene's Corporate Governance report is a reflection of its robust values-led culture encompassing professionalism, integrity and excellence, which has been a key enabler in building stakeholders' trust, attracting and retaining financial and human capital and meeting societal expectations. The Company's corporate governance framework focusses on adequate and timely disclosures, transparent and robust accounting policies and a strong and independent Board to maximize shareholders' benefits.

The Company's report on corporate governance for the financial year ended March 31, 2022 as per regulation 34(3) read with Schedule V of the SEBI Listing Regulations forms part of the Annual Report.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

As required under Schedule V(E) of SEBI Listing Regulations, the auditors' certificate on compliance with the requirement of corporate governance is enclosed as Annexure 4 to this Report. The auditors' certificate for FY22 does not contain any qualification, reservation or adverse remarks.

DIRECTORS

I. Retirement

John Shaw (DIN:00347250), who was associated with the Company since 2000 and instrumental in helping the Company cross significant milestones, retired as Non-executive Non-independent Director due to health reasons on July 21, 2021. The Board expressed its deep appreciation and gratitude for the many years and dimensions of his wise counsel and stewardship of the Syngene business and its growth. The Board also acknowledged that his strong managerial and governance experience together with financial expertise were key to establishing the strong corporate governance that the Company is recognized for.

II. Appointment

Dr Kush Parmar (DIN:09212020) was appointed as Independent Director of the Company on June 22, 2021.

III. Re-appointment

Dr Carl Decicco (DIN:08576667), who was an Independent Director on the Board ceased to be an Independent Director on

February 28, 2022 and was appointed as an Additional Director (Non-Executive Non-Independent) w.e.f. March 01, 2022. The Company continues to fulfill the requirement of Board constitution as required under the SEBI Listing Regulations even after the change in the directorship status of Dr Carl Decicco from Independent Director to Non-executive Non-independent Director.

The shareholders, at the Annual General Meeting (AGM) of the Company held on July 22, 2020, had appointed Sharmila Abhay Karve (DIN:05018751) as an Independent Director for a tenure commencing from August 01, 2019 until the conclusion of the forthcoming AGM. The Nomination and Remuneration Committee at its Meeting held on 26th April, 2022 on the basis of performance evaluation of Independent Directors has recommended to the Board that continued association of Sharmila Abhay Karve as an Independent Director of the Company would be beneficial to the Company. The decision was made based on the business knowledge, acumen, experience and the substantial contribution made by Sharmila Abhay Karve during her tenure.

Based on the above and the performance evaluation of Independent Directors, the Board recommends the re-appointment of Sharmila Abhay Karve as Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years from conclusion of the 29th AGM.

Kiran Mazumdar Shaw (DIN:00347229), Non-Executive Chairperson will retire by rotation at the ensuing AGM and, being eligible, offers herself for re-appointment. The Board recommends her re-appointment as indicated in the AGM Notice.

Brief resume of the Directors seeking appointment/re-appointment at the ensuing AGM, in pursuance of Regulation 36(3) of SEBI LODR, is annexed to the AGM Notice.

KEY MANAGERIAL PERSONNEL

As on 31st March 2022, the Key Managerial Personnel (KMP) of the Company appointed under the provisions of Section 203 of the Companies Act, 2013, are Jonathan Hunt, Managing Director and CEO, Sibaji Biswas, Chief Financial Officer and Priyadarshini Mahapatra, Company Secretary and Compliance Officer.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The policy on appointment and remuneration of directors, key management personnel and other persons provides an underlying basis and guidance for human resource management, thereby aligning plans for strategic growth of the Company. The Company's Policy on Directors' Appointment and Remuneration, including

the criteria for determining qualifications, positive attributes, independence and other matters, as provided under Section 178(3) of the Companies Act, 2013 is formulated by the Board on the recommendation of the Nomination and Remuneration Committee (NRC). The Policy was reviewed and updated by the Board on NRC's recommendation at its meeting held on January 19, 2022. The Policy has been uploaded on the website of the Company and is accessible at <https://www.syngeneintl.com/investors/corporate-governance/governance-reports-policies/>.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent directors of the Company confirming that they meet with the criteria of independence as prescribed under section 149 (6) & (7) of the Companies Act, 2013 and SEBI Listing Regulations. The Independent Directors of the Company have registered themselves with the Indian Institute of Corporate Affairs for the inclusion of their names in the data bank of Independent directors within the due date. All the Independent Directors were exempted from clearing the proficiency test as required by the Indian Institute of Corporate Affairs. However, Sharmila Abhay Karve had appeared for the test and cleared the same.

BOARD DIVERSITY

A diverse Board enables efficient functioning through its access to broad perspectives and diverse thought processes underpinned by a range of scientific, industrial and management expertise, gender, knowledge and geographical origins. The Board recognises the importance of a diverse composition and has adopted a Board Diversity Policy which sets out the approach to diversity. The Board diversity policy of the Company is available on the website of the Company at <https://www.syngeneintl.com/investors/corporate-governance/governance-reports-policies/>

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, the annual performance of the Board, its Committees, Chairperson and Individual Directors including Independent Directors was evaluated as per the criteria laid down by the Nomination and Remuneration Committee and the Board. The evaluation details have been laid down in the Corporate Governance report that forms part of this Annual Report. The outcome of the Board evaluation for FY22 was discussed by the Independent Directors, Nomination and Remuneration Committee and the Board at their respective meetings held on January 19, 2022.

NUMBER OF MEETINGS OF THE BOARD

The Board met 4 (four) times during the year under review. The details of Board meetings and attendance of the Directors is provided in the Corporate Governance Report.

AUDIT COMMITTEE

The Audit Committee has reviewed the accounts for the year ended March 31, 2022. The Board accepted all recommendations made by the Audit Committee.

The members of the Audit Committee are Paul Blackburn (Chairperson), Vinita Bali and Sharmila Abhay Karve, Independent Directors. The list and composition of the various other Board-level Committees are provided in the Corporate Governance Report.

ADEQUACY OF INTERNAL FINANCIAL CONTROL

The Company has implemented a robust internal financial controls framework within the Company with well-defined guidelines, policies, processes and structures. The Internal Financial Controls have been documented and embedded in the business processes. These control processes enable and ensure the orderly and efficient conduct of the Company's business, including safeguarding of assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation of reliable financial information. There are control processes both in manual and IT applications including ERP applications, wherein the transactions were approved and recorded. Review and control mechanisms are built in to ensure that such control systems are adequate and operating effectively.

The internal control system is regularly tested and reviewed by Ernst & Young, the Independent Internal Auditor. The internal auditor is appointed by the Audit Committee of the Board. All possible measures are taken by the Audit Committee to ensure the objectivity and independence of the Internal Auditor, including quarterly one on one discussions. The Company also has a management audit team which carries out internal control reviews and follow-up audits. The team is also responsible for monitoring implementation of action points arising out of internal audits.

RISK MANAGEMENT POLICY

In compliance with Regulation 21 of the SEBI Listing Regulations, the Board of Directors has a duly constituted the Risk Management Committee to oversee the enterprise-wide risk management framework.

Syngene has an enterprise risk management framework based on which the key enterprise risks, associated mitigation plans and action updates are reviewed every quarter by the Risk Management Committee. Specific risk areas are also reviewed in detail in each such meeting. The Audit Committee has additional oversight in the area of financial risks and controls. For detailed terms of reference, please refer to the Corporate Governance Report which forms part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls established and maintained by the Company, work performed by the internal, statutory and secretarial auditors, reviews performed by the management and the relevant Board Committees, the Board, in concurrence with the Audit Committee, is of the opinion that the Company's internal financial controls were adequate and effective as on March 31, 2022.

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

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (b) The Directors selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- (c) The Directors took proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) The Directors prepared the annual accounts on a going concern basis.
- (e) The Directors laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.
- (f) The Directors devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS

Statutory Auditors

B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) were appointed at the 28th AGM held on July 21, 2021 as statutory auditors of the Company

to hold office for a second term of five consecutive years, upto the conclusion of the Annual General Meeting of the Company to be held in 2026. The Auditors' Report on the Financial Statements of the Company for the year ended 31st March, 2022 does not contain any qualifications, reservations or adverse remarks. The Auditor's Report is enclosed with the Financial Statements and forms part of the Annual Report.

Internal Auditors

The Board at its meeting held on October 22, 2019 had re-appointed Ernst & Young LLP as the Company's Internal Auditors for tenure of three years ending on September 30, 2022.

Secretarial Auditors

The Board pursuant to Section 204 of the Companies Act, 2013 had appointed V. Sreedharan & Associates, Practicing Company Secretaries, as Secretarial Auditors to conduct the Secretarial Audit of the Company for FY22. They have confirmed their eligibility for the re-appointment. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark and is annexed to this Report as Annexure 5.

Pursuant to the SEBI circular vide no. CIR/CFD/CMD/1/27/2019 dated February 8, 2019, the Annual Secretarial Compliance Report for the financial year ended March 31, 2022, issued by V. Sreedharan & Associates, Practicing Company Secretaries is attached as Annexure 6 to this Report and shall also be submitted to the stock exchanges where the shares of the Company are listed.

REPORTING OF FRAUD BY AUDITORS

During the year under review, no instances of fraud have been reported by the statutory auditors or secretarial auditors to the Audit Committee or to the Board pursuant to section 143(12) of the Companies Act, 2013, the details of which should form part of this report.

ANNUAL RETURN

In compliance with Section 92 and Section 134(3)(a) of the Companies Act, 2013 read with applicable Rules made thereunder, the Annual Return is available on the Company's website <https://www.syngeneintl.com/investors/share-holder-services/>

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Regulation 34 of SEBI Listing Regulations, the Management Discussion and Analysis Report forms part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

As per section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility Committee, comprising Professor Catherine Rosenberg (Chairperson), Dr Vijay Kuchroo and Vinita Bali. The Committee monitors and oversees various CSR initiatives of the Company.

Syngene's CSR initiatives are based on the principle of making enduring impact through programs that promote education, science, social and economic inclusion and environmental sustainability. The Company is committed to innovation, science, affordability and access to healthcare. In line with this commitment and as a socially responsible organization, the Company has always invested in CSR programs aimed at making a difference to the lives of marginalized communities. Syngene's CSR programs pivot around social welfare, environmental sustainability, healthcare and promoting education in the fields of science and medicine. The Company's CSR activities this year have been executed directly and through Biocon Foundation. Biocon Foundation develops and implements healthcare, educational, infrastructure, rural development projects, promotes gender equality and safety of vulnerable sections of the society. The Company's CSR policy is available on its website at <https://www.syngeneintl.com/investors/corporate-governance/governance-reports-policies/>. A detailed report on CSR activities is annexed to this Report as Annexure 7.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

With a view to ensuring that investors have access to standardized disclosures on ESG parameters, SEBI had, on May 10, 2021, recommended the adoption of "business responsibility and sustainability reporting framework (BRSR)". BRSR would become mandatory for the top 1000 listed companies (by market capitalization) from FY23. While the existing Business Responsibility Report (BRR) filing continues for FY22, listed entities have been given the option of adopting the new BRSR for FY22 in lieu of the BRR. The disclosures in BRSR are intended to enable businesses to engage more meaningfully with their stakeholders and encourage them to go beyond regulatory financial compliance and report on their environmental and social impacts. The Company has opted to voluntarily adopt BRSR for FY22. In compliance with Regulation 34(2)(f) of the SEBI Listing Regulations, the BRSR forms part of this Annual Report.

WHISTLEBLOWER POLICY/VIGIL MECHANISM

The Company's Whistleblower policy allows employees, Directors and other stakeholders to report genuine grievances, corruption, fraud, misconduct, misappropriation of assets, and non-compliance with the code of conduct of the Company or any other unethical practices. The policy provides adequate

safeguard against victimization to the whistleblower and enables them to raise concerns to the Integrity Committee and provides an option of direct access to the Chairman of the Audit Committee. In order to maintain the highest level of confidentiality and foster an environment of honesty, the Company has appointed an outsourced agency Navex Global to receive the complaints and co-ordinate with the whistleblower, if required. During FY22, no individuals have been denied access to the Chairman of the Audit Committee.

The Whistleblower Policy is available on the Company's website at <https://www.syngeneintl.com/investors/corporate-governance/governance-reports-policies/>

DISCLOSURE UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Syngene has a strict Prevention of Sexual Harassment (POSH) Policy in accordance with the statutory requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Policy is applicable to all employees including the Company's contractual employees. The Company is committed to providing a workplace that is free from discrimination, harassment and victimisation, regardless of gender, race, creed, religion, place of origin, sexual orientation of a person employed or engaged with the Company. The Internal Committee ('IC') has been constituted to consider and redress all complaints of sexual harassment at workplace. Employee sensitisation programs on POSH were conducted during the year. In FY22, one complaint was received and closed within the stipulated timeline.

SIGNIFICANT AND MATERIAL ORDERS BY THE REGULATORS OR COURTS OR TRIBUNALS

During FY22 there have been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

STATUTORY DISCLOSURES

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

SECRETARIAL STANDARD DISCLOSURE

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

GREEN INITIATIVE

We request all the shareholders to support the 'Green Initiative' of the Ministry of Corporate Affairs and Syngene's continued endeavors for greener environment by enabling service of Annual Report, AGM Notice and other documents electronically to your email address registered with your Depository Participant/ Registrar and Share Transfer Agent. We also request all the investors whose email ID is not registered to take necessary steps to register their email ID with the Depository Participant/ Registrar and Share Transfer Agent.

ACKNOWLEDGMENTS

We would like to place on record our deep sense of appreciation to Syngene employees for their contribution and services. We would like to thank all our clients, vendors, bankers, investors, media and other business associates for their continued support and encouragement during the year.

We also thank the Government of India; the Government of Karnataka; the Ministry of Information Technology and Biotechnology; the Ministry of Commerce and Industry; the Ministry of Finance and Corporate affairs; the Department of

Scientific and Industrial Research; Central Board of Indirect Taxes and Customs; the Reserve Bank of India; the Central Board of Direct Tax; SEZs (Special Economic Zones), BIRAC (Biotechnology Industry Research Assistance Council) and all other government agencies for their support during FY22 and look forward to their continued support in future.

For and on behalf of the Board

Kiran Mazumdar Shaw

Chairperson

DIN:00347229

Place: Bangalore

Date: April 27, 2022

Annexure-1

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

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

(Rs. in Mn.)

S. No	Particulars	
1.	Name of the subsidiary	Syngene USA Inc
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
3.	Reporting currency	USD
4.	Exchange rate on March 31, 2022	75.921
5.	Share capital	USD 50,000 / Rs. 4 Mn
6.	Reserves & surplus	USD 647,275 / Rs. 49 Mn
7.	Total assets	USD 1,581,033 / Rs. 120 Mn
8.	Total liabilities	USD 883,758 / Rs. 67 Mn
9.	Investments	Nil
10.	Turnover	USD 3,752,450 / Rs. 284 Mn
11.	Profit before taxation	USD 370,858 / Rs. 28 Mn
12.	Provision for taxation	USD 111,258 / Rs. 8 Mn
13.	Profit after taxation	USD 259,600 / Rs. 20 Mn
14.	Proposed Dividend	Nil
15.	% of shareholding	100%
16.	Country	USA

Names of subsidiaries which are yet to commence operations: **None**

Names of subsidiaries which have been liquidated or sold during the year: **None**

Annexure-2

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

(Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2022)

Power and fuel consumption details	FY22	FY21
1. Electricity		
a) Purchased		
Million Unit	85.22	68.60
Total amount (Rs. Mn)	588.53	493.87
Rate/Unit (Rs.)	6.90	7.20
b) Captive generation		
HSD Quantity, KL	303.22	191.22
Million Units	1.18	0.72
Units / liter	3.90	3.74
Cost/Lit (Rs.)	70.11	51.87
Generation cost, Rate / Unit (Rs.)	17.97	13.04
2. Steam		
a) Furnace Oil		
HSD Quantity, KL	-	-
Total amount (Rs. Mn)	-	-
Average rate (Rs.)	-	-
b) LDO		
LDO Quantity, KL	355.91	71.60
Total amount (Rs. Mn)	18.27	2.35
Average rate (Rs.)	51.33	32.76
c) LPG		
LPG Quantity, Tons	274.83	153.00
Total amount (Rs. Mn)	18.06	7.11
Average rate (Rs.)	65.71	46.50

Energy conservation details:

Energy conservation measure	Investment (Rs.) Million	Energy saved per Annum	
		(Unit) Mn	(Rs.) Million
1. Replaced CFL lamps with energy efficient LED lamps in S18	0.90	0.21	1.40
2. Replaced old version 250TR chiller with energy efficient 150TR latest technology magnetic chiller with variable speed drive in S2.	12.00	1.00	8.13
3. Improving operational efficiency of nitrogen plant by innovatively regulating the optimum pressure set points to meet the operational requirements in S16	0.00	0.27	1.80
4. Reducing specific energy consumption from 0.63 Kwh/M ³ to 0.46 Kwh/M ³ by implementing dew point sensor based drier operation in air compressor to optimize heater and blower running hours in MSEZ.	0.12	0.26	2.00
5. Cyclic timer control for AC units for auto cut off -Admin block-MSEZ	0.15	0.03	0.20
6. Implemented variable frequency drive for cooling tower pump and fan to optimize power consumption-MSEZ	0.61	0.10	0.85
7. Cooling tower pump impeller got trimmed to maximize the pumps efficiency-MSEZ	0.04	0.025	0.20
8. Energy saving by installation of hot water coil in the AHU to switch off dehumidifier electric heaters-S18	2.60	1212 Ton (Steam)	5.30
		0.1 Mn Units	0.73

Technology absorption, adoption and innovation

- (a) Conservation of energy –
- the steps taken or impact on conservation of energy:
 - Energy audit has been conducted externally by the Energy Resource Institute
 - Training has been provided to all energy champions from British Standard Institute and all the champions certified as internal energy auditors.
 - Energy index is benchmarked to all operational units and being tracked to energy management system-SCADA.
 - the steps taken by the company for utilizing alternate sources of energy; 85% of green energy used across the organization from open access, roof top solar and captive solar and wind plants.
 - the capital investment on energy conservation equipment
Rs. 16.42Mn capital investment made for energy conservation equipment.
- (b) Technology absorption –
No technology was imported by the Company during the year

Foreign exchange earnings and outgoing for the year*:	FY22	FY21
Foreign exchange earnings	23,253	20,264
Foreign exchange outgoing	6,967	5,521

* For details please refer to information given in the notes to the financial statements of the Company.

For and on behalf of the Board

Place: Bangalore
Date: April 27, 2022

Kiran Mazumdar Shaw
Chairperson
DIN: 00347229

Annexure-3

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (1) Ratio of the remuneration of each Director/Key Managerial Personnel (KMP) to the median remuneration of all the employees of the Company for the Financial Year 22:

Sl. No.	Name of Director/KMP and Designation	% increase in remuneration in FY22	Ratio of the remuneration of each Director/KMP to the median remuneration of all the employees (1)
Non-Executive Directors			
1	Kiran Mazumdar Shaw	105.90	10.72
2	Dr Carl Decicco	139.79	6.79
3	Professor Catherine Rosenberg	115.41	8.94
4	John Shaw*	NA	1.33
Executive Director			
5	Jonathan Hunt, CEO [§]	17.09	109.18
Independent Directors			
6	Vinita Bali	83.76	9.65
7	Dr Kush Parmar [®]	NA	6.70
8	Paul Frederick Blackburn	106.38	10.19
9	Sharmila Abhay Karve	127.93	9.33
10	Dr Vijay Kuchroo	107.14	7.97
Key Managerial Personnel			
11	Sibaji Biswas, CFO	32.16	39.50
12	Priyadarshini Mahapatra, CS	0.15	6.68

The remuneration paid to Non-Executive Directors (including Independent Directors) includes commission and sitting fees and is based on the position they occupied in the various committees and meetings attended by them during the FY22.

*Director upto July 21, 2021

[®]Appointed as Director with effect from June 22, 2021

[§]Jonathan Hunt's remuneration is paid in GBP and had remained unchanged in FY22. The increase in remuneration was on account of currency rate fluctuation.

The remuneration does not include perquisite value on account of stock options. The above details are on accrual basis.

Notes:

- [1] **The ratio of remuneration to median remuneration is based on remuneration paid during the period 1st April, 2021 to 31st March, 2022.**

The percentage increase in the median remuneration of employees in the Financial Year 0.6%

The number of permanent employees on the rolls of Company as on 31st March, 2022 5975

- [2] **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Average percentage increase in salary of the Company's employees was at 7.1% during the merit cycle of 2021. Increase in managerial remuneration is already shown in the data presented above.

- [3] **Affirmation**

It is hereby affirmed that remuneration paid for FY22 was according to the Company's Policy on Director's Appointment and Remuneration.

For and on behalf of the Board

Date: April 27, 2022
Place: Bangalore

Kiran Mazumdar Shaw
Chairperson
DIN: 00347229

Annexure-4

INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

TO THE MEMBERS OF SYNGENE INTERNATIONAL LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated 14 September 2021 and addendum to the engagement letter dated 8 April 2022.
2. We have examined the compliance of conditions of Corporate Governance by Syngene International Limited ("the Company"), for the year ended 31 March 2022, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2022.

6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on use

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W – 100022

S Sethuraman

Partner

Place: Bengaluru

Date: 27 April 2022

Membership No: 203491

UDIN: 22203491AHWLYZ2212

Annexure-5

Form No. MR-3

SECRETARIAL AUDIT REPORT

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

For the Financial Year Ended March 31, 2022

To
The Members
Syngene International Limited
Biocon SEZ, Biocon Park, Plot.No.2 & 3
Bommasandra Industrial Area IV Phase
Jigani Link Rd, Bommasandra, Bengaluru - 560099

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

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

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings. There was no Overseas Direct Investment done by the Company during the period under review;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (**Not Applicable to the Company during the Audit Period**);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**Not Applicable to the Company during the Audit Period**);
 - h. The securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (**Not Applicable to the Company during the Audit Period**); and
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Other Laws Applicable Specifically to the Company namely:
 - a. Drugs and Cosmetics Act 1940.
 - b. Bio Medical Waste (Management & Handling) Rules, 1998.
 - c. ICH Guidelines (this is the base on which US FDA/ EU Guidelines etc. are created on).
 - d. UCPMP (Currently voluntary – however proposed to be made mandatory).
 - e. Narcotic Drugs and Psychotropic substance Act.
 - f. Ethical Guidelines for Biomedical Research on Human Participants, 2006.
 - g. The Poisons Act, 1919.

- h. Prevention of Cruelty to Animals Act, 1960 and the Breeding of and Experiments on Animals (Control and Supervision) Rules, 1998.
- i. Atomic Energy Act, 1962 and Atomic Energy (Radiation Protection) Rules, 2004.

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

- a. Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.
- b. Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

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

We further report that:

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

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

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

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

We further report that during the year under review, there were no events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, etc.

For **V SREEDHARAN & ASSOCIATES**

(Devika Sathyanarayana)

Partner

Place: Bengaluru
Date: April 25, 2022

FCS: 11323; CP No.17024
UDIN: F011323D000199786
Peer Review Certificate No.: 589/2019

This letter which is annexed herewith as Annexure, and it forms an integral part of the Secretarial Audit Report MR-3 and has to be read along with it.

'Annexure'

To
The Members
Syngene International Limited
Biocon SEZ, Biocon Park, Plot.No.2 & 3
Bommasandra Industrial Area IV Phase
Jigani Link Rd, Bommasandra, Bengaluru - 560099

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. Due to the pandemic situation, we were not able to visit the office in person to peruse the original documents etc. that were required for our audit purpose. However, we have relied on the soft copy of the documents and the links provided by the Company.

For **V SREEDHARAN & ASSOCIATES**

(Devika Sathyanarayana)

Partner

Place: Bengaluru
Date: April 25, 2022

FCS: 11323; CP No.17024
UDIN: F011323D000199786
Peer Review Certificate No.: 589/2019

Annexure-6

Secretarial compliance report of Syngene International Limited for the year ended March 31, 2022

We have examined:

- (a) all the documents and records made available to us and explanation provided by **Syngene International Limited** ("the listed entity");
- (b) the filings/ submissions made by the listed entity to the stock exchanges;
- (c) website of the listed entity;
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification;

for the year ended March 31, 2022 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable to the Company during the review Periods);
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not Applicable to the Company during the Audit Period);
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 (Not Applicable to the Company during the Audit Period);
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

and based on the above examination, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder.
- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.
- (c) There was no action taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder.
- (d) The listed entity was not required to take any actions as there was no observations made by the Practicing Company Secretary (Secretarial Auditors) in previous reports.

For **V SREEDHARAN & ASSOCIATES**
Company Secretaries

(Devika Sathyanarayana)
Partner

Place: Bengaluru
Date: April 25, 2022

FCS: 11323; CP No.17024
UDIN: F011323D000199885
Peer Review Certificate No.: 589/2019

Annexure-7

Annual Report on CSR Activities to be Included in the Board's Report for FY22.

1. Brief outline of CSR policy of the Company.

Syngene's CSR initiatives are based on the principle of making enduring impact through programs that promote education, science, social and economic inclusion and environmental sustainability. The Company is committed to innovation, science, affordability and access to healthcare. In line with this commitment, the Company has always invested in CSR programs aimed at making a difference to the lives of marginalized communities. Syngene's CSR programs focus on social welfare, environmental sustainability, healthcare and promoting education in the fields of science and medicine.

The Company's CSR activities this year have been executed directly and through the Biocon Foundation. The Biocon Foundation develops and implements healthcare, educational, infrastructure, rural development projects, promotes gender equality and safety of vulnerable sections of the society. The details of our CSR Policy are available on our website www.syngeneintl.com.

2. Composition of CSR Committee:

S. No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Professor Catherine Rosenberg	Chairperson / Non-executive director	Four	Four
2.	Vinita Bali	Member / Independent Director		Four
3.	Dr Vijay Kuchroo	Member / Independent Director		Four
3.	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company.	CSR committee CSR Policy CSR projects	https://www.syngeneintl.com/investors/corporate-governance/committees-to-the-board/ https://www.syngeneintl.com/investors/corporate-governance/governance-reports-policies/ https://www.syngeneintl.com/investors/share-holder-services/	
4.	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).			Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

S. No	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
		Not applicable	
6.	Average net profit of the company as per section 135(5)		Rs. 4,660 Mn
7.	(a) Two percent of average net profit of the company as per section 135(5)		Rs. 93.20 Mn
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.		Nil
	(c) Amount required to be set off for the financial year, if any		Nil
	(d) Total CSR obligation for the financial year (7a+7b-7c).		Rs. 93.20

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs. Mn)			
	Total Amount transferred to Unspent CSR Account as per section 135(6).	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
93.20	52.70	To be transferred before April 30, 2022		Not applicable

8. (b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5	6	7	8	9	10	11	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Project duration	Amount allocated for the project (in Rs.Mn)	Amount spent in the current financial Year (in Rs.Mn)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.Mn).	Mode of Implementation – Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District					Name	CSR Registration number
1	Mass Rapid Transit	Environmental sustainability	Yes	Karnataka	Bangalore Urban	4 Years	16.00	16.00	No	Biocon Foundation	CSR00002304
2	Urban Forestation	Ensuring environmental sustainability, ecological balance, protection of flora and fauna	Yes	Karnataka	Dakshina Kannada	3 Years	2.90	2.90	No	Biocon Foundation	CSR00002304

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs./Mn)	Amount spent in the current financial Year (in Rs./Mn)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs./Mn).	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
3	eIAJ Smart Clinics	Promoting healthcare including preventive healthcare	Yes	Karnataka	Bagalkote Tumkuru Kolar Chikkaballapur Dakshin Kannada Yadgir	4 Years	14.40	14.40	Nil	No	Biocon Foundation	CSR00002304
4	Promotion of Mental Health	Promoting health care including preventive health care	Yes	Karnataka	Bangalore Urban	3 years	0.50	Nil	0.50	No	Biocon Foundation	CSR00002304
5	Part-Funding the Post Graduate Medical School and Hospital	Promoting health care including preventive health care	Yes	Karnataka	Bangalore Urban	4 years	30.00	Nil	30.00	No	Biocon Foundation	CSR00002304
6	Academic research Grants	Contributions to public funded Universities engaged in conducting research in science	Yes	Karnataka	Bangalore Urban	3 years	22.20	Nil	22.20	Yes	NA	NA
7	Parihar	Promoting gender equality and empowering women	Yes	Karnataka	Bangalore Urban	3 years	1.00	1.00	Nil	No	Biocon Foundation	CSR00002304
8	Mobile Science Lab	Promoting education	Yes	Karnataka	Bangalore Urban	3 years	1.60	1.60	Nil	No	Biocon Foundation	CSR00002304
9	Nutrition Program	Eradicating hunger and malnutrition	Yes	Karnataka	Bangalore Urban Telangana	2 years	2.70	2.70	Nil	No	Biocon Foundation	CSR00002304
10	Peripartum Mental Health	Promoting health care including preventive health care	Yes	Karnataka	Bangalore Urban	2 years	0.70	0.70	Nil	No	Biocon Foundation	CSR00002304
11	Nutrition KAP Research	Eradicating hunger and malnutrition	Yes	Karnataka	Bangalore Urban	2 years	0.80	0.80	Nil	No	Biocon Foundation	CSR00002304

8. (c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5	6	7	8
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project	Amount spent for the project (in Rs.)	Mode of implementation on – Direct (Yes/No).	Mode of implementation - Through implementing agency
NONE							

8. (d) Amount spent in Administrative Overheads: Rs. 0.40 Mn

8. (e) Amount spent on Impact Assessment, if applicable Not Applicable

8. (f) Total amount spent for the Financial Year (8b+8c+8d+8e) Rs. 40.50 Mn

8. (g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	NA
(ii)	Total amount spent for the Financial Year	NA
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NA
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NA

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs. Mn)	Amount spent in the reporting Financial Year (in Rs. Mn).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs. Mn)
				Name of the Fund	Amount (in Rs. Mn)	Date of transfer	
1	2020-21	20.87	13.90	NA	NA	NA	6.97

9. (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed/ Ongoing
1	TOTAL							
Not applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(asset-wise details)	Not applicable
(a) Date of creation or acquisition of the capital asset(s).	
(b) Amount of CSR spent for creation or acquisition of capital asset.	
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	

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

The Company is committed to focusing inter-alia on healthcare and promoting education in the fields of science and medicine. This commitment is manifested through the CSR initiatives undertaken by the Company. Rs. 0.50 Mn was allocated from the budget of FY22 to kick start School Mental Health through National Institute of Mental Health and Neuro-Sciences (NIMHANS). This amount was however withheld due to closure of schools on account of the pandemic and will be kicked off after reopening of schools in FY 23. Further, the Company has entered into a Memorandum of Understanding with the Indian Institute of Science, Bangalore (IISc) during FY22 to fund research grants over a period of three years. The Company is in the process of identifying the projects to be funded and has set aside Rs. 22.20 Mn from the FY22 budget for funding the grants. The Company has also agreed to fund IISc to establish its PG Medical School with a not-for-profit multi-specialty hospital which will focus on clinical research postgraduate programs (MD/MS) in select disciplines. An amount of Rs. 30 Mn. from the FY22 budget has been allocated for the purpose. The ground-breaking event has been scheduled by IISc in the first quarter of FY23. All the above initiatives being multi-year projects have been classified by the Board as ongoing projects and the aggregate unspent amount of Rs. 52.70 Mn will be transferred to a separate Unspent CSR account of the Company before April 30, 2022.

Jonathan Hunt
(DIN: 07774619)
(Managing Director & Chief Executive Officer)

Professor Catherine Rosenberg
(DIN: 06422834)
(Chairperson CSR Committee)

Place: Bangalore
Date: April 27, 2022

CORPORATE GOVERNANCE REPORT

GOVERNANCE PHILOSOPHY

The governance philosophy of your Company is inspired by its core values of professionalism, integrity, and excellence. It provides the framework for attaining the Company's objectives while balancing the interests of all its stakeholders and ensuring that the business is being conducted in a fair manner.

Your Company places great emphasis on governance practices that have evolved from positive thought processes, timely reporting, transparent accounting policies, and a strong and independent Board that has worked hard to represent shareholders' interests. Syngene's strong leadership and effective corporate governance practices have helped in the effective implementation of plans, adequate disclosures, fair dealings with stakeholders, and maintenance of high standards of business ethics and integrity, thereby reinforcing stakeholder confidence and maximizing long-term corporate value. Our governance principles are applied through the three-tier governance model with the Board of Directors and the Committees of the Board at the apex, followed by the Managing Director & Chief Executive Officer (MD&CEO) and the Executive Committee at the operational level. The Board and its Committees guide, support, and complement the Management's strategy and planning. The Management, in turn, assumes accountability for achieving the defined objectives. The processes, controls, and limits within which the Company functions can be found in this report.

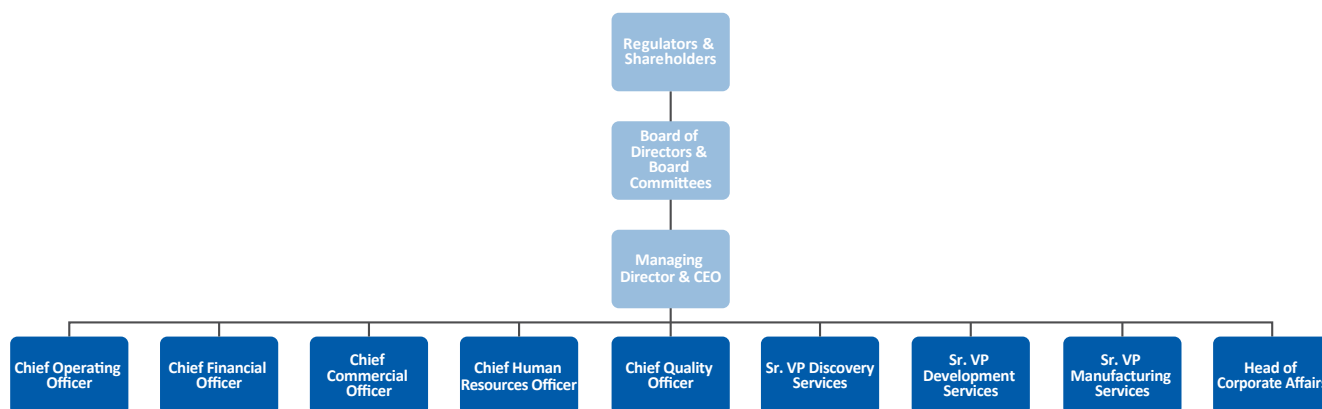
While Syngene confirms adherence to the prescribed corporate governance requirements under law, it also believes that corporate governance is more than legal compliance. It strives to adopt and embrace best practices and governance standards. In recognition of its governance practices, your Company was bestowed with the award for "Best Governed Company Listed Segment: Medium Category" at the 21st ICSI National Awards for Excellence in Corporate Governance by the Institute of Company Secretaries of India during the year. The Company was also conferred with the 'Golden Peacock Award for Excellence in Corporate Governance' for the year 2021 by the Institute of Directors. These awards are a testament to the Company's commitment to driving best-in-class governance.

The detailed report on Corporate Governance for the Financial Year ended March 31, 2022, as per Regulation 34(3), read with Part C of Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI Listing Regulations") is set out below.

GOVERNANCE STRUCTURE

Syngene is a professionally managed Company functioning under the overall supervision of the Board, which is the apex body constituted by shareholders to represent their interests. The Board of Directors has ultimate responsibility for the management, general affairs, direction, performance and long-term success of the business as a whole. The governance structure is based on the principle of providing freedom to the executive team within a given framework to ensure that the powers vested in the executive management are exercised with due care and responsibility so as to meet the expectation of all the stakeholders. The MD & CEO is in overall operational control and is responsible for overall performance and growth of the Company. He lays down policy guidelines and ensures implementation of the decisions of the Board of Directors and its various Committees and functions under the superintendence, direction and control of the Board. He is supported by the Executive Committee (EC) which has Division/Functional heads as its members, who look after the management of the day-to-day affairs of the Company.

The MD & CEO, together with the EC, operate within the framework of the strategic policies laid down by the Board and are collectively responsible and accountable for business deliverables. They drive company-wide processes, systems and policies and act as role models for leadership development within the organization. Additionally, they provide cross-functional and cross-business perspectives on organizational issues. The EC meets once in a month to review and monitor performance, address challenges faced by the business, draw up strategies and policies and keep the Board informed about important developments in the Company.



■ Constitutes Executive Committee

BOARD OF DIRECTORS

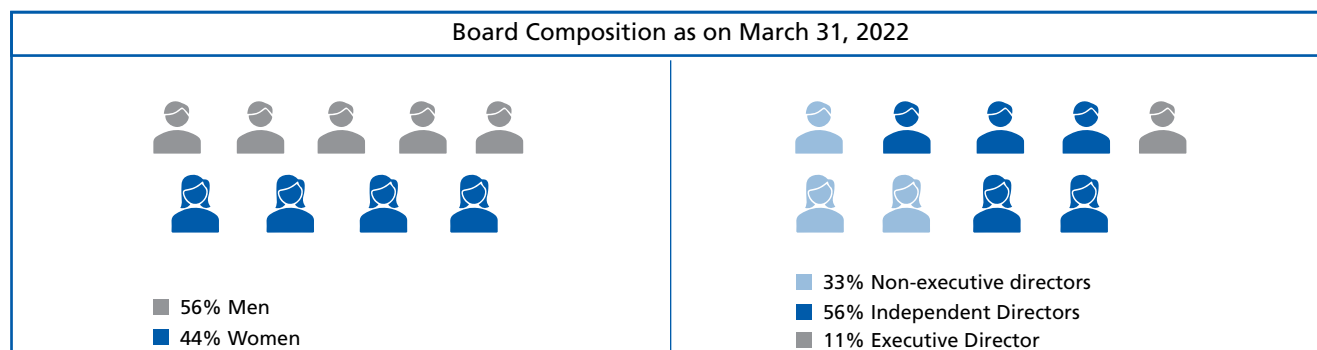
Board Composition and Category of Directors

The Syngene Board comprises professionals of eminence and stature drawn from diverse fields. The Board of Directors collectively brings a wide range of relevant skills and experience, which allows them to make an effective contribution to the Board and its Committees and elevates the quality of the Board’s decision-making. The Non-Executive Directors, including the Independent Directors, are well qualified, experienced, and renowned persons from the fields of science, biotech, research, finance and taxation, commercial, manufacturing and information technology. The Board Members provide valuable guidance to the Management on aspects of business,

governance and strategy execution. The Board’s guidance offers challenge, enhances transparency and adds value in decision-making.

The Company has a balanced and diverse Board with an appropriate mix of Executive Directors (EDs), Non-Executive Directors (NEDs) and Independent Directors (IDs) to maintain the Board’s independence and separate its functioning of governance and management. The Company has also devised a policy on board diversity.

The detailed profile of your directors is available on the Company’s website at www.syngeneintl.com



As on March 31, 2022, the Board comprised nine (9) Directors, consisting of three (3) Non-Executive Non-Independent Directors, five (5) Independent Directors and the MD&CEO. There are four (4) women directors on Board of which two (2) are independent including the lead independent director. The composition of the Board is in conformity with the SEBI Listing Regulations and the Companies Act, 2013.

The Board periodically evaluates the need for change in its composition and size.

None of the Directors serves as a Director in more than seven listed companies. Further, none of the Directors holds an Executive Director position and serve as an Independent Director in more than three (3) listed companies. None of the Directors on the Board is a member of more than ten committees or a chairperson of more than five committees, across all public limited companies in which he/she is a Director. For the purpose of determination of Committee position limits, chairperson and membership positions of the Audit Committee and the Stakeholders Relationship Committee have been considered in terms of Regulation 26 of the SEBI Listing Regulations. Further, none of your Independent Directors serves as a Non-Independent Director of any company on the Board of which any of your Non-Independent Directors is an Independent Director. No director on the Board has attained the age of seventy-five (75) years. Vinita Bali and Sharmila Karve are Independent Woman Directors on the Board of Directors of the Company. Vinita Bali was appointed as the Lead Independent Director of the Company during the previous financial year.

Syngene's philosophy to have constructive separation of the Management of the Company from its Promoters manifests itself in the composition of the Board of Directors wherein the office of Chairperson of the Board and Managing Director & CEO are held by distinct individuals. Kiran Mazumdar Shaw, who was the Managing Director and Chairperson of the Company till March 31, 2020 transitioned into the role of non-executive Chairperson of the Company with effect from April 1, 2020. Jonathan Hunt, was elevated to the position of Managing Director and Chief Executive Officer of the Company with effect from April 1, 2020 for a period of five years. Professor Catherine Rosenberg and Dr Carl Decicco are Non-Executive, Non-Independent Directors on the Board.

John Shaw, who had been associated with Syngene since 2000 retired as Non-executive Non-Independent Director due to health reasons on July 21, 2021. John Shaw was instrumental in helping the Company cross significant milestones. The Board expressed its deepest appreciation and gratitude for the many years devoted by John Shaw to Syngene and the dimensions of his wise counsel and stewardship of Syngene's business and its growth. The Board also acknowledged that his strong

managerial and governance experience, together with financial expertise, were key to establishing the strong corporate governance that the Company is recognized for today.

Dr Kush Parmar was appointed as Independent Director on June 22, 2021. Dr Carl Decicco, who was an ID on the Board ceased to be an Independent Director on February 28, 2022 and was appointed as a Non-Executive Non-Independent Director w.e.f. March 01, 2022. The Company continues to fulfill the requirement of Board constitution as required under the SEBI Listing Regulations even after the change in the directorship status of Dr Carl Decicco from Independent Director to Non-Executive Director. Professor Catherine Rosenberg, who retired by rotation, was reappointed as a Non-executive Director at the last annual general meeting held on July 21, 2021.

Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management and also they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Further, the Independent Directors have also submitted their declaration in compliance with the provision of Rule 6(3) of Companies (Appointment and Qualification of Directors) Rules, 2014, which mandated the inclusion of an Independent Director's name in the data bank of the Indian Institute of Corporate Affairs ("IICA") for a period of one year or five years or life time till they continue to hold the office of an Independent Director.

Role of Board of Directors

The Board upholds the interests of the Company's stakeholders. Their role is to guide the Management, provide constructive critique on the strategic business plans and operations of the Company. To ensure effective management, before taking on record the Company's quarterly/annual financial results, the Board is regularly updated on the Company's operations, strategic opportunities, business development activities, the global business environment, financial matters, internal controls and risk management practices.

The matters required to be placed before the Board, inter alia, include:

- Regular business updates, strategic opportunities and diversification plans of the Company, if any
- Updates on Corporate Social Responsibility (CSR) activities
- CSR budget, annual action plan and any alterations thereto

- Related party transactions and significant changes in accounting policies and internal controls
- Mergers or acquisitions or acquiring a controlling or substantial stake in another company
- Recruitment and remuneration of senior management who are just below the level of Board of Directors including appointment or removal of Chief Financial Officer and Company Secretary
- Talent management and succession plans for the executive leadership team
- Annual operating plans, budget including capital budget, major borrowings, investments and any updates thereof
- Quarterly and annual consolidated and standalone results of the Company
- Update on capital structure
- Update on investor relations
- Minutes of meetings of the Board and other Board Level Committees and resolutions passed
- Materially important show cause, demand, prosecution notices and penalty notices, if any.
- Fatal or serious accidents, dangerous occurrences, material effluent or pollution problems, if any
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company
- Issues that involve possible public or product liability claims of substantial nature, including any judgement or order that may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company, if any
- Details of any joint venture or collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- Significant labor, employee and Industrial Relations issues
- Sale of investments, subsidiaries, assets that are material in nature and not in normal course of business

- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material; and
- Non-compliance of any regulatory, statutory or listing requirements and shareholders' services such as non-payment of dividends, delay in share transfer and so on.

Board Membership Criteria and Selection Process

The responsibility for identifying and evaluating a suitable candidate for the Board is delegated to the Nomination and Remuneration Committee (NRC). While selecting a candidate, the NRC reviews and evaluates the Board's composition and diversity to ensure that the Board and its committees have the appropriate mix of skills, experience, independence and knowledge for continued effectiveness. For the Board, diversity comprehends plurality in perspective, experience, education, background, ethnicity, nationality, age, gender and other personal attributes.

The candidate is inter-alia screened based on the above attributes extending to professional experience, functional expertise, educational and professional background. At the time of induction of a Director, a formal invitation to join the Board is sent and a Directors handbook comprising a compendium of the role, powers and duties to be performed is handed over to the new Director. The Independent Directors annually provide a certificate of Independence, in accordance with the applicable laws, which is taken on record by the Board. All Board members are encouraged to meet and interact with the management. Board Members are invited to key meetings to provide strategic guidance and advice.

Board Procedure

The Board and its Committees meet at regular intervals to discuss and decide on the Company's business policies and strategies apart from statutory and other routine matters. The Board and Committee meetings are pre-scheduled, and a tentative annual calendar of the meetings is circulated to the Directors well in advance. This ensures meaningful participation in the meetings. However, in case of special and urgent business needs, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is noted in the subsequent Board Meeting. The Executive Committee Members are regular attendees at Board and Committee meetings. This helps the Board/Committee members to directly liaise with and seek explanations from the core Management team during the proceedings of the meeting. The interaction with the Board is however not limited only to the meetings of the Board and Committees. The Executive Committee members are encouraged to actively interact with the Board Members outside the meetings. Depending on the area of expertise of an individual Director, the Executive Committee Members

are encouraged to have separate sessions with the Director to discuss specific issues concerning the Division/functional area. These are mentoring sessions aimed at broadening the Management’s vision and outlook.

The Company Secretary drafts the agenda for each meeting, along with explanatory notes, in consultation with the Chairperson and Management and circulates to the Directors as per timelines through the digital platform. The Board Agenda includes an Action Taken Report comprising actions emanating from the Board Meetings and status updates thereof. In special and exceptional circumstances, additional or supplementary item(s) are permitted to be taken up as ‘any other item’ with the permission of the Chairperson and with consent of majority of Board members/Committee members. The Company Secretary records minutes of each Board and Committee meeting. The draft minutes are circulated to Board/Committee members within 15 days from the meeting for their comments. Directors communicate their comments, if any, in writing on the draft minutes within 7 days from the date of circulation. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting and signed by the Chairperson. The certified true copy of the duly signed minutes is also circulated to the Board and Committee members within 15 days of signature. With a view to leverage technology and reducing paper consumption, the Company has adopted a web-based application for transmitting Board/

Committee agenda, pre-reads and draft minutes. The Directors of the Company receive the agenda, pre-reads and draft minutes in electronic form through this application, which can be accessed through browsers or iPads. The application helped to maintain a seamless and safe flow of information between the Management and the Board.

The guidelines for Board and Committee meetings facilitate an effective post-meeting follow-up, review and reporting process for decisions taken by the Board and Committees thereof. Important decisions taken at Board/Committee meetings are communicated promptly to the concerned departments.

Meetings of the Board

During the financial year, four meetings of the Board were held on April 27, 2021, July 20, 2021, October 20, 2021 and January 19, 2022. The gap between two Board meetings did not exceed 120 days. Due to the ongoing pandemic world-over, all the meetings of the Board and Committees were held through audio-visual means, in accordance with the relaxations provided by the Ministry of Corporate Affairs.

The information on attendance of Directors at the Board meetings through audio-visual mode during the financial year ended March 31, 2022 and at the last Annual General Meeting (AGM) is given below:

Name of the Director	Category	No. of Board Meetings which director was entitled to attend	Number of Meetings Attended	Attendance at AGM held on July 21, 2021
Kiran Mazumdar Shaw	Non-Executive Chairperson (Promoter)	4	4	Yes
Jonathan Hunt	Managing Director & CEO	4	4	Yes
Dr Carl Peter Decicco	Non - Executive Director	4	4	Yes
Professor Catherine Rosenberg	Non - Executive Director	4	4	Yes
John Shaw*	Non - Executive Director	2	2	Yes
Vinita Bali	Lead Independent Director	4	4	Yes
Dr Kush Parmar**	Independent Director	3	3	Yes
Paul Blackburn	Independent Director	4	4	Yes
Sharmila Abhay Karve	Independent Director	4	4	Yes
Dr Vijay Kuchroo	Independent Director	4	4	Yes

Note:

* Ceased to be on the Board with effect from July 21, 2021

**Appointed with effect from June 22, 2021

Names of the listed entities wherein Company's directors are holding directorship along with their category and membership/chairmanship in various committee(s) as on March 31, 2022:

S.No.	Name of Director	Name of Company	Designation / Category	Chairmanship/Membership in Committees of other listed entities
1	Kiran Mazumdar Shaw	Syngene International Limited	Non-Executive Chairperson	None
		Biocon Limited	Executive Director and Chairperson	Member • Risk Management Committee
		United Breweries Limited	Independent Director	Chairperson: • Nomination and Remuneration Committee • Risk Management Committee Member: • Corporate Social Responsibility/ ESG Committee • Borrowing Committee
		Narayana Hrudayalaya Limited	Non-Executive Non-Independent Director	Member: • Nomination and Remuneration Committee
		Infosys Limited	Independent Director	Chairperson: • Corporate Social Responsibility Committee • Environmental, Social and Corporate Governance Committee • Nomination and Remuneration Committee Member: • Risk Management Committee
2	Jonathan Hunt	Syngene International Limited	Managing Director & CEO	Member: • Stakeholders Relationship and ESG Committee • Risk Management Committee • Science and Technology Committee
3	Dr Carl Peter Decicco	Syngene International Limited	Non-Executive, Non-Independent Director	Member: • Science and Technology Committee • Risk Management Committee
4	Professor Catherine Rosenberg	Syngene International Limited	Non-Executive, Non-Independent Director	Chairperson: • Corporate Social Responsibility Committee Member: • Nomination and Remuneration Committee • Stakeholders Relationship and ESG Committee • Science and Technology Committee

5	Vinita Bali	Syngene International Limited	Lead Independent Director	<p>Chairperson:</p> <ul style="list-style-type: none"> Nomination and Remuneration Committee <p>Member:</p> <ul style="list-style-type: none"> Audit Committee Corporate Social Responsibility Committee
		CRISIL Limited	Independent Director	<p>Chairperson:</p> <ul style="list-style-type: none"> Nomination and Remuneration Committee Corporate Social Responsibility Committee <p>Member:</p> <ul style="list-style-type: none"> Audit Committee
6	Dr Kush Parmar	Syngene International Limited	Independent Director	<p>Member:</p> <ul style="list-style-type: none"> Science and Technology Committee Risk Management Committee
7	Paul Blackburn	Syngene International Limited	Independent Director	<p>Chairperson:</p> <ul style="list-style-type: none"> Audit Committee Risk Management Committee <p>Member:</p> <ul style="list-style-type: none"> Stakeholder Relationship and ESG Committee
8	Sharmila Abhay Karve	Syngene International Limited	Independent Director	<p>Chairperson:</p> <ul style="list-style-type: none"> Stakeholders Relationship and ESG Committee <p>Member:</p> <ul style="list-style-type: none"> Audit Committee Risk Management Committee
		EPL Limited	Independent Director	<p>Chairperson:</p> <ul style="list-style-type: none"> Audit Committee <p>Member:</p> <ul style="list-style-type: none"> Stakeholders Relationship Committee
		CSB Bank Limited	Independent Director	<p>Chairperson:</p> <ul style="list-style-type: none"> Audit Committee <p>Member:</p> <ul style="list-style-type: none"> Committee For Monitoring Large Value Frauds. NPA Management Committee
		Thomas Cook India Ltd.	Independent Director	<p>Member:</p> <ul style="list-style-type: none"> Audit Committee Risk Management Committee
9	Dr Vijay Kuchroo	Syngene International Limited	Independent Director	<p>Chairperson:</p> <ul style="list-style-type: none"> Science And Technology Committee <p>Member:</p> <ul style="list-style-type: none"> Nomination and Remuneration Committee Corporate Social Responsibility Committee
		Biocon Limited	Independent Director	<p>Member:</p> <ul style="list-style-type: none"> Corporate Social Responsibility Committee Nomination and Remuneration Committee

Composition of the Board and details of Directorship and Committee membership/Chairmanship held in other Companies as on March 31, 2022:

Name of the Director	DIN	Designation	Directorship#	Committees	
			Indian Public Companies	Chairmanship*	Membership*
Executive Director					
Jonathan Hunt	07774619	Managing Director & CEO	1		1
Non-Executive Directors					
Kiran Mazumdar Shaw	00347229	Non-Executive Chairperson	9	1	1
Dr Carl Peter Decicco	08576667	Director	1	-	-
Professor Catherine Rosenberg	06422834	Director	1	-	1
Independent Directors					
Vinita Bali	00032940	Director	2	-	2
Dr Kush Parmar	09212020	Director	1	-	-
Paul Blackburn	06958360	Director	1	1	2
Sharmila Abhay Karve	05018751	Director	6	4	8
Dr Vijay Kuchroo	07071727	Director	2	-	-

Note:# Directorship in companies includes Syngene International Limited.

As per regulation 26 of SEBI Listing Regulations membership/chairmanship of Audit Committee and Stakeholders Relationship Committee in all Indian Public Limited Companies, whether listed or not, have been considered and reported. Further, none of the Directors of the Company holds membership of more than 10 Committees nor is any Director the Chairman of more than 5 Committees across all companies where they have Directorships.

* A Director, wherever she/he is the Chairperson of the Committee, is also a member of the Committee

Disclosure of relationships between directors inter-se

Kiran Mazumdar Shaw and John Shaw are husband and wife and Professor Catherine Rosenberg is the sister-in-law of Kiran Mazumdar Shaw. Except for these, none of the other Directors are related to each other.

Shareholding of Non-Executive Directors

As on March 31, 2022, the following Non-Executive Directors hold equity shares in the Company.

Name	Shareholding as on March 31, 2022
Kiran Mazumdar Shaw	15,276
Professor Catherine Rosenberg	2,120
Paul Blackburn	50,000
Dr. Vijay Kuchroo	50,000

None of the other Non-Executive Directors hold any equity shares or convertible instruments in the Company.

Independent Directors

All Independent Directors of the Company satisfy the criteria of independence as prescribed under the Companies Act, 2013 and SEBI Listing Regulations. At the time of appointment, and thereafter at the beginning of each financial year, the Independent Directors submit a self-declaration confirming their independence and compliance with various eligibility criteria, among other disclosures. All such declarations are placed before the Board for information and noting. For the current financial year, the Independent Directors have also submitted their revised declaration confirming their independence in compliance to the amended SEBI Listing Regulations.

The process for re-appointment of independent directors entails a detailed evaluation of the contributions made by the existing directors. New directors are inducted after assessing skill requirements of the board and identifying areas of expertise which would be beneficial for the Company. The Independent Directors are given a formal letter of appointment containing the terms of appointment, roles, duties and code of conduct, among other items, as required by Regulation 46 of the SEBI Listing Regulations. The draft letter of appointment is available on the Company's website at www.syngeneintl.com

The maximum tenure of the Independent Directors is in compliance with the provisions of the SEBI Listing Regulations and the Act. No Independent Director of the Company has resigned during the year.

Independent Directors' meetings

Companies Act, 2013 and Rules thereunder mandate that the Independent Directors of the Company hold at least one meeting in a year, without the presence of Non-Independent Directors and members of the Management. The Independent Directors met 4 times during the year on April 27, 2021, July 20, 2021, October 20, 2021 and January 18, 2022. Every Independent Director attended each of the aforesaid meetings. The discussions inter-alia covered review of the performance criteria and methodology for carrying out the performance evaluation of the Board, Committees, Chairperson and the non independent directors as well as to consider the outcome of the evaluation, and asses the quality, quantity and timeliness of flow of information between the Management of the Company and the Board that is necessary for the Board to effectively and reasonably perform its duties. The Lead Independent Director chaired the Meetings of the Independent Directors and conveyed to the Board of Directors at the immediately succeeding board meeting any suggestions or concerns that were discussed at the Meeting of the Independent Directors.

Details of familiarization programmes imparted to Independent Directors

A formal induction programme for new Directors and an ongoing familiarization process with respect to the business/working of the Company for all Directors is a major contributor to familiarize the directors with the dynamics of the industry to facilitate engaging them in meaningful deliberations and in taking informed decisions. Complying with Regulations 25(7) of SEBI Listing Regulations 2015, familiarization programs to empower Independent Directors with the knowledge of Syngene's business and operations were conducted during the financial year. Further, under the 'Board Education Programme', latest developments affecting the Company and the Contract Research Organization (CRO) industry and functions of various business units/verticals were presented to the Directors by the Senior Management team. Further, a Board Development Session on Boards' role and responsibilities was conducted on June 30, 2021 by subject matter experts, giving the Board an insight on the latest corporate governance norms and updates on the regulatory aspects. On January 18, 2022 session on the Environment, Social and Governance (ESG) framework was organised, introducing the Board to the reporting requirements,

trends in Pharma & CRO industry and the Business Responsibility and Sustainable Reporting framework. A monthly report from the MD&CEO containing updates about the Divisions and functions, is circulated to all the directors.

The details of the familiarisation programmes are available at <https://www.syngeneintl.com/investors/corporate-governance/governance-reports-policies/>

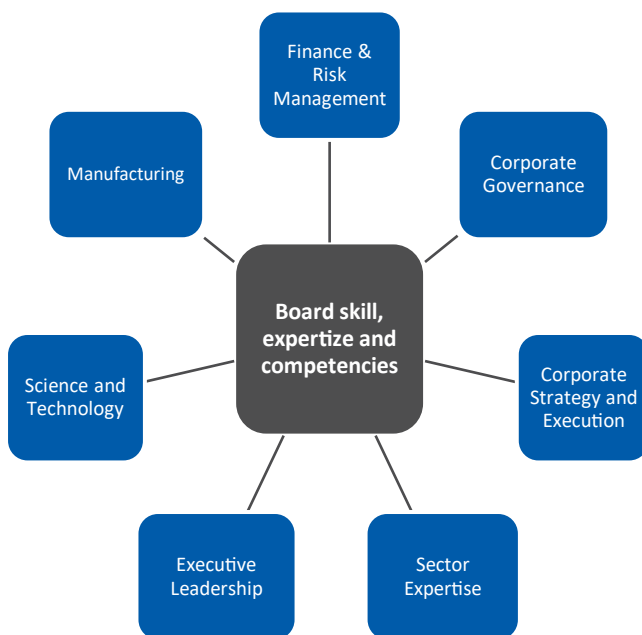
Confirmation on Independent Directors

The Board, based on the disclosures received from all Independent Directors, confirms that all Independent Directors fulfil the criteria of independence as specified in the SEBI Listing Regulations, 2015 and are independent of the management of the Company for the year ended March 31, 2022.

Skill, expertise and competencies of the Board

The Syngene Board comprises qualified members who collectively bring with them the required skills, expertise and competencies, which allow them to make effective contributions to the Board and Committees as required in the context of the business, thus being instrumental in the progress and growth of the Company. The key skills, expertise and competencies identified by the Board which they take into consideration while nominating any candidate to serve on the Board are summarized below:

Board Skill, Expertise and Competencies



The table below highlights the Core Areas of Expertize/Skills/Competencies of the Board members:

Key skills, expertise and competencies	Kiran Mazumdar Shaw	Jonathan Hunt	Dr Carl Decicco	Professor Catherine Rosenberg	Vinita Bali	Dr Kush Parmar	Paul Blackburn	Sharmila Abhay Karve	Dr Vijay Kuchroo
Corporate Strategy & Execution	■	■	■		■	■			
Sector expertise <ul style="list-style-type: none"> • Life science • Healthcare • Research 	■	■	■	■		■			■
Executive Leadership	■	■	■		■	■	■	■	
Finance and Risk management	■						■	■	
Science & Technology <ul style="list-style-type: none"> • R&D • Biotech • Digital 	■		■	■		■			■
Commercial <ul style="list-style-type: none"> • Sales • Marketing • PR • Brand 									
Manufacturing	■	■			■				
Corporate Governance <ul style="list-style-type: none"> • Regulatory & compliance • ESG 	■	■			■		■	■	
Global business experience	■	■	■		■	■	■		

Board evaluation

The Board has carried out an internal annual evaluation of its own performance as well as the working of its Committees for the FY22 in compliance with Section 134 of the Companies Act, 2013 and SEBI Listing Regulations, 2015. This is as per the criteria laid down by the Nomination and Remuneration Committee, which includes the following:

- The Board: Composition, expertise, meetings, functions, management and professional development, among others.
- The Committees: Composition, effectiveness, structure, meetings, independence of the committee, contribution to decision making of the Board, among others.
- Individual Directors (including Chairperson, Independent Directors and Non-Independent directors): Leadership, Governance, Commitment, Contribution, Experience, Expertise, Independence, Integrity, Attendance, Responsibility, among others.

A structured questionnaire was used to capture responses from the Directors. The Chairperson of the Nomination and Remuneration Committee also conducted interviews with individual Directors to understand their concerns, if any and provide feedback on the performance of the Board, its Committees and their peers. The feedback-cum-assessment of individual Directors, the Board and its Committees, was discussed by Independent Directors and the Board for the FY 2021-22 and collective action points for improvement were put in place. The Directors acknowledged the productive

functioning of the Board and its Committees. The Board is also committed to reviewing the progress on the priorities identified for the year under review. The Directors expressed their satisfaction with the evaluation process and endorsed that it has been an effective exercise and has helped to bring out specific areas of improvement to work on in the years to come.

Actions taken by the Board during the year on the focus areas identified last year through an external evaluation, inter-alia included the induction of Dr Kush Parmar as Director on the Board, the appointment of Senior Vice President, Manufacturing Services, who was also inducted on the Executive Committee, the appointment of Ms. Vinita Bali as Lead Independent Director, conducting quarterly meetings of Independent Directors, refinement in the Director on-boarding process, allocation of more time and improving facilitation and time-keeping at the Board and Committee Meetings, circulation of deep-dive topics and planners for the quarterly Committee Meetings at the beginning of the Financial year, revision of the Board compensation, planned board member mentorship for senior management and review of the Board skill matrix.

COMMITTEES OF THE BOARD

The Board has constituted various committees to focus on specific areas and to make informed decisions within their authority. Each committee is governed by its charter, which outlines the scope, roles, responsibilities and powers of the committee. All the decisions and recommendations of the committee are placed before the Board for its noting and approval. Board of Directors

Board of Directors					
Audit Committee	Risk Management Committee	Stakeholders' Relationship and ESG Committee	Corporate Social Responsibility Committee	Nomination and Remuneration Committee	Science and Technology Committee

AUDIT COMMITTEE

The Board, on October 19, 2011, constituted the Audit and Risk Committee in accordance with Section 177 of the Companies Act, 2013 and SEBI Regulations 2015. The Audit Committee comprises three Independent Directors as of March 31, 2022 namely Paul Blackburn as Chairman and Vinita Bali and Sharmila Karve as members.

The attendance of members at the meetings of the Audit Committee held in FY 2021-22 is given below:

Name	Category	No. of Meetings which the member was entitled to attend	Meetings attended
Paul Blackburn ©	ID	6	6
Vinita Bali	ID	6	6
Sharmila Abhay Karve	ID	6	6

©: Chairperson

ID: Independent Director

Terms of Reference:

The Audit Committee directs the audit function and monitors the quality of Internal and Statutory Audits with the objective of sustaining a regime of unqualified financial statements. The Committee functions according to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015. It assists the Board in fulfilling its responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and procedures for internal financial controls, and reviewing the Company's statutory and internal audit processes. The role and responsibilities of the Committee include:

Finance & Accounts

- To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Review with the management the quarterly, half-yearly, and annual financial statements before submission to the Board for approval;
- To review with the management the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section 3 of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Compliance with the applicable Accounting Standard issued by ICAI or other appropriate authority;
 - Disclosure of any related party transactions and review subsequent modification in the related party transactions with related parties of the Company;
 - Modified opinion(s) in draft audit report;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary.

- Approval of related party transactions (i.e. prior) with related parties or any subsequent modification thereof;
- Mandatorily review the management discussion and analysis of financial condition and results of operations;
- Mandatorily review the statement of significant related party transactions (as defined by the Audit Committee) submitted by the management;
- Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- To make recommendations to the Board on any matter relating to financial management including the Audit Report, which shall be binding on the Board. To record the reasons, if the Board does not accept the recommendations and communicate such reasons to the shareholders;
- Reviewing the utilization of loan and/or advances from / investment by the holding company in the subsidiary exceeding Rs. 100 crores or 10% of the assets size of the subsidiary, whichever is lower.

Audit Management

- Review and monitor with the management, auditor's independence, effectiveness of audit process and performance of statutory auditors;
- Recommend to the Board, the appointment, re-appointment, terms of appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- Review the appointment, removal and terms of remuneration of the internal auditor.
- Approval of all audit and permitted non-auditing services to be provided by the independent auditor to the Company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

- Mandatorily review the management letters /letters of internal control weaknesses issued by the statutory auditors;
- Review with the statutory auditors any significant findings and follow up there on;
- Review the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Review with the Management, performance of the Statutory and Internal auditors and adequacy of the internal control systems;
- Review with Internal Auditors any significant findings and follow up there on;
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discuss with the Internal auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Mandatorily review internal audit reports relating to internal control weaknesses;
- Establish a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- To review the implementation and functioning of the Vigil Mechanism/ Whistle Blower Mechanism in the Company.

Others

- The Committee also reviews the financial statements, in particular, the investments made by the unlisted subsidiary company;
- Assess the qualification, experience and background, etc. of the candidate to be appointed as Chief Financial Officer of the Company (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function);
- Mandatorily review the appointment, removal and terms of remuneration of the Chief Internal Auditor;
- Mandatorily review the statement of deviations:

- a quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) for public issue, rights issue, preferential issue etc.
- b annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) for public issue or rights issue.
- Carry out any other function contained in terms of reference of the Committee, Companies Act, 2013, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and any other law;
- Review and evaluate the internal financial controls and risk management systems;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To periodically review the report under the Insider Trading Code of the Company;
- To review and approve the report recommending to the Stock Exchanges the Draft Scheme of arrangement/ amalgamation/ merger/ reconstruction/ reduction of capital taking into consideration the Valuation Report and commenting upon the following:
 - Need for merger/ demerger/ amalgamation/ arrangement
 - Rationale of the scheme
 - Synergies of business of the entities involved in the scheme
 - Impact of the scheme on the shareholders
 - Cost benefit analysis of the scheme
- To undertake self-evaluation of its functioning and identification of areas for improvement towards better governance;
- To review and reassess periodically the adequacy of Audit Committee charter and recommend any proposed change to Board for its approval.

All the members of the Committee are Independent Directors and possess sound knowledge of accounts, finance, audit and legal matters.

During the year, six meetings of the Committee were held on April 26, 2021 ;July 20, 2021; September 22, 2021; October 18, 2021 ; January 19, 2022 and February 17,2022. Apart from the quarterly meetings scheduled to discuss the financial results, two additional meetings were held during the year to discuss matters other than financial results. The Statutory Auditors and Internal Auditors attended the quarterly meetings of the Audit Committee in which the financials were noted. The Committee met the Statutory Auditors and the Internal Auditors separately, independent of the Management, every quarter to obtain their inputs on significant matters relating to their respective areas of the audit. The Company Secretary acts as Secretary to the Committee. The Internal Auditor reports functionally to the Audit Committee. The Board accepted all recommendations made by the Audit Committee during the financial year.

Paul Blackburn, Chairman of the Audit Committee, was present at the last AGM of the Company held on July 21, 2021.

RISK MANAGEMENT COMMITTEE

The Board at its meeting held on January 22, 2019, constituted the Risk Management Committee in accordance with Regulation 21 of the SEBI Listing Regulations, 2015.

The Risk Management Committee comprises the following directors as of March 31, 2022:

Paul Blackburn – Independent Director and Chairman
Dr Carl Decicco– Non-Executive Director
Dr Kush Parmar – Independent Director
Jonathan Hunt – Executive Director

The attendance of the members in the Risk management Committee meetings held in FY 2021-22 is given below:

Name	Category	No. of Meetings which the member was entitled to attend	Meetings attended
Paul Blackburn ©	ID	4	4
Jonathan Hunt	ED	4	4
Carl Decicco ¹	NED	3	3
Professor Catherine Rosenberg ²	NED	4	4
Vinita Bali ³	ID	1	1
Kush Parmar ¹	ID	3	3
Sharmila Abhay Karve ³	ID	1	1

©: Chairman

ID: Independent Director, NED: Non-Executive Director, ED: Executive Director

¹Member w.e.f. July 20,2021

²Ceased to be a member w.e.f., March 01, 2022.

³Ceased to be a member w.e.f. July 20, 2021

Terms of Reference:

- To formulate a detailed risk management policy comprising:
 - a. framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b. measures for risk mitigation including systems and processes for internal control of identified risks.
 - c. business continuity plan.
- Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- Review the Company's risk exposures, risk appetite and tolerance limit;
- Identify the critical risk exposures of the Company and assess Management's actions to mitigate the exposures in a timely manner;
- Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.

- Ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities;
- Annually review the overall risk management framework with respect to risk assessment and management and ensure proper systems of control are in place for risk management;
- Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- Coordinate with the Audit Committee and understand how the company’s internal audit plan is aligned with the risks that have been identified and its management.
- Coordinate its activities with other committees/Board, in instances where there is any overlap with activities, as per the framework laid down by the Board of directors;
- Periodically obtain assurance from the management that all known and emerging risks have been identified and mitigated or managed;
- To report to the Board about the nature and content of its discussions and actions to be taken and make recommendations, if any;
- To undertake self-evaluation of its function and identify areas for improvement towards better governance;
- To review appointment, removal and terms of remuneration of the Chief Risk Officer (if any).
- To periodically review and reassess the adequacy of this charter and recommend any change to the Board for its approval;
- To perform such functions as may be delegated by the Board and/or are prescribed under Companies Act, 2013,

SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and any other applicable laws from time to time.

The Company has in place an enterprise-wide risk management framework. This holistic approach provides the assurance that the Company, to the best of its capabilities, identifies, assesses and mitigates risks that could materially impact its performance in achieving the stated objectives.

During the Financial Year, four meetings of the Committee were held on April 21, 2021; July 21, 2021; October 18, 2021 and January 10, 2022.

STAKEHOLDERS RELATIONSHIP AND ESG COMMITTEE

The Board, on July 23, 2014, constituted Stakeholders Relationship Committee in accordance with Section 178 (5) of the Companies Act, 2013 and SEBI Listing Regulations. In the Board meeting held on October 20, 2021, the Company proposed to include the Environment Social and Governance (ESG) accountabilities within the scope of the Stakeholders Relationship Committee and widen the powers of the Committee to review and monitor the ESG matters. On the approval of the Board, the Stakeholder Relationship Committee has been renamed as Stakeholders Relationship and ESG Committee w.e.f. October 20, 2021. The Stakeholders Relationship and ESG Committee comprises two Independent Directors, one non-executive Director, and one executive director, as of March 31, 2022 namely Sharmila Abhay Karve, Independent Director as the Chairperson, Paul Blackburn, Independent Director, Professor Catherine Rosenberg, Non-Executive Director and Jonathan Hunt, Executive Director as Members.

The attendance of members at the Stakeholders Relationship and ESG Committee Meetings held in FY 2021-22 is given below:

Name	Category	No. of Meetings which the member was entitled to attend	Meetings attended
Sharmila Abhay Karve©	ID	4	4
Jonathan Hunt	ED	4	4
Professor Catherine Rosenberg*	NED	0	0
Paul Blackburn	ID	4	4

©: Chairperson

ID: Independent Director, NED: Non-Executive Director, ED: Executive Director

*Member w.e.f. March 01, 2022

Terms of Reference

The Stakeholders Relationship & ESG Committee inter-alia looks into the redressal of grievances of investors or other security holders. The Committee functions according to the provisions of the Companies Act, 2013 and SEBI Listing Regulations. The role and responsibilities of the Committee have been enhanced beyond the requirements prescribed under law and include:

- To look into redressal of all grievances pertaining to equity shareholders /any other security holders.
- To deal with all grievances relating to non-receipt of annual report and/or general meeting notices, non-receipt of declared dividends, non-receipt of interest and any other related grievances of the equity shareholders /any other security holders.
- To deal with all matters relating to the transfer, transmission of shares and other allied matters. However, Company Secretary is severally authorised to approve the transfer and transmission up to two thousand equity shares.
- To deal with all matters relating to issuing new or duplicate share certificates.
- Review the measures taken by the Company for the effective exercise of voting rights by the shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services rendered by the Registrar & Share Transfer Agents.
- Review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividend and any other unclaimed amount.
- Review of various measures and initiatives taken by the Company to ensure timely receipt of dividend /annual reports/statutory notices by the shareholder of the company.
- To maintain and promote the corporate image of the Company among stakeholders including potential stakeholders;
- Reviewing movement in key shareholdings and ownership structure;
- To review expectations and concerns of shareholders and analysts about the Company, emerging during face-to-face interactions, analysts' briefings or survey of shareholders. The Committee shall also review the engagement with or reports made on the company by various stakeholders

including credit rating agencies, Environment, Social and Governance rating agencies and ensure that the views / concerns of the stakeholders are highlighted to the Board at appropriate time and that the steps are taken to address such concerns;

- Review of the Annual Internal Audit Report from the Registrar and Share Transfer agent pursuant SEBI Circular dated April 20, 2018 together with the audit observations and action taken report;
- To focus on the macro-level trends and developments in ESG parameters, guide the creation of ESG goals of the Company, review the actions taken to achieve such goals and monitor the ESG performance of the Company;
- To ensure that the Company is taking the appropriate measures to undertake and implement actions to further its ESG Goals. The Committee shall have access to any internal information necessary to fulfil its role, in this regard;
- To review the updates provided by the ESG Council and its working. The Committee may delegate authority to the ESG Council as and when it deems appropriate;
- To review any statutory requirements for sustainability reporting e.g. Business Responsibility Reporting (BRR)/ Business Responsibility and Sustainability Reporting;
- To review and evaluate the ESG risks identified by the Company and establish mitigation steps around it, which can be reported to the Risk Management Committee and Board;
- Performing such other functions as may be required under the relevant provisions of the Companies Act, 2013, the Rules made there under, the SEBI Listing Regulations and various circulars issued by the regulatory authorities thereof, as amended from time to time and discharge such other functions as may be specifically delegated to the Committee by the Board from time to time;
- To undertake self-evaluation of its functioning and identification of areas for improvement towards better governance;
- To annually review and reassess the adequacy of this charter and recommend any proposed change to the Board for its approval.

During the financial year, four meetings of the Committee were held i.e. on April 21, 2021; July 20, 2021; October 19, 2021 and January 17, 2022.

Sharmila Abhay Karve, Chairperson of the Committee as on the date of last AGM held on July 21, 2021, was present thereat. There were no shareholders' complaints received and resolved during the financial year ended March 31, 2022. There were however 72 requests received by the Company/RTA for various issues such as copies of annual report, renewal of IPO refund order, renewal of dividend warrant amongst others. All the requests were closed within the stipulated time.

Compliance Officer

Priyadarshini Mahapatra has been appointed as the Company Secretary & Compliance Officer of the Company as per Regulation 6 of the SEBI Listing Regulations, 2015 to discharge all duties under the SEBI Listing Regulations.

Role of Company Secretary

The Company Secretary plays a key role in ensuring that effective Board procedures are followed and reviewed periodically. She is primarily responsible for ensuring compliance with all the

provisions of the Companies Act, SEBI Listing Regulations, Secretarial Standards issued by the Institute of Company Secretaries of India and provisions of all other applicable laws to the Company. She ensures timely flow of information along with relevant supporting documents to the Directors and the Senior Management team for effective decision making at the respective meetings. She also assists and advises the Board in following good corporate governance practices.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In terms of Section 135 of the Companies Act, 2013, the Board, on October 23, 2013, constituted the Corporate Social Responsibility (CSR) Committee. The CSR Committee comprises two Independent Directors and one Non-Executive Director as on March 31, 2022 namely Prof. Catherine Rosenberg, Non-Executive Director as Chairperson and Dr Vijay Kuchroo, Independent Director and Vinita Bali Independent Director as Members.

The attendance of the members at the meetings of the CSR Committee during the FY 2021-22 is given below:

Name	Category	No. of Meetings which the member was entitled to attend	Meetings attended
Professor Catherine Rosenberg ©	NED	4	4
Vinita Bali	ID	4	4
Dr Vijay Kuchroo	ID	4	4

©: Chairperson

ID: Independent Director, NED: Non-Executive Director

Terms of reference:

- Formulate and recommend a CSR policy to the Board and seeks their approval;
- Ensure that the list of CSR activities which the Company plans to undertake falls under the purview of the Act and the proposed activities are selected in a fair and transparent manner.
- Recommend CSR activities and budget to the Board for approval;
- To review, implement and monitor all CSR activities from time to time and regularly report to the Board on the progress;
- To review and reassess periodically the adequacy of this policy and recommend any proposed change to the Board for its approval;
- To ensure that the surplus fund that arises from the CSR activities shall not form part of business profit and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year;
- To ensure that CSR activities undertaken only in India are accounted towards CSR expenditure except for training of Indian sports personnel representing any State or Union territory at national level or India at international level
- To ensure that CSR activities that benefit the employees of the Company and their families shall not be considered as CSR activities except as otherwise provided under the law;
- To formulate and recommend to the Board, an annual action plan in pursuance of this policy, which shall include the following, namely: -

- a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - b) the manner of execution of such projects or programmes as specified in rule 4(1) of the CSR Rules;
 - c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - d) monitoring and reporting mechanism for the projects or programmes; and
 - e) details of need and impact assessment, if any, for the projects undertaken by the company:
- To recommend to the Board alteration, if any, to the annual action plan at any time during the financial year based on the reasonable justification to that effect.
 - To undertake self-evaluation of its own functioning and identification of areas for improvement towards better governance.
 - Ensure compliance with the requirements of the Companies Act, 2013.

Syngene believes and acknowledges its responsibility towards the environment, its consumers, employees and other stakeholders. Our CSR initiatives are based on the principle of making an enduring impact on the society through programmes that promote social and economic inclusion. The Company's contributions and initiatives towards social welfare, promoting education in the fields of science and medicine, and environment sustainability have been integral to its business all along. The overarching principle on Company's CSR highlights an inclusive, integrated and participatory approach towards the community and ecology.

In view of the ongoing pandemic, the Company, recognises its responsibility towards the stakeholders, and has undertaken Covid testing (RT-PCR tests) and Vaccination as part of its CSR activities to support the government's Covid testing and Vaccination capacity. These CSR activities were directly undertaken by the Company. CSR has been a commitment and business behaviour at the Company. The Company has been making concerted efforts to protect and improve the welfare of society as it demonstrates sustainable practices.

The Company's CSR activities, apart from the Covid tests are executed through Biocon Foundation that develops and implements healthcare, educational and infrastructure projects; rural development; promotion of art and culture; gender equality and safety of vulnerable sections of society. The CSR policy of the Company is available on our website at <https://www.syngeneintl.com/investors/corporate-governance/governance-reports-policies/>.

During the financial year, four meetings of the Committee were held on April 26, 2021; October 18, 2021; January 10, 2022 and February 17, 2022. The CSR Report as required under the Companies Act, 2013 for the year ended March 31, 2022 is annexed as Annexure 07 to the Board's Report.

SCIENCE AND TECHNOLOGY COMMITTEE

The Board, on July 20, 2021 constituted the Science and Technology Committee to provide strategic direction on identifying and evaluating science and technology in line with client requirements and industry trends.

The Science and Technology Committee comprises two Independent Directors, two Non-Executive Directors and one Executive Director as on March 31, 2022 namely Dr Vijay Kuchroo, Independent Director as the Chairperson, Dr Kush Parmar, Independent Director, Dr Carl Decicco and Professor Catherine Rosenberg, Non-Executive Directors and Jonathan Hunt, Executive Director as Members.

The attendance of the members at the Meetings of the Science and Technology Committee during FY22 is given below:

Name	Category	No. of Meetings which the member was entitled to attend	Meetings attended
Dr Vijay Kuchroo©	ID	2	2
Mr Jonathan Hunt	ED	2	2
Dr Carl Peter Decicco	NED	2	2
Professor Catherine Rosenberg	NED	2	2
Dr Kush Parmar	ID	2	2

©: Chairperson

ID: Independent Director, NED: Non-Executive Director, ED: Executive Director

Terms of Reference:

- Identifying emerging areas of science and technology to be assessed by Syngene.
- Recognizing the growing trends in the industry and making suggestions/recommendations for their evaluation and implementation;
- Ensure clarity of direction and a structured approach to assessing new areas of science and technology, to be on the leading edge of science and technology in the service industry to meet the emerging needs of clients;
- Review, from time to time, important bioethical issues faced by the Company and assist in the formulation of appropriate policies in relation to such issues;
- Consider, from time to time, future trends in medical science and technology, and review and assess any matters arising when the Company is considering entry into new areas of science or medicine;
- To bring together multiple external perspectives (Self, Clients, Vendors, Academia) and assure that Syngene makes well-informed choices in the investment of resources across divisions in Discovery, Development, Manufacturing services, and Dedicated centres;

- To enable Syngene to adapt to new profitable, beneficial science and technology implementation decisions in a timely manner ;
- Monitor and review the progress of recommended technologies and speak on Syngene advances in these technologies during personal interactions ;
- Development of scientific manpower at the appropriate or required level within Syngene;
- Building scientific network.

During the financial year, two meetings of the Committee were held on October 20, 2021 and January 18, 2022.

NOMINATION AND REMUNERATION COMMITTEE

The Board, on April 23, 2014, constituted the Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations.

The Nomination and Remuneration Committee comprises three Independent Directors and one Non-Executive Director as on March 31, 2022 namely Vinita Bali, Independent Director as the Chairperson and Dr Vijay Kuchroo, Sharmila Abhay Karve, Independent Directors, and Professor Catherine Rosenberg, Non-Executive Director as Members.

The attendance of the members at the Meetings of the Nomination and Remuneration Committee during FY22 is given below:

Name	Category	No. of Meetings which the member was entitled to attend	Meetings attended
Vinita Bali ©	ID	6	6
Dr Carl Peter Decicco ¹	ID	2	2
Professor Catherine Rosenberg	NED	6	5
Sharmila Abhay Karve ²	ID	4	4
Dr Vijay Kuchroo	ID	6	6

©: Chairperson

ID: Independent Director, NED: Non-Executive Director, ED: Executive Director

¹Ceased to be a member w.e.f. July 20, 2021

²Member w.e.f. July 20,2021

Terms of Reference:

- Review the Board Structure, size and composition and thereafter make any recommendations to the Board in this regard;
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- Identify the succession pipeline for Directors, based on competencies required on the Board and recommend new appointments to the Board as necessary;
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- Review Senior Management performance and potential, talent development and succession plan, in order to maintain the appropriate balance of skill, experience and expertise in the Senior Management team;
- Identify and nominate candidates for the approval of the Board for any new appointments -- whether of independent directors, executive or non-executive Directors. The Committee may use an external search agency and/or any other means to assist in this recruitment process;
- Recommend to the Board the rationale for the appointment or removal of a Director, Key Managerial Personnel or Senior Management;
- Evaluate the performance of the Key Managerial Personnel and Senior Management, in the context of the Company's performance and industry benchmarks, and determine the structure of total compensation;
- Review and approve the Company people and compensation strategy from time to time in the context of the prevailing market conditions in all relevant geographies and in accordance with applicable laws;
- Recommend to the Board a policy, relating to the overall remuneration structure of the Company and specifically the total compensation of the Directors and Senior Management;
- Review the HR dashboard and ensure that the key metrics relating to people and culture are consistent with the values of the Company and are being continually tracked;
- Recommend to the Board, all remuneration, in whatever form, payable to the Senior Management and Directors;
- Specify the process and criteria of annually assessing Board and Committee effectiveness and Individual Director assessments, to be conducted internally by the Nomination and Remuneration Committee or by an independent external agency and review its implementation, including the term of Directors;
- Formulation of criteria for evaluation of the performance of Independent Directors and the Board of Directors;
- Ensure appropriate induction, training and education programs are in place for new and existing Directors and review its effectiveness;
- Devise a policy on the diversity of Board of Directors;
- Determine whether to extend or continue the term of appointment of the Independent Director based on report of performance evaluation of Independent Directors;
- Perform such necessary functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- Periodically review and reassess the adequacy of this charter and recommend any proposed change to the Board for approval;
- Report to the Board any matters of governance brought to the attention of the Committee and make recommendations, if any, towards better governance;
- Perform functions as may be delegated by the Board of Directors and/or prescribed under The Companies Act, 2013, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and any other applicable law;
- Ensure that the Company frames suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as and when the same come into force;
 - (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.

During the financial year, six meetings of the Committee were held on April 26, 2021; May 11, 2021; July 21, 2021; August 26, 2021; October 18, 2021 and January 19, 2022.

Remuneration Policy

The Remuneration Policy of the Company is broadly based on the following criteria:

- The remuneration structure is reasonable and sufficient to attract, retain and motivate employees at all levels in the Company
- Relationship of remuneration with the employee's performance is clear and meets performance benchmarks
- Remuneration to Directors/Senior Management/Key Managerial Personnel involves balance between fixed pay, variable pay and stock options reflecting short and long-term objectives derived to achieve the Company's goal.

For details, refer to the policy relating to Director's appointment and remuneration, which is available on the website of the Company at <https://www.syngeneintl.com/investors/corporate-governance/governance-reports-policies/>.

REMUNERATION OF DIRECTORS

Compensation to Executive Directors

Jonathan Hunt held the position of Managing Director & CEO as on March 31, 2022. All other directors are Non-Executive Directors. Jonathan Hunt has been appointed as the Managing Director & CEO of the Company w.e.f April 01, 2020 for a period of five years, on the same remuneration as he was entitled to as the Executive Director & CEO, which was approved by the shareholders at the 27th AGM of the Company held on July 22, 2020. The remuneration of Jonathan Hunt includes annual base pay subject to performance-linked increment, variable pay linked to Company's performance, long-term incentives, including stock options, and perquisites, as well as other allowances as per the Company's policy and as approved by the Board. The shareholders vide resolution passed by postal ballot dated February 27, 2022, increased the overall limit of managerial remuneration payable to Jonathan Hunt from 5% to 14% of the net profits of the Company and consequently increased the overall managerial remuneration limit payable to all directors to 15% of the net profits of the Company computed in accordance with Section 198 of the Act for a period of three years from March 01, 2022. The Company however has not modified the limit of remuneration payable to the Non-executive directors ie. 1% of the Net Profits of the Company as approved by the shareholders of the Company by postal ballot on March 05, 2019. The above increase in managerial remuneration was approved to facilitate the exercise of Employee Stock Options/Restricted Stock Units granted to and vested unto Jonathan Hunt. The increase in remuneration of Jonathan Hunt would primarily be on account of an increase in the perquisite value arising upon exercise of vested stock incentives granted to him in the previous years coupled with the significant increase in share price. Such increase will neither

entail any additional charge or outflow for the Company nor impact the Statement of Profit and Loss Account of the Company. The Nomination and Remuneration Committee and Board of Directors of the Company vide resolutions dated January 19, 2022, had approved and recommended the above increase to the shareholders.

Any annual pay, variable pay or incentives payable to Managing Director and CEO is determined keeping in view his performance on various financial and non-financial parameters approved by the Board based on the recommendation from the Nomination and Remuneration Committee

Pecuniary relationship or transactions of the Non-Executive Directors

There was no pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company, which has potential conflict with the interest of the organization at large.

Criteria for making payment to Non-Executive Directors

The role of Non-Executive and Independent Directors is not just restricted to corporate governance or outlook of the Company. They also bring with them significant professional expertise and rich experience across a wide spectrum of functional areas in the fields of scientific knowledge, research and innovation, manufacturing, global healthcare service, general management, finance and risk management, compliance and governance, technology and digital perspective and other corporate functions. The Company seeks their expert advice on various matters from time to time. Hence, the compensation to the Non-Executive Directors is recommended. The Nomination and Remuneration Committee determines and recommends to the Board the compensation payable to Directors.

Compensation/fees paid to Non-Executive Directors

Non-Executive Directors of the Company are paid remuneration as detailed below by way of commission, which was approved and recommended by the Board and subsequently approved by the shareholders through Postal Ballot dated March 5, 2019. The overall limit is 1% per annum of net profits of the Company, calculated as per the provisions of Section 198 of the Companies Act, 2013, for remuneration payable by way of quarterly commission to the Non-Executive and Independent Directors of the Company.

The shareholders vide resolution passed by postal ballot dated February 27, 2022, increased the overall limit of managerial remuneration payable to Jonathan Hunt, MD&CEO from 5% to 14% of the net profits of the Company and consequently increased the overall managerial remuneration limit payable to all directors to 15% of the net profits of the Company computed in accordance with Section 198 of the Act for a period of three years from March 01, 2022. The Company however has not modified the limit of remuneration payable to the Non-executive directors ie. 1% of the Net Profits of the Company as approved by the shareholders of the Company by postal ballot on March 05, 2019

S. No	Particulars	Maximum Annual Board Fees in USD
1	Board Meeting - Non-Executive Chairperson	1,00,000
2	Board meeting – Other Non Executive Directors	50,000
3	Audit committee - Chairperson	24,000
4	Audit committee – Other Members	16,000
5	For each of the Committees, namely Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee, Stakeholders Relationship & ESG Committee and Science & Technology Committee - Chairperson	12,000
6	For each of the Committees, namely Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee, Stakeholders Relationship & ESG Committee, and Science & Technology Committee – Other Members	8,000

Sitting fee will be paid on the basis of USD 1,000 per meeting of the Board/Committee and this will be adjusted against the overall amount of the Board fee, as indicated in the table above, assuming quarterly meetings of Board and individual Committees. In case of additional meetings other than quarterly meetings, only the sitting fee of USD 1,000 will be paid for each such additional meeting. Pro-rata commission (i.e. 25% as stated in the above table) will be paid quarterly after adjusting quarterly sitting fees. Besides the above, travel expenses for attending the meetings will be reimbursed on actual basis. The Directors are entitled to reimbursement of all expenses for participation in the Board and Committee meetings.

The details of remuneration and sitting fees paid or provided to all the Directors during the year ended March 31, 2022 are as under:

(Rs. in Million)

Name of the Director	Salary & Perquisites@			Others		Total
	Fixed Pay + Bonus	Stock Options	Retiral Benefits*	Commission	Sitting Fees	
Kiran Mazumdar Shaw	-	-	-	7.22	0.30	7.52
Jonathan Hunt	76.31	-	-	-	-	76.31
Carl Decicco	-	-	-	3.92	0.85	4.77
Prof. Catherine Rosenberg	-	-	-	4.82	1.46	6.28
John Shaw ¹	-	-	-	0.86	0.07	0.93
Kush Parmar ²	-	-	-	3.92	0.75	4.67
Vinita Bali	-	-	-	5.26	1.53	6.79
Paul F Blackburn	-	-	-	5.79	1.35	7.14
Sharmila Abhay Karve	-	-	-	5.11	1.43	6.54
Dr Vijay Kuchroo	-	-	-	4.37	1.23	5.60

Note:

¹John Shaw, had stepped down as director from the Board with effect from July 21, 2021.

²Kush Parmar was appointed as director on the Board with effect from June 22, 2021

*The details above are on an accrual basis. The remuneration does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

@Excludes value of perquisite upon exercise of stock options which were granted during earlier financial years. No options were granted during the year.

Service contracts, notice period and severance fees

As on March 31, 2022, the Board comprised nine members, including one Executive Director and eight Non-Executive Directors, of which five are Independent Directors. Jonathan Hunt, being in employment, as per terms of appointment, is eligible for severance fees equivalent to three months' notice. However, other Directors are not subject to any notice period and severance fees.

GENERAL BODY MEETINGS

Location, dates and time of the last three AGMs

Location, dates and time of the last three AGMs are detailed below:

S. No	Financial Year	Date and Time	Location	Special Resolution Passed
1	2018-19	July 24, 2019 4:30 P.M.	Tyler Jacks Auditorium, Biocon Park SEZ, Bommasandra Industrial Area, Phase IV, Jigani Link Road, Bangalore, 560 099	<ol style="list-style-type: none"> To re-appoint Paul Blackburn (DIN:06958360) as an Independent Director of the Company. To approve Syngene Restricted Stock Unit Long Term Incentive Plan FY2020 and grant of Restricted Stock Units to eligible employees of the Company. To approve grant of Restricted Stock Units to the employees of present and future subsidiary company (ies) under Syngene Restricted Stock Unit Long Term Incentive Plan FY2020. To approve the provision of money by the Company for purchase of its own shares by the Syngene Employees Welfare Trust for the benefit of employees under Syngene Restricted Stock Unit Long Term Incentive Plan FY2020.
2	2019-20	July 22, 2020 4:00 P.M.	Held through video conference ("VC")/ other audio-visual means ("OAVM") deemed to be held at Biocon Campus, 20 th K.M. Hosur Road, Hebbagodi, Bangalore, 561229	<ol style="list-style-type: none"> To re-appoint Dr Vijay Kumar Kuchroo (DIN: 07071727) as an Independent Director of the Company. To re-appoint Vinita Bali (DIN: 00032940) as an Independent Director of the Company.
3	2020-21	July 21,2021 3:30 P.M	Held through video conference ("VC")/ other audio-visual means ("OAVM") deemed to be held at Biocon Campus, 20 th K.M. Hosur Road, Hebbagodi, Bangalore, 561229	No Special Resolution was passed at the AGM.

Details of Postal Ballot during the year along with voting pattern:

During the financial year, the Company had sought approval of the shareholders through postal ballot. The Board had appointed V Sreedharan, Practicing Company Secretary, partner of M/s V Sreedharan & Associates, Company Secretaries, Bangalore (FCS 2347; CP 833) and in his absence Pradeep B Kulkarni, Practicing Company Secretary, Bengaluru (FCS 7260; CP 7835) or Devika Sathyanarayana, Practicing Company Secretary, Bengaluru (FCS 11323; CP 17024), as the Scrutinizer for conducting the postal ballot process in fair and transparent manner. The details of the postal ballot are as follows:

Name of the Resolution	Type of Resolution	No. of Votes Polled	Votes cast in favour		Votes cast against	
			No. of Votes	%	No. of votes	%
To approve increase in the limit of managerial remuneration payable to Jonathan Hunt in excess of the prescribed limit from 5% to 14% of the net profits of the Company and consequent increase in the overall managerial remuneration payable to all directors from 11% to 15%.	Special Resolution	344,308,465	337,185,806	97.93	7,122,659	2.07

Date of Postal Ballot Notice: January 19, 2022

Voting Period: January 29, 2022 to February 27, 2022

Date of Approval: February 27, 2022

Date of Declaration of Result: February 28, 2022

COMMUNICATION OF FINANCIAL RESULTS

I. Quarterly financial results

The quarterly financial results are normally published in nationwide newspaper Financial Express and Vijayavani (Kannada edition) newspapers and are also displayed on Company's website at <https://www.syngeneintl.com/investors/financial-information/>

II. News Releases, Presentations

Official news/press releases are sent to the Stock Exchanges from time to time and are also displayed on the Company's website www.syngeneintl.com

III. Presentations to Institutional Investors/ Analysts

Presentations are made to institutional investors and financial analysts on quarterly financial results of the Company. These presentations are also published on the Company's website <https://www.syngeneintl.com/investors/financial-information/> and are sent to Stock Exchanges. The schedule of meetings with institutional investors/financial analysts are intimated in advance to the Stock Exchanges and disclosed on Company's website at <https://www.syngeneintl.com/investors/stock-exchange-disclosures/>

IV. Website

The website of the Company i.e. www.syngeneintl.com contains a separate and dedicated "investors" section to serve shareholders, by giving complete information

pertaining to the Board of Directors and its Committees, financial results including subsidiaries financials, stock exchanges disclosures and compliances such as shareholding pattern, corporate governance report and press releases, Notice of the Board and General Meetings, details of Registrar and Transfer Agents, details of unclaimed dividend and IEPF related information amongst others. The Company's Annual Report along with supporting documents and the ESG report are also available on the website in a user-friendly and downloadable form.

V. NSE Digital/NEAPS and BSE Listing Centre

NSE Digital/ NEAPS and BSE Listing Centre are web-based application designed by NSE and BSE respectively, for the Corporates for smooth filing of information with the stock exchanges. All periodical compliance filings like shareholding patterns, corporate governance report, media releases are electronically filed on NSE Digital/ NEAPS and BSE Listing Centre.

VI. SEBI Complaints Redress System ("SCORES")

Investor complaints are processed through a centralized web-based complaints redressal system. Centralised database of all complaints received, online upload of the Action Taken Reports (ATRs) by the Company, online viewing by investors of actions taken on the complaints and the current status are updated/resolved electronically in the SEBI SCORES system.

General Shareholders' Information	
Day and Date of Annual General meeting	Wednesday , July 20, 2022
Time	3:30 PM
Venue	The meeting shall be held through video conferencing/other audio-visual means. The deemed venue for the meeting shall be Biocon Campus, 20th K.M. Hosur Road, Hebbagodi, Bangalore, 561229
Financial year	1 st day of April to 31 st day of March in the next calendar year
Record Date for Dividend	July 01, 2022
Dividend Payout date	On or before August 01, 2022
Evoting cut-off date	July 13, 2022
Listing on Stock Exchanges	National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra – Kurla Complex, Bandra (East), Mumbai- 400 051
	BSE Limited (BSE) Floor 25, P J Towers, Dalal Street, Mumbai 400 001
Payment of annual listing fees	Paid
Stock Symbol /Code	Syngene (NSE) 539268 (BSE)
International Securities Identification Number (ISIN)	INE398R01022
Face Value per share	Rs. 10/-
Date of Listing	August 11, 2015
Financial calendar for 2022-23 (tentative dates)	
For the quarter ending June 2022	July 20, 2022
For the quarter ending September 2022	October 19, 2022
For the quarter ending December 2022	January 23, 2023
For the quarter ending March 2023	April 26, 2023

Market price data for FY 2021-22

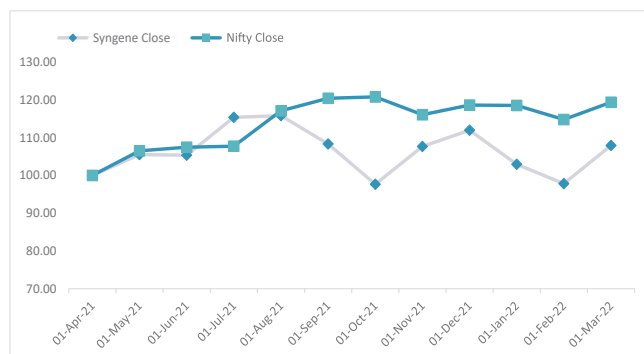
The Company's shares are regularly traded on BSE Limited and National Stock Exchange of India Limited. The monthly high/low and volume of shares of the Company from April 1, 2021 to March 31, 2022 is given below:

Months	NSE			BSE		
	High Price (Rs.)	Low Price (Rs.)	Volume of Equity Shares	High Price (Rs.)	Low Price (Rs.)	Volume of Equity Shares
Apr/21	619.00	542.20	11,439,890	619.10	542.55	1,194,647
May/21	614.40	554.00	9,027,166	614.00	553.60	745,497
Jun/21	599.85	567.50	6,334,387	599.50	567.20	1,236,546
Jul/21	700.00	575.15	18,523,166	699.95	575.55	1,252,810
Aug/21	659.00	590.75	8,604,286	659.00	591.00	603,743
Sep/21	686.30	594.10	18,712,581	686.00	594.05	3,122,173
Oct/21	639.25	530.55	12,982,547	639.00	530.65	1,226,015
Nov/21	621.90	535.05	15,155,526	621.45	535.20	955,943
Dec/21	632.00	561.00	14,249,515	632.00	561.00	1,706,113
Jan/22	648.75	550.15	11,774,199	648.80	551.05	673,253
Feb/22	603.90	515.00	7,662,038	603.55	508.10	463,122
Mar/22	617.55	518.85	7,727,886	617.15	519.20	327,618

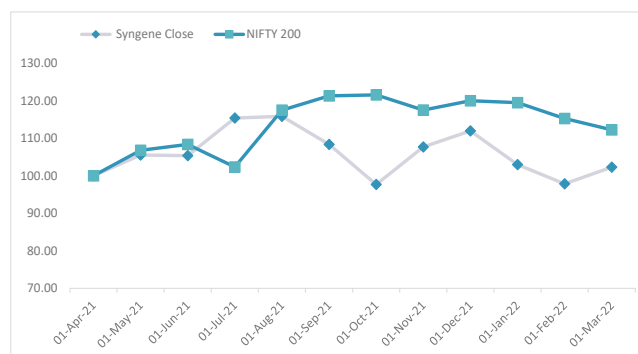
[Source: This information is compiled from the data available on the websites of BSE and NSE]

Relative Movement Chart

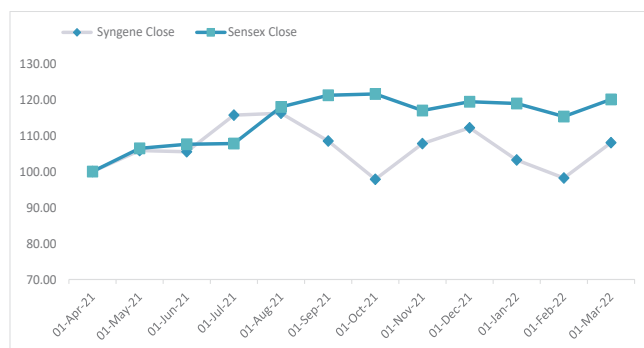
Syngene and S & P Nifty share price movement from April 1, 2021 to March 31, 2022



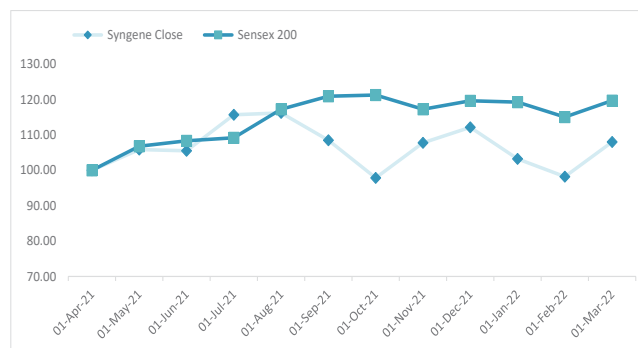
Syngene and NIFTY 200 share price movement from April 1, 2021 to March 31, 2022



Syngene and BSE Sensex share price movement from April 1, 2021 to March 31, 2022



Syngene and BSE Sensex 200 share price movement from April 1, 2021 to March 31, 2022



As on March 31, 2022 the securities of the Company are not suspended from trading.

Registrar and Share Transfer Agents

The members of the Company may address all their communication relating to transfer, transmission, refund order, dividend and National Electronic Clearing system (NECS) dematerialisation, among others, to the Company's Share Transfer agent i.e. KFin Technologies Limited at the address given below and may also write to the Company.

KFin Technologies Limited

(Unit: Syngene International Limited)

Plot 31-32, Selenium, Tower B, Gachibowli, Financial District, Nanakramguda,

Serilingampally Mandal, Hyderabad – 500032 Telangana,

E-mail id: einward.ris@kfintech.com

Share Transfer System

All the Company's shares are held in dematerialised form, except for 346 shares that were in physical form as on March 31, 2022. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can only be transferred in demat form with effect from April 1, 2019, except in case of request for transmission or transposition of securities. The Stakeholders Relationship & ESG Committee would approve the cases for transmission or transposition of shares in the physical form, if any received as per the time limits and procedure specified in Regulation 40 of SEBI Listing Regulations, 2015. No requests for transmission or transposition of shares in the physical form were received during the year. There are no shares in Demat suspense account and unclaimed suspense account as of March 31, 2022.

Distribution of shareholding by the number of shares as of March 31, 2022

Sl. No	Category	Number of Shares	% to paid up Capital
1	Promoters	282,197,961	70.41
2	Foreign Institutional Investors	54,802,067	13.67
3	NRI & Foreign Nationals	2,352,928	0.59
4	Mutual Funds, Banks, Fls, AIFs	16,810,641	4.19
5	Directors	100,000	0.03
6	Bodies Corporate	3,814,902	0.95
7	Indian Public & Others	37,994,805	9.48
8	Non-Promoter Non-Public	2,723,196	0.68
	TOTAL	400,796,500	100.00

List of shareholders holding more than 1% of the paid-up share capital as of March 31, 2022

Sl No	Name	Shareholding	% to paid up Capital
1	Biocon Limited	280,974,772	70.10
2	UTI-Unit Linked Insurance Plan	5,067,701	1.26
3	Government Pension fund Global	4,711,314	1.18
	Total	290,753,787	72.54

Distribution of shareholding by number of shares as on March 31, 2022

Sl. No	Category	No of shareholders	Total Shares	% to shareholders	% to Paid up Share Capital
1	up to 1 - 5,000	123,514	11,043,524	89.86	2.76
2	5001 - 10,000	7,353	5,412,243	5.35	1.35
3	10001 - 20,000	3,840	5,436,757	2.80	1.36
4	20,001 - 30,000	945	2,362,891	0.69	0.59
5	30,001 - 40,000	432	1,515,118	0.31	0.38
6	40,001 - 50,000	275	1,259,847	0.20	0.31
7	50,001 - 100,000	486	3,499,134	0.35	0.87
8	100,001 & Above	603	370,266,986	0.44	92.38
	Total	137,448	400,796,500	100.00	100.00

Dematerialization of Shares and Liquidity

Syngene's shares are available for trading only in electronic form. We have established connectivity with both the depositories, namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to the shares under the Depository System is INE398R01022.

Other outstanding instruments

There are no outstanding GDR/ADR/warrants/any convertible instruments as on March 31, 2022.

Commodity Price risk or foreign exchange risk and hedging activities

The Company has Foreign Exchange Risk Management Policy. Accordingly, during the financial year, the Company has managed the foreign exchange risk and hedged to the extent considered necessary. The details of foreign currency exposure and hedging are disclosed in notes to the financial statements.

Statement showing un-claimed dividend/IPO refund as at March 31, 2022

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, dividend, which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account, is required to be transferred by the Company to Investor Education and Protection Fund (IEPF), established by the Central Government under the provisions of Section 125 of the Companies Act, 2013. The Company, under investor's initiatives, has sent the reminder letters to all stakeholders to claim the below mentioned unclaimed amount. The unclaimed dividend/IPO refund amounts, along with their due dates for transfer to IEPF, are mentioned below:

Sl. No.	Year	Nature	Dividend Amount per Share (in Rs.)	Amount of unclaimed dividend/IPO refund as at March 31, 2022 (in Rs.)	Due date for transfer of unclaimed dividend amount to IEPF (IEPF rule 3(1))
1	2015-16	IPO refund	NA	1,049,400	August 5, 2022
2	2015-16	Interim Dividend	1.00	56,837	April 16, 2023
3	2016-17	Final Dividend	1.00	51,190	September 1, 2024
4	2017-18	Final Dividend	1.00	53,843	September 28, 2025
5	2018-19	Final Dividend	0.50	39,348	August 29, 2026

Plant Locations

Biocon Park SEZ, Plot No. 2, 3, 4 & 5 Bommasandra Industrial Area, Phase IV, Jigani Link Road, Bangalore-560099	113-C – 2, Bommasandra Industrial Area, Attibele, Hobli, Anekal Taluk, Bangalore-560099
Syngene International Limited, IP-38 (Part), IP-39, IP-46, & IP-60, Kalavar and Bajpe village, Surathkal Hobli, Mangalore Taluk, Dakshina Kannada District, Karnataka	Building 9000, Plot No. 7, Survey Nos. 542, MN Park, Synergy Square 2, Genome Valley, Kolthur (V), Shameerpet (M), Medchal District, Hyderabad, Telangana -500078

Address for Correspondence

Financial Disclosure Sibaji Biswas President – Finance & Chief Financial Officer Tel: 080 – 6891 9807 E-mail id: sibaji.biswas@syngeneintl.com	For queries related to shares / dividend / compliance Priyadarshini Mahapatra Company Secretary and Compliance Officer Tel.: 80 - 6891 8781 E-mail id: priyadarshini.mahapatra@syngeneintl.com
Media Shotorupa Ghosh Corporate Communications Tel: 91- 8450977080 E-mail id: Shotorupa.Ghosh@syngeneintl.com	Investor Relations (Investors & Research Analysts) Krishnan G Investor Relations Tel: 080 – 6891 9807 E-mail id: Krishnan.G@syngeneintl.com
Regd. Office Address Syngene International Limited Biocon Park SEZ, Bommasandra Industrial Area, Phase IV, Jigani Link Road, Bangalore 560 099 Tel: 080 6891 9191 E-mail id: investor@syngeneintl.com	Registrar and Share Transfer Agents KFin Technologies Limited (Unit: Syngene International Limited), Plot 31-32, Selenium, Tower B, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Tel: 040 – 6716 1518 E-mail id: einward.ris@kfintech.com

CREDIT RATING

During the year, CRISIL vide its letter dated March 10, 2022, has placed its 'CRISIL AA+' rating on the long-term bank facilities of the Company on 'Watch with Developing Implications' following the rating action on the long term debt facilities of the holding Company, Biocon Ltd. The rating on the short-term bank facilities has been reaffirmed at 'CRISIL A1+'.

During the year, ICRA vide its letter dated March 16, 2022, has placed its 'ICRA AA+' and 'ICRA A1+' rating on the Company's long-term and short-term banking facilities respectively on 'Watch with Developing Implications' following the rating action on the debt facilities of the holding Company, Biocon Ltd.

OTHER DISCLOSURES

I. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large.

During the financial year, no materially significant related party transactions that may have potential conflict with the interests of the Company at large, have been entered into.

All transactions entered with related parties as defined under the Companies Act, 2013 during the financial year were in the ordinary course of business and on an arm's length basis. It did not attract provisions of Section 188 of the Companies Act, 2013, relating to approval of shareholders. However, prior approval from the Audit Committee was obtained for transactions, which were repetitive and in the normal course of business. Further, reports on the transactions entered into are also placed before the Audit Committee and the Board on a quarterly basis for review. Details of related party transactions are also presented in the notes to financial statements.

II. Details of non-compliance by the listed entity, penalties and strictures imposed on the listed entity by Stock Exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years:

During the financial year, the Company has complied with all the requirements of the Stock Exchange(s), SEBI or any other statutory authority on all matters related to capital markets. Additionally, there were no non-compliance, penalties or strictures imposed on the Company by the Stock Exchange(s) or the Board or any other statutory authority.

III. Establishment of the whistle-blower/vigil mechanism and affirmation that no personnel have been denied access to the Audit Committee

The Company's Whistle Blower policy allows employees, directors and other stakeholders to report genuine grievances, corruption, fraud, misconduct, misappropriation of assets and non-compliance of code of conduct of the Company or any other unethical practices. The Policy provides adequate safeguard against victimization to the Whistle Blower and enables them to raise concerns to the Integrity Committee and also provides an option of direct access to the Chairperson, Audit Committee. The Company has published the e-mail ID to send e-mails directly to the Audit Committee Chairman in the Whistle Blower policy. Syngene has engaged "Navex Global" to provide online platform to raise complaints by whistle blower. During the year, none of the employees have been denied access to the Chairman of the Audit Committee.

The Whistle Blower Policy is available on the Company's website at <https://www.syngeneintl.com/investors/corporate-governance/governance-reports-policies/>

IV. Details of compliance with mandatory requirements and adoption of non-mandatory/discretionary requirements

The Company has complied with all mandatory requirements of corporate governance as specified under SEBI Listing Regulations, 2015. It has also complied with few non-mandatory/discretionary requirements as specified in Part E of Schedule II.

V. Adoption of discretionary requirements as specified in Part E of Schedule II

The Company fulfils the following discretionary requirements pursuant to Section 27 (1) of the SEBI Listing Regulations read with Part E of Schedule II:

- The Company is in the regime of unqualified financial statements.
- The Internal Auditors report directly to the Audit Committee.
- The posts of the 'Non-Executive Chairperson' and 'Managing Director & Chief Executive Officer' are held by separate individuals with effect from April 01, 2020. The Non-executive Chairperson is entitled to maintain the chairperson's office at the listed entity's expense and is also allowed reimbursement of expenses incurred in performance of her duties.

VI. Disclosure of Accounting Practices

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

The Company's financial statements up to and for the year ended March 31, 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act, read together with Paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP').

These financial statements have been prepared for the Company as a going concern based on relevant Ind AS that are effective at the Company's annual reporting date, March 31, 2022. These financial statements were authorised for issuance by the Board on April 27, 2022.

VII. Policy for determining material subsidiary

The Company has no material subsidiary.

VIII. Policy for determining Related Party transactions

The Company has formulated a policy on materiality of related party transactions and on dealings with such transactions. This is available on the Company website at <https://www.syngeneintl.com/investors/corporate-governance/governance-reports-policies/>.

IX. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

The Company has not raised any fund through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) during the FY22.

X. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor.

BSR & Co. LLP are the Statutory Auditors of the Company. They also audit the financial statements of Syngene USA Inc., the wholly owned subsidiary of the Company. The details of payment made to them on consolidated basis are available in note number 25. of the Financial section.

XI. Disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

S.No.	Particulars	Number of Complaints
1	Number of complaints filed during the financial year	1
2	Number of complaints disposed of during the financial year	1
3	Number of complaints pending as at the end of the financial year	0

XII. Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount

Neither the Company nor its Subsidiary has given any loan or Loans and advances in the nature of loans to firms/companies in which directors are interested.

XIII. Details relating any recommendation of any committee of the board which are mandatorily required and not accepted by the Board, in the relevant financial year, the same to be disclosed along with reasons thereof:

All the recommendations of the Committees which were mandatorily required during the Financial Year were accepted by the Board.

XIV. CEO and CFO Certification

As required under Regulation 17(8) of the SEBI Listing Regulations, 2015, the MD&CEO and CFO have jointly given annual certification on financial reporting and internal controls to the Board of Directors of the Company. The MD&CEO and CFO also jointly give quarterly certification on financial results while placing the results before the Board in terms of Regulation 33(2) of the SEBI Listing Regulations, 2015.

XV. Certificate from Company Secretary in practice

As required under the SEBI Listing (Amendment) Regulations, 2018, Schedule V Part C (10) (i), the Certificate from a Company Secretary in practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or to continue as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. This document is annexed to the report as Annexure 1 to this Report.

XVI. Corporate Governance Compliance Certificate

As required under Schedule V (E) of the SEBI Listing Regulations, the corporate governance compliance certificate from M/s B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248WW100022), Statutory Auditors of the Company, is annexed with the Directors' Report as Annexure 4.

XVII. Code of Conduct

In compliance with Regulation 26(3) of the SEBI Listing Regulations, 2015 and the Companies Act, 2013, the Company has framed and adopted the Code of Conduct for the Board and Senior Management. The Company has received confirmations from the Board and Senior Management regarding compliance of the code during the financial year under review. The Code of Conduct is available on the website of the Company at <https://www.syngeneintl.com/investors/corporate-governance/governance-reports-policies/>. All the members of the Board and Senior Management have affirmed compliance to the Code as on March 31, 2022.

XVIII. Declaration by the CEO on the Code of Conduct

This is to confirm that the Company has adopted the Code of Ethics and Business Conduct, which is applicable to all Directors, officers and employees of the Company and this Code is posted on the Company's website. I hereby confirm that all the members of the Board and Senior Management Personnel of the Company have affirmed compliance with the Code of Ethics and Business Conduct in respect of the financial year ended March 31, 2022.

For Syngene International Limited

Date: April 25, 2022
Place: Bangalore

Jonathan Hunt
(DIN: 07774619)
Managing Director & CEO

Annexure 1

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of

SYNGENE INTERNATIONAL LIMITED

Biocon SEZ, Biocon Park, Plot.No.2 & 3,

Bommasandra Industrial Area IV Phase,

Jigani Link Rd, Bommasandra, Bengaluru - 560099

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SYNGENE INTERNATIONAL LIMITED**, having CIN L85110KA1993PLC014937 and having registered office at Biocon SEZ, Biocon Park, Plot. No.2 & 3, Bommasandra Industrial Area IV Phase, Jigani Link Rd, Bommasandra, Bengaluru - 560099 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs (MCA).

Details of Directors:

Sl. No.	Name of Director	DIN	Date of appointment in Company
1.	Mrs. Kiran Mazumdar Shaw	00347229	18/11/1993
2.	Ms. Vinita Bali	00032940	31/07/2017
3.	Ms. Sharmila Abhay Karve	05018751	01/08/2019
4.	Ms. Catherine Patricia Rosenberg	06422834	08/08/2000
5.	Mr. Paul Fredrick Blackburn	06958360	26/08/2014
6.	Mr. Vijay Kumar Kuchroo	07071727	01/03/2017
7.	Mr. Jonathan Brittan Hunt	07774619	01/05/2017
8.	Mr. Carl Peter Decicco	08576667	01/10/2019
9.	Mr. Kush Parmar	09212020	22/06/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For V Sreedharan and Associates

(Devika Sathyanarayana)

Partner

FCS 11323; CP 17024

UDIN: F011323D000199940

Place: Bengaluru

Date: April 25, 2022

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity	L85110KA1993PLC014937
2. Name of the Listed Entity	Syngene International Limited
3. Year of incorporation	1993
4. Registered office address	Syngene International Limited Biocon SEZ, Biocon Park, Plot.No.2 & 3, Bommasandra Indst. Area IV Phase, Jigani Link Rd, Bommasandra Bangalore-560099
5. Corporate address	Syngene International Limited Block II, First Floor, Velankani Technology Park, Electronic City Phase I, Bangalore 5600100, India
6. E-mail	investor@syngeneintl.com
7. Telephone	080 6891 5000
8. Website	www.syngeneintl.com
9. Financial year for which reporting is being done	2021-2022
10. Name of the Stock Exchange(s) where shares are listed	BSE Limited National Stock Exchange of India Limited
11. Paid-up Capital	Rs 400,79,65,000
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Priyadarshini Mahapatra (Office) 080 6891 5000 Email Id: investor@syngeneintl.com
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Disclosures made in this report are on a standalone basis

II. Products /Services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Contract research, development and manufacturing services	Provide scientific solutions through integrated research, development and manufacturing.	100

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of Turnover of the entity
1	Contract research, development and manufacturing services	NIC code :72 (Scientific Research and Development)	100

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
Bangalore	2	2	4
Mangalore	1	0	1
Hyderabad	1	0	1

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	11
International (No. of countries)	35

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Exports contribute to ~90% of the revenue from operations for FY22.

c. A brief on types of customers:

Syngene offers services in a wide range of industrial sectors, including pharmaceutical, biotechnology, nutrition, animal health, consumer goods and speciality chemical. The clientele of Syngene includes:

- Large Biopharma (Companies with R&D spend greater than \$1 Bn)
- Mid-sized Biopharma (Companies with R&D spend less than \$1 Bn and greater than \$200 Mn)
- Emerging Biopharma (Companies with R&D spend less than \$200 Mn)
- Animal Health companies
- Agrochemical (Companied focussed on largely agriculture and nutrition segments)
- Chemical/Polymers (Performance and speciality materials and chemicals)

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S.No	Particulars	Total	Male		Female	
		(A)	No.(B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	5975	4348	72.8%	1627	27.2%
2.	Other than Permanent (E)	337	227	67.4%	110	32.6%
3.	Total employees (D + E)	6312	4575	72.4%	1737	27.5%
WORKERS						
4.	Permanent	Nil	Nil	Nil	Nil	Nil
5.	Other than Permanent (G)	862	692	80.2%	170	19.7%
6.	Total workers (F + G)	862	692	80.2%	170	19.7%

Note: The following categorization of employees applies:

Permanent employees: all permanent employees on the payroll (full time and part time)

Other than permanent employees: Contractual associates, interns, trainees, partners

Permanent Workers: (none)

Other than permanent workers: casual staff, administration, security, housekeeping

b. Differently abled employees and workers*:

S.No	Particulars	Total (A)	Male No.(B)	Male % (B / A)	Female No. (C)	Female % (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	Nil	1	0.00%	Nil	Nil
2.	Other than Permanent (E)	Nil	Nil	Nil	Nil	Nil
3.	Total differently employees (D + E)	Nil	Nil	Nil	Nil	Nil
DIFFERENTLY ABLED WORKERS						
4.	Permanent	Nil	Nil	Nil	Nil	Nil
5.	Other than Permanent (G)	Nil	Nil	Nil	Nil	Nil
6.	Total differently abled workers (F + G)	Nil	Nil	Nil	Nil	Nil

* Based on self-declaration at joining

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females No.(B)	% (B / A)
Board of Directors	9	4	44.44%
Key Management Personnel	3	1	33.33%

20. Turnover rate for permanent employees and workers

	FY22 (Turnover rate in current FY®)			FY21 (Turnover rate in previous FY)			FY20 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	24.2%	28.1%	25.2%	16.4%	17.8%	16.8%	14.3%	19.3%	15.4%
Permanent Workers	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

@In common with global trends, employee turnover was higher in FY22. It is expected to stabilize in the current financial year.

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding /subsidiary /associate companies /joint ventures

S.No	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Biocon Limited	Holding	-	No
2	Syngene USA Inc	Subsidiary	100	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act,2013 : Yes

(ii) Turnover : Rs. 26,014 Mn as on 31st March 2022

(iii) Net worth : Rs. 32,920 Mn as on 31st March 2022

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principle 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom compliant is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) [®]	FY22			FY21		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Investors (other than shareholders)	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Employees and workers	Yes	07	Nil	Nil	12	Nil	Nil
Customers	Yes	03	Nil	Nil	17	04*	Nil
Value Chain Partners	Yes	24	24	Nil	32	32	Nil
Other (please specify)	NA	NA	NA	NA	NA	NA	NA

[®]Some of the policies guiding the Company's conduct with its stakeholders, including grievance mechanisms are placed on the company's website. The weblink is: <https://www.syngeneintl.com/investors/corporate-governance/governance-reports-policies/>. In addition, there are internal policies placed on the intranet of the Company.

*Complaints pending as at the end of the financial year, but subsequently resolved.

24. Overview of the entity’s material responsible business conduct issues

Indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk alongwith its financial implications, as per the following format:

S.no	Material Issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Risk of safety hazards in operations due to fire and/or due to chemical, biological nature of work performed	Risk	This risk is inherent in the nature of our business as we store, move and handle hazardous materials	<p>This risk is mitigated via 6 strategies:</p> <ul style="list-style-type: none"> Improving mindset and behavior by following operational discipline Infrastructure, preventive maintenance, upkeep of engineering controls (interlocks, alarms from detection systems) Following KAVACH, the safety risks reduction programme, which includes hazard identification, hazard communication, risk assessment and adopting control measures. Conducting training and drills for emergency response management Conducting internal and external audits Strengthening biological safety program through: <ul style="list-style-type: none"> Research program review through the biosafety Cell and Institution Biosafety Committee Assessments and audits of work practices, facilities, and equipment for use at established biosafety containment levels Consultation and training regarding occupational exposure to potentially hazardous biological materials. 	Safety hazards may have negative implications including loss of life, property, financial and reputation damage
2	Risk of non-compliance to environmental/health/safety regulations leading to loss of license to operate/reputational damage	Risk	Due to the inherent nature of business, the company must comply with environmental, health and safety regulations.	<p>Risk mitigation of regulatory non-compliances follows a strategy that involves identification, resolution and escalation:</p> <ul style="list-style-type: none"> Identify the applicable Acts, regulations and the requirements arising therefrom Validate and initiate actions for compliance Monitor for changes in laws, check applicability and implement Governance on actions undertaken and implementations of changes Software/tool-based approach being used for identification of gaps in compliance to all Environment, health and safety regulations Constant engagement with regulatory authorities to identify actions required to ensure all approvals are in place Working in collaboration with the Biocon group companies to ensure all “group-level” compliance commitments are met. 	Non-compliance may have negative implications including legal, regulatory, financial and reputational loss

S.no	Material Issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Adverse events relating to business integrity and ethics – US Foreign Corrupt Practices Act, UK Anti Bribery and Indian Prevention of Corruption Act, thereby jeopardizing own governance model and putting client relations at risk; This risk may arise from associations with supplier failures as well.	Risk	Syngene's clients are mainly located in the US or Europe so all contracts are covered by the respective act.	<p>The approach to risk mitigation has 3 elements: the establishment of a company ABAC policy (which also applies to suppliers); Mandatory training for all employees every year; and a program of supplier assessments conducted by a third party.</p> <p>Implementation of ABAC Policy:</p> <ul style="list-style-type: none"> ABAC policy was rolled out in April 2021, along with an all-employee communication about the policy implementation. <p>Conducting Training:</p> <ul style="list-style-type: none"> 100% employees to complete annual mandatory training on Code of Conduct and Ethical practices which includes anti bribery aspects Execution. Additionally, specific Annual mandatory Learning Modules on ABAC policy and procedures to be rolled out for all employees in FY23. <p>Vendor Assessment:</p> <ul style="list-style-type: none"> ABAC assessment for all critical vendors completed in March 2021; ABAC assessment for all new vendors prior to onboarding implemented from April 2021. 715 new vendors have been onboarded from April 1, 2021. ECOVADIS, global ESG assessor, onboarded to scan full base of vendors and rollout a process to create a sustainable and compliant supply chain ABAC governance structure implemented through the Compliance Management Tool effective November 2021. 	Non-compliance can lead to legal, financial, reputational and regulatory implications.
4	Delay or disruption in sourcing raw materials, equipment and spares in a timely manner due to disruption in local or global supply chain thereby leading to delayed delivery of services to our clients; Ensuring integrity of GMP supply chain	Risk	Syngene manages a complex supply chain that requires niche sourcing skills, timely delivery and demanding specifications from its suppliers	<p>The issue of sourcing resilience is managed by the following program:</p> <ul style="list-style-type: none"> A strong business continuity plan Building skill-based teams for sourcing, procurement operations and business partnering Improvement of supply ecosystem to bolster supply chain resilience; Logistics capabilities have been enhanced Category management capabilities are being improved to drive cost leadership and efficiency in sourcing 	This risk may have negative implications including loss of business, financial and reputational loss

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the National Guidelines for Responsible Business Conduct (NGRBC) Principles and Core Elements. The NGRBC as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

- P1 Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
- P2 Businesses should provide goods and services in a manner that is sustainable and safe
- P3 Businesses should respect and promote the well-being of all employees, including those in their value chains
- P4 Businesses should respect the interests of and be responsive towards all its stakeholders
- P5 Businesses should respect and promote human rights
- P6 Businesses should respect, protect and make efforts to restore the environment
- P7 Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
- P8 Businesses should promote inclusive growth and equitable development
- P9 Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs.	Y	Y	Y	Y	Y	Y	N*	Y	Y
* Syngene, through regular engagement with specific external stakeholders, regulatory authorities and industrial associations, plays an active role in influencing public policies. While the Company may share its expertise to help in the formulation of public policy, it does not directly engage in lobbying or advocacy activities and hence, does not have a specific policy for this purpose									
b. Has the policy been approved by the Board?	While some policies have been approved by the Board, few policies are approved by the CEO & MD or the Executive Committee members within their delegated powers.								
c. Web Link of the Policies, if available	All policies are available on the intranet for internal stakeholders. However, policies applicable to external stakeholders are hosted on the Company's website at https://www.syngeneintl.com/investors/corporate-governance/governance-reports-policies/								
2. Whether the entity has translated the policy into procedures.	Yes. The Company has translated the policies into procedures and practices, as applicable in all the activities that it undertakes.								
3. Do the enlisted policies extend to your value chain partners?	Yes. The Company's Code of Conduct, Supplier's Code of Conduct as well as Sustainable Procurement Policy refer to the above-mentioned policies and there are consequences for non-compliance by stakeholders.								

4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.

P2

- ISO Certificate for Quality Management System (ISO 9001:2015)
- GxP standards (the global standard for documentation-ALCOA plus*)
- USFDA - Good Manufacturing Practices
- EU – Good Manufacturing Practices
- Japan – Good Manufacturing Practices
- India – Good Manufacturing Practices (as per Schedule – M of Drugs and Cosmetics Act)
- Organization for Economic Co-operation and Development (OECD) guidelines
- New Drugs and Clinical Trial Rules, 2019
- ICH Series guidelines
- ISO Certificate of Registration for Medical Device Quality Management (ISO 13485;2016)
- GLP (Good Laboratory Practices) Certification by the National GLP Compliance Monitoring Authority, Government of India
- ISO IEC 17025:2017, National Accreditation Board for Testing and Calibration Laboratories (NABL)
- ISO 15189:2012, NABL and College of American Pathologists (CAP) for Clinical and Molecular diagnostics
- Accredited for bioequivalence / bioavailability and Phase I studies on healthy volunteers by US FDA – USA, MHRA / EMA – UK and ANVISA – Brazil
- ISO Certificate for Information security management System (ISO/IEC 27001:2013)

P3

- ISO Certificate for Occupational Health and safety management System (ISO 45001:2018)

P6

- ISO Certificate for Environment Management System (ISO 14001:2015)

5. Specific commitments, goals and targets set by the entity with defined timelines, if any.

- The aim is for 100% of employees to have completed 4 'Licence to operate' training modules every year concerning: Code of business conduct; Data integrity; Prevention of sexual harassment; Data privacy
- The Company is committed to applying high environmental standards to its operations with a particular focus on energy, waste management and water. It also sets an annual target for workplace safety.
- While adhering to regulatory requirements, the Company endeavors to increase efficiency of research and development processes which is good for the client and also for the planet.
- The Company is committed to creating a diverse and inclusive workplace that enables everyone to deliver their best work. While no targets have been set, workplace analytics related to gender, age, access to maternity/ paternity benefits and attrition are monitored monthly.
- The Company has established an ESG Council, chaired by the MD & CEO, to provide oversight for implementation of the ESG strategy. Operations apply the 3Rs approach to environmental management with particular focus on energy, water and waste.

**The acronym ALCOA requires data to be attributable, legible, contemporaneous, original, and accurate. The acronym ALCOA+ adds the concepts that, in addition to ALCOA, data also needs to be complete, consistent, enduring, and available*

6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.

Performance of the entity against the specific commitments are as under:

Quality Management:

- 70 audits of operations conducted in FY22

Operational Excellence:

- In FY22, 80% of teams showed an improvement in QUOTIF (performance measurement units)

Responsible Procurement:

- Partnered with Eco-Vadis for benchmarking on ESG parameters.
- Internally evaluated 81 principal suppliers entailing 170+ suppliers on sustainable procurement
- Completed ABAC compliance for ~1350 vendors
- 120 vendors completed 14 different safety trainings
- 45 vendor site safety audits conducted in FY22
- 55% of high-risk vendors audited in FY22

Cyber Security:

- ISO 27001:2013 certification availed for all IT systems
- Disaster recovery plans for all IT-led processes in place
- Disaster recovery drills carried out for all key applications in FY22
- Cyber security simulation exercise conducted during the financial year

Talent Acquisition and Retention:

- In FY22, 378 new graduates were hired, 50% more than last year.
- 100% male employees and 93% female employees returned to work in the reporting period after parental leave had ended
- 91% male employees and 90% female employees were still employed after their return to work
- A total of 722,527 hours of behavioral and technical training was completed by employees

Diversity and inclusion at workplace

- In FY22, women constituted 27% of the permanent workforce
- 34% of new hires for FY22 were women
- Women formed 22% of the new hires at the Management level, 35% at the Non-management level and 35% of contractual employees

Reduction in energy consumption

- Reduction of energy consumption by 1,890,000 KWH

Responsible usage of water

- Reduction by 20% in freshwater usage compared to FY21
- 5% of waste-water was recycled or reused in FY22

Recycling, reuse and disposal of waste

- Avoided 1720 tCO₂ greenhouse gas emissions
- Recycling of 92% of total hazardous and non-hazardous waste generated from operations in FY22

Occupational Health and Safety

- LTFR for FY22 was 0.04
- Total Recordable Case Frequency Rate for FY22 was 0.04

Governance, leadership and oversight

- 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure):** Refer page no. 20-21 of the Annual report, 'Message from the Managing Director and CEO'
- 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).** The governance related to Business Responsibility policies is implemented and reviewed periodically by the Executive Committee, with oversight from the Stakeholders Relationship and ESG Committee of the Board.
- 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.** Yes, Stakeholders Relationship and ESG Committee is responsible for decision making on sustainability related issues.
 In addition, the Risk Management Committee also assesses risks pertaining to certain principles of BR as identified by Committee.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee together with the frequency of the review
Performance against above policies and follow up action	Policies of the Company are reviewed periodically or on a need basis by department heads, business heads and MD&CEO. During this review, the efficacy of the policy is reviewed and necessary changes are implemented.
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company is in compliance with the extant regulations as applicable.
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	An internal review of the workings of the BR policies has been carried out. However, no external assessment evaluation/assessment has been undertaken.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Principle 7- Syngene, through regular engagement with specific external stakeholders, regulatory authorities and industrial associations, plays an active role in influencing public policies. While the Company may share its expertise to help in the formulation of public policy, it does not directly engage in lobbying or advocacy activities and hence, does not have a specific policy for this purpose

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held and topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	Exclusive sessions on Environment, Social and Governance (ESG), Board’s Role and Responsibilities were conducted for the Board. In addition, a monthly report is shared with the board members apprising them on the division/function wise developments.	Environment, Social and Governance -100 % Board’s Role and Responsibilities -70%
Key Managerial Personnel	Training was undertaken on various topics namely Code of Ethics, Integrity and Whistle-Blower Policy, Information Security Awareness, Job Description Addendum for Operating Units/ Department Heads, Phishing and Social Engineering Awareness, Code of Conduct for Prevention of Insider Trading, POSH Awareness for Remote Workforce, Data Integrity, Data Privacy	Code of Ethics, Integrity and Whistle-Blower Policy – 100% Information Security Awareness-100% Job Description Addendum for Operating Units/Department Heads-100% Phishing and Social Engineering Awareness-100% Code of Conduct for Prevention of Insider Trading-100% POSH Awareness 100% Data Integrity -100% Data Privacy-100%
Employees other than BoD and KMPs	All employees undergo various training programs throughout the year. Owing to the pandemic, during the year, most training happened through blended learning which entailed virtual classroom initiatives, along with e-learning modules. Training was undertaken on various topics/aspects namely Behavioral Competency Based Training, Emerging leadership development program, Technical, Code of ethics, Information security, POSH remote work force, Data Integrity	Behavioural - 78% Competency Based Training - 34% Emerging leadership development program - 38% Technical - 48% Code of ethics – 100% Information security -97% POSH remote work force – 100% Data Integrity – 96%
Workers	Behavioral, health and safety related training Skill upgradation program	Behavioral, health and safety related training - 100% Skill upgradation program-78%

NOTE:

As part of sustaining the license to operate, every employee must complete the eLearning modules on: Code of ethics, Prevention of Sexual Harassment (POSH), Information security and Data Integrity. Any employee who joins the organization goes through the induction where these four topics are covered, and they are assigned with these modules with due date of 30 days. This is annual activity for all other the employees.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):

NIL

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

NIL

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. The Company has implemented the anti-bribery and anti-corruption policy together with its governance framework. The policy is committed to conducting business in an honest and ethical manner and displays zero-tolerance towards bribery and corruption. All employees of the Company or any Group Company or any person working on behalf of the Company in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives and business partners, sponsors, or any other person associated with the Company, wherever located are bound by the Policy to uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which the Company operates. All such persons must not give, promise to give, or offer, a payment, gift, hospitality or other benefit with the expectation or hope that a business advantage will be received, or to reward a business advantage already given.

As an organization driven by ethics and fairness, Syngene is committed to conducting its business activities in accordance with all applicable laws and regulations that prohibit bribery or corruption such as the Prevention of Corruption Act, 1988, U.S. Foreign Corrupt Practices Act ("FCPA"), and U.K. Bribery Act and all other anti-bribery laws of the countries where Syngene and its clients operate. This prohibition against bribery and corruption is a cornerstone of Syngene's commitment to conducting business in an ethical manner, which is one of the core values reflected in Syngene's Code of Ethics and Business Conduct. Syngene expects all its employees and business partners to abide by this Anti-bribery Anti-corruption standards.

The laws relating to bribery and corruption applies across the borders and Syngene including its suppliers rendering services to its clients can jointly and individually be held liable for any such offences. Antibribery laws not only render the act of paying or taking a bribe illegal, but also hold companies liable for failing to take steps to prevent bribery by those working on its behalf, like it's employees, subsidiaries, agents, contractors, suppliers and intermediaries.

The Syngene Anti-Bribery and Anti-Corruption Statement is hosted on the Company's website at : <https://syngene-aws-storage01.s3.ap-south-1.amazonaws.com/wp-content/uploads/2021/04/08142526/Syngene-Anti-Bribery-Anti-Corruption-Statement.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption in FY22 and FY21:

Nil

6. Details of complaints with regard to conflict of interest:

	FY22		FY21	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil		Nil	

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY22	FY21	Details of improvements in environmental and social impacts
R&D [@]	Nil	Nil	NA
Capex	Nil	Nil	NA

@ Syngene is in the business of performing Research & Development activities on behalf of its client on a contract basis. Syngene does not incur any Research & Development expenditure on its own.

- a. Does the entity have procedures in place for sustainable sourcing?**

Yes. The Company has implemented sustainable sourcing procedures in line with its Sustainable Procurement Policy, which became effective from November 2020 and was reviewed and revised in January 2022. Measuring and accounting for how the suppliers impact the natural world is an emerging necessity. Syngene has been collaborating with its business partners to understand and measure the environmental impact to meet industry standards. Our Sustainable Procurement Policy has been drafted in alignment with the terms outlined in the Supplier Code of Conduct.

(The Sustainable Procurement Policy can be accessed at: <https://cdn.syngeneintl.com/2022/01/27163931/Supplier-code-of-Conduct-2022.pdf>)

- b. If yes, what percentage of inputs were sourced sustainably?**

Currently, Syngene has commissioned assessments from the ESG rating agency (Eco-Vadis) for, the high risk and top spend vendors based on the nature of their business. In FY22 approx. 80 principal vendors who contribute to ~40% of the total spend have been assessed.

- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Syngene has replaced single use plastics with biodegradable poly liners, that are used for packaging to safeguard environment. E-wastes, hazardous wastes and other wastes are processed through State Pollution Control Board authorized re-processors, recyclers and disposal facilities. In addition to the waste generated by the day-to-day activities of the staff working on campus, the Company generates specialist hazardous and non-hazardous waste within the laboratories and manufacturing plants. On-site waste management facilities are inspected regularly for compliance with local standards and regulations.

The Company's waste management strategy focuses in two areas: reduction of waste generation; and increase of waste recycling and reuse wherever possible using the principles of the circular economy. A dedicated 4,000 sq.ft. waste management facility was inaugurated during the previous year at the main campus in Bangalore to handle non-hazardous waste, hazardous waste, and biomedical waste generated from operations. Onsite waste collection is undertaken by electric vehicles as an emissions reduction measure. Solid and liquid hazardous waste is collected in leakproof containers and these are segregated based on compatibility and hazardous waste categorization. Hazardous waste that cannot be recycled is incinerated to avoid contamination. A purpose-built waste storage facility is used for segregation and efficient management of incinerable and recyclable hazardous waste.

Waste-water generated by our laboratories and manufacturing facilities is transferred to a specialist effluent treatment plant, where it is processed and recycled for use in utilities and landscaping, meeting the regulations of the pollution control boards. In FY22, 92% of total hazardous and non-hazardous waste generated from our operations was recycled. The remaining un-recyclable proportion of both hazardous and biomedical waste was incinerated according to the prevailing Hazardous Waste Management Rules and Biomedical Waste Management Rules under Environmental Protection Act.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Syngene falls under the category of Importer out of PIBO (Producer, Importer or Brand owner) under Plastic Waste Management Rules. The waste collection plan is in line with the Extended Producer Responsibility (EPR) plan and Syngene has applied for registration as Importer at CPCB online portal in line with the said rules.

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total	Insurance ¹		Accident insurance		Maternity benefits ²		Paternity Benefits		Day Care facilities ³	
	(A)	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	4348	4348	100%	4348	100%	-	-	4348	100%	-	-
Female	1627	1627	100%	1627	100%	1627	100%	-	-	-	-
Total	5975	5975	100%	5975	100%	1627	100%	4348	100%	-	-
Other than Permanent Employees											
Male										-	-
Female										-	-
Total										-	-

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities ³	
	(A)	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male										-	-
Female										-	-
Total										-	-
Other than Permanent workers											
Male	56	56	100%	56	100%			NA ⁴		-	-
Female	1	1	100%	1	100%			NA ⁴		-	-
Total	57	57	100%	57	100%			NA⁴		-	-

1. Health Insurance, accidental insurance is provided to all full-time/permanent employees only.
2. Male employees can claim maternity related expenses (medical hospitalization) for their spouses.
3. Organization wide we have a tie up with day care facility providers, which our employees and workers can use as needed. During the pandemic, following Government guidance, day care facilities were closed in FY22. The day care service is likely to resume in FY23.
4. Casual workers (Other than Permanent workers) are covered under Employee's State Insurance Act. They are additionally provided with health and accidental insurance.

2. Details of retirement benefits, for FY22 and previous financial year.

Benefits	FY22			FY21		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority
Provident Fund ¹	100%	100%	Yes	100%	100%	Yes
Gratuity ²	100%	100%	NA	100%	100%	NA
ESI ³	2.61%	93.39%	Yes	2.76%	767 (93.65%)	Yes
Others – please specify (National Pension Scheme) ⁴	2.70%	NA	Yes	2.91%	NA	Yes

1. All full-time employees are covered under Provident fund and Gratuity act as per appointment letters.
2. Gratuity is paid to eligible exiting employees through full and final settlements.
3. Casual workers (Other than Permanent workers) are covered under Employee's State Insurance Act. They are additionally provided with health and accidental insurance.
4. NPS is a long-term investment tool extended to corporate employees by the Government of India. Employees can make a voluntary contribution of up to 10% of basic salary. The total amount is eligible for tax exemption u/s 80CCD (2) of the Income Tax Act. The contributions cannot be withdrawn until retirement.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The Company is committed to embracing inclusion and diversity in its campuses. The Company's facilities have the necessary infrastructure in place to ensure access and inclusion for differently abled staff.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Syngene is an Equal Opportunity Employer and does not follow or support any discrimination based on caste, gender, sexual orientation, religion, ethnicity or physical disabilities. All employees are expected to be respectful towards each other and not promote or tolerate any form of discrimination. The Code of Conduct and Business Ethics covers the aspects on fair employment, anti-harassment and non-discrimination, which is available at <https://cdn.syngeneintl.com/2020/11/10171740/Code-of-Ethics-and-Business-Conduct-2018.pdf>

5. Return to work and retention rates of permanent employees and workers* that took parental leave.

Gender	Permanent employees	
	Return to work rate	Retention rate
Male	100%	90.5%
Female	93.2%	89.8%
Total	98.4%	90.4%

* The Company doesn't have any permanent workers

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

Yes. The Company has the following grievance redressal mechanisms for employees and workers:

Permanent Employees	<p>Employees, associates trainees and interns, can raise their concerns through the following channels:</p> <p><u>Whistleblower Committee</u></p> <ul style="list-style-type: none"> • Purpose: to make protected disclosures of any actual or suspected incidents of unethical practices, violation of applicable laws & regulations including the Code of Ethics & Business Conduct • Committee Constitution – CHRO, Head of Legal and Head of department (one female member mandatory) • Contact details: Hotline: 0008000502115 for India and (844)9053016 for United States Website: www.syngeneintl.ethicspoint.com Email: Chairman.Auditcommittee@syngeneintl.com <p><u>Prevention of Sexual Harassment Committee</u></p> <ul style="list-style-type: none"> • Purpose: to report matters related to sexual harassment in the Company • Internal Complaints Committee comprises the Chairperson, 8 internal members and an external advisor. • Contact details: posh.committee@syngeneintl.com <p><u>Grievance Committee</u></p> <ul style="list-style-type: none"> • Purpose: To report real or perceived concerns in relation to work, general administration, payroll/ reimbursements or any other concern in relation to any existing policy which is raised by an employee (complainant) within scope of company defined policies. • Grievance Committee comprises the Administration team lead, Performance Management lead and a senior member from Finance team • Contact details: Grievance redressal portal available on the Company's intranet
Other than Permanent Employees	Same mechanisms as permanent employees
Permanent Workers	Not Applicable (The Company doesn't have any permanent workers)
Other than Permanent Workers	Same mechanisms as permanent employees

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

None

8. Details of training given to employees and workers*:

Category	FY22					FY21				
	Total no of Manpower	On Health and safety measures		*On Skill upgradation		Total no of Manpower	On Health and safety measures		*On Skill upgradation	
	(A)	No. (B)	% (B/A)	No. (C)	% (C/A)	(D)	No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	4585	4585	100%	2387	52%	4572	4572	100%	3352	73%
Female	1738	1738	100%	1276	73%	1563	1563	100%	1225	70%
Total	6323	6323	100%	3663	58%	6135	6135	100%	4577	72%

Note:

Employee includes Permanent & Other than Permanent employees

*The definition of skill upgradation training in FY22 has changed from the prior year when the definition included composite training including general administration, POSH, company policy and skill upgradation.

9. Details of performance and career development reviews of employees and workers*:

Category	FY22			FY21		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	4092	2820	69%	3825	3069	80%
Female	1345	860	64%	1121	856	76%
Total	5437	3680	68%	4946	3925	79%

Note: *Only permanent employees are considered for performance review. The figures in B and D indicate the persons eligible for review in the relevant years (which doesn't include the persons who joined the Company within six months of the closure of the financial year and persons serving notice period).

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? If yes, the coverage of such system?

Yes, the Company has a well-established occupational health and safety management system across all the facilities. The Environment, Health, Safety and Sustainability (EHSS) Policy applies to all operations and operating facilities are certified for ISO 14001:2015 - Environmental management systems (EMS), ISO 45001: 2018 - Occupational Health and Safety System (OH&S).

Syngene's Environmental Management System and Occupational Health and Safety objectives are aligned with the EHSS Policy and the risk management process. The Company has an established risk management and prevention system using the principles of AIM (Aspect Impact Management) and HIRA (Hazard Identification and Risk Assessment). The Company has a robust process safety management (PSM) and fire safety system including regular training for employees.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company has an established process for identifying work-related hazards from both routine and non-routine activities. For routine activities in both laboratory applications and manufacturing operations, risk assessments such as Lab Hazard Analysis and Process risk Assessment are undertaken. This ensures that hazards are identified and adequate controls are put in place. For non-routine activities Job Safety Analyses are carried out to assess the risk before undertaking any activities. The hazard analysis tool for both routine and non-routine risks works on the systematic approach of identifying, evaluating and controlling hazards:

- Physical (e.g. slips, trips and falls, entanglement, noise, vibration, harmful energy sources);
- Chemical (e.g. inhalation, contact with or ingestion of chemicals);
- Biological (e.g. contact with allergens or pathogens such as bacteria or viruses);

The following processes are used to identify the hazards in the workplace:

- i. Safety interactions and safety walks in the workplace to identify potential hazards
- ii. Employee participation during Friday safety hours.
- iii. Comparison of Standard Operating Procedure (SOP) with current practice.
- iv. Reviews of incident management reports.
- v. Reviews of safety data sheets.
- vi. Reviews of first aid/injury records

After identifying a hazard, controls are put in place to bring the Hazard to ALARP (As low as reasonably practical) state.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

Yes, see items (i – vi) above

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?

Yes. Employees and workers have access to non-occupational medical and healthcare services. The onsite Occupational Health Centre (OHC) is available for immediate triaging and first aid. Medically qualified doctors, paramedic and support staff cover all shifts to support any medical emergencies. The Company has tied up with well-established hospitals to deal with any kind of incident, accident or medical emergency. Employees are required to undergo an annual health check-up and healthcare advice is provided. Medical insurance facilities are provided to employees and their dependents. Employees are also covered under group personal accident insurance.

11. Details of safety related incidents:

Safety Incident/Number	FY22		FY21	
	Employees	Workers	Employees	Workers
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	0.00*	0.42*	0.10*	0.96*
Total recordable work related injuries	69	14	52	26
No. of fatalities	Nil	Nil	01	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Nil	1	Nil	2

*Injury Frequency Rate is taken as 12-month rolling average.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company has established measures to ensure a safe and healthy workplace by proactively identifying, evaluating, and mitigating or preventing any hazard / releases that could occur.

Safety systems at work include:

1. Permit to Work
2. Job Hazard Analysis
3. Process Safety Information
4. Management of Change
5. Process Hazard Analysis
6. Process Risk Assessment
7. Pre-Start up Safety Review
8. Incident Management
9. Contractor Management
10. Emergency Management
11. Hazard identification and risk assessment
12. Aspect and impact identification

With a significant onsite workforce, safe and well organised building evacuation is a priority. The emergency management system includes weekly mock drills for each building.

13. Number of Complaints on Working conditions and Health & Safety made by employees and workers:

No complaints on working conditions and Health & Safety were filed during FY21 and FY22.

14. Assessments for the year:

	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The Company has an incident management system in place. All the employees are required to report any incident, near miss or unsafe act through a company-wide portal, SynZero. All incidents reported in the portal are investigated, root cause analysis is undertaken and corrective and preventive actions (CAPA) are put in place.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Eleven key stakeholder groups were identified to take part in the Company’s first materiality assessment. These groups represent a wide range of external groups which interact with Syngene operations from clients and vendors to regulators, investors and media channels. Internal stakeholders included a random sample of employees, the ESG Council members and members of the Syngene Board. Contact details for selected stakeholder groups are publicised on the company website: <https://www.syngeneintl.com/contact-us/>. In addition, stakeholders such as clients, local authorities, new recruits and employees are invited to engage face to face with the company in dedicated sessions ranging from recruitment fairs to media and investor meetings.

2. List stakeholder groups identified as key for your entity and nature and frequency of engagement with each stakeholder group

Stakeholder	Channel for communication	Nature of communication
CSR partners	The Company’s CSR programs are managed by the Biocon Foundation, the CSR arm of the Biocon Group	Day-to-day engagement enabled by the Biocon Foundation
R&D, manufacturing and other commercial partners	A key account management framework ensures that clients have strong engagement with the company. The dedicated centres have dedicated points of contact within Syngene with overall oversight being the responsibility of the Chief Human Resources Officer.	Regular engagement via the client account team and relevant project teams. The cadence for communication is determined by the nature of the project. Engagement with the Dedicated Centres is agreed as part of the contract in each case.
Vendors	Strategic Sourcing leads ESG oversight with all vendors.	Category managers are the first point of contact for vendors. They help to put the contract together and handle any issues or feedback during the delivery of the contract.
Local and national authorities	Engagement with authorities may be through direct contact with local authorities or as part of an industry body at the national level.	Engagement with local authorities is on a needed basis through teams including EHSS, HR and Legal. The company plays a role in relevant industry bodies when it comes to engaging with government departments on industry developments.

Stakeholder	Channel for communication	Nature of communication
Media	Corporate Communications handles all communication with the media directly or through a specialist consultancy.	Quarterly business briefings are undertaken for business media wanting to cover the financial results. During the quarter, individual engagement with trade media provides an opportunity to showcase scientific achievements.
Employees	Employees have a range of options for engaging with each other and their managers including quarterly townhalls, CEO weekly coffee chats, and topical townhalls. For personal matters, employees can approach the HR business partner for support or use the HR chatbot.	Employees are invited to submit questions before every townhall and questions are answered either in the townhall or later on the intranet. Managers are expected to engage with their team members regularly. They also conduct a full year and mid-year performance review. HR business partners are responsible for resolving any personal difficulties that arise in the workplace.
Investors/shareholders	The Investor Relations team conducts a program of meetings with analysts and investors throughout the year. Shareholders can engage with the Company through the Company Secretary at any time and at the Annual General Meeting.	Quarterly briefings are held for analysts and investors, hosted by the MD&CEO and the CFO. Aside from these meetings, investors can request a further meeting with the Company. The Annual General Meeting was held virtually due to the pandemic. Nonetheless, shareholders have been able to ask questions directly to the Chairperson and any other members of the Board.
Quality stakeholders	Engagement with these stakeholders is usually in the context of a virtual or physical audit of Company operations.	The Chief Quality Officer leads the engagement with all regulatory authorities on behalf of the company. The engagement is organised according to the needs of the regulator.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY22			FY21		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Permanent	5975	5975	100%	4506	4506	100%
Other than permanent	337	337	100%	93	93	100%
Total Employees	6312	6312	100%	4599	4599	100%
Workers						
Permanent	Nil	Nil	Nil	Nil	Nil	Nil
Other than permanent	862	862	100%	819	819	100%
Total Workers	862	862	100%	819	819	100%

Note: Training is provided through the completion of specific mandatory modules such as Prevention of Sexual Harassment. Other dimensions of human rights in the workplace are covered in training related to the Company code of business conduct. New joiners are introduced to the Code of Conduct during their induction to the Company and all employees are required to complete refresher training every year.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY22					FY21				
	Total (A)	Equal Minimum Wage No (B)	% (B/A)	More than Minimum Wage No (B)	% (C/A)	Total (D)	Equal Minimum Wage No. (E)	% (E/D)	More than Minimum Wage No. (F)	% (F/D)
Employees										
Permanent										
Male	4348	-	-	4348	100%	4092	-	-	4092	100%
Female	1627	-	-	1627	100%	1345	-	-	1345	100%
Other than Permanent										
Male	227	-	-	227	100%	167	-	-	167	100%
Female	110	-	-	110	100%	104	-	-	104	100%
Workers										
Permanent										
Male	Not Applicable									
Female										
Other than permanent										
Male	692	-	-	692	100%	643	-	-	643	100%
Female	170	-	-	170	100%	169	-	-	169	100%

Note: All casual staff are paid above the minimum wage

3. Details of remuneration/salary/wages:

Category	Number	Male	Number	Female
		Median remuneration/ salary/ wages of respective category (Rs. In Mn)		Median remuneration/ salary/ wages of respective category (Rs. In Mn)
Board of Directors (other than Executive Directors)	5	5.16	4	6.63
Executive Director(s)	1	76.31	NA	NA
Key Managerial Personnel (other than Executive Directors)	1	27.61	1	4.67
Employees other than BoD and KMP	4349	0.82	1623	0.50
Workers	689	0.21	173	0.21

Note: Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall basis at the end of each year and accordingly, have not been considered in the above information.

Perquisite value of stock options is excluded.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Employees, associates, trainees, interns, can raise their concerns through the following channels:

Whistleblower Committee

- Purpose: to make protected disclosures of any actual or suspected incidents of unethical practices, violation of applicable laws & regulations including the Code of Ethics & Business Conduct
- Committee Constitution – CHRO, Head of Legal and Head of department (one female member mandatory)
- Contact details:
Hotline: 0008000502115 for India & (844)9053016 for United States
Website: www.syngeneintl.ethicspoint.com
Email: Chairman.Auditcommittee@syngeneintl.com

Prevention of Sexual Harassment Committee

- Purpose: to report matters related to sexual harassment in the Company
- Internal Complaints Committee comprises the Chairperson, 8 internal members and an external advisor.
- Contact details: posh.committee@syngeneintl.com

Grievance Committee

- Purpose: To report real or perceived concerns in relation to work, general administration, payroll/ reimbursements or any other concern in relation to any existing policy which is raised by an employee (complainant) within scope of company defined policies.
- Grievance Committee comprises the Administration team lead, Performance Management lead and a senior member from Finance team
- Contact details: Grievance redressal portal available on the Company's intranet

6. Number of Complaints on the following made by employees and workers:

Nature of Complaints	FY22			FY21		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	Nil	Nil	1	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labour/Involuntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights related issues	7	Nil	Nil	Nil	Nil	Nil

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company condemns any discrimination, harassment, victimization, or any other unfair employment practice being adopted against a complainant. If any complainant feels that they are experiencing any reprisal or retaliation, they can report the matter to the Integrity Committee. The Committee will take appropriate measures to address the situation.

The Whistleblower policy states that the complainant will not be at the risk of losing his / her job or suffer loss in any manner like transfer, demotion, refusal of promotion, or any direct or indirect use of authority to obstruct the Whistleblower's right to continue to perform his/her duties/functions.

The identity of the Whistleblower, if known, is confidential. A participant assisting in the investigation, or furnishing evidence, is protected to the same extent as the Whistleblower and is also entitled to the same degree of protection from retaliation for having participated in an investigation. All complaints reported through any of the channels are confidential and will be shared strictly on a 'need to know' basis.

8. Do human rights requirements form part of your business agreements and contracts?

Yes, all agreements and contracts make clear that Syngene does not accept any discrimination, harassment, differentiation on the grounds of caste, gender, sexual orientation, religion, ethnicity, or physical disabilities. All contracts ensure the prohibition of any form of forced labour, slavery, or human trafficking under any business dealings with Syngene.

9. Assessments for the year:

% of plants and offices that were assessed (by entity or statutory authorities or third parties) on child labour, Forced/involuntary labour, Sexual harassment, discrimination at workplace or any other such issue

Nil

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY22	FY21	Remarks
Total electricity Consumption (A) Grid Units	11,598,033	13,228,935	Units (KWH)
Total DG set's Consumption (B) DG Units	11,83,300	715,705	Units (KWH)
Energy consumption through other sources (C)*	73,641,046	62,680,220	Units (KWH)
Green Energy (Wind, Hydro, Solar)			
Total energy consumption (A+B+C) Units	86,422,379	76,624,861	Units (KWH)
Total fuel (HSD) consumption (in Litres)	934,068	460,668	Liters
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.0033	0.0035	-

* Green energy contribution increased from 82% to 85%

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3. Details of the following disclosures related to water.

Parameter	FY22	FY21
Water withdrawal by source (in kilolitres)		
(i) Surface water (River Water from Govt.)	165,792	141,415
(ii) Groundwater (Bore Well Water)	5,242	5,332
(iii) Third party water (Tanker Supply)	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	171,034	146,747
Total volume of water consumption (in kilolitres)	*171,034	146,747
Water intensity per rupee of turnover (Water consumed / turnover)	0.000007	0.000006
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

*Increase in water consumption arose from increased occupancy on all campuses and growth in Biologics, Discovery Chemistry, Biology and increased activity in the BMS dedicated centre.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency : No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

- In the Bangalore campus wastewater is treated in the common effluent treatment plant maintained by Biocon. A zero liquid discharge facility includes a conventional ETP, stripper, multiple effect evaporator, ATFD and reverse osmosis units.
- In the Mangalore campus wastewater is treated in the inhouse zero liquid discharge facility which includes a conventional ETP, stripper, multiple effect evaporator, ATFD and reverse osmosis units.
- In the Hyderabad campus wastewater is pre-treated in the effluent treatment plant of M/s Knowledge Square Incubators Pvt Lt and sent to JETL (Jeedimetla Effluent Treatment Limited), CETP for further disposal.

5. Details of air emissions (other than GHG emissions) by the entity:

Parameter	Unit	FY22			FY21		
		Bangalore	Mangalore	Hyderabad	Bangalore	Mangalore	Hyderabad
NOx	µg/m ³	15.51	132	17.80	14.60	141	16.19
SOx	µg/m ³	7.97	26.90	14.70	7.40	24.10	12.85
Particulate matter (PM10)	µg/m ³	69.08	19.20	56.20	54.90	53.60	54.56
Persistent organic pollutants (POP)		NA	NA	NA	NA	NA	NA
Volatile organic compounds (VOC)	µg/m ³	Benzene, methanol, carbon tetra chloride, toluene, methyl chloride, mercaptan, hydrogen sulphide was monitored. VOC monitoring values are below the detection limit					
Hazardous air pollutants (HAP)		NA	NA	NA	NA	NA	NA
Others– please specify							
Particulate matter *(PM2.5)	µg/m ³	22.95	29.30	22.00	15.40	34.20	22.53
Ozone	µg/m ³	3.00	Below detection limit	15.10	5.50	Below detection limit	11.21
Ammonia	µg/m ³	8.30	Below detection limit	18.90	8.30	Below detection limit	16.30

Note: Process emissions pass through air pollution control equipment (Scrubbers). The Pollution Control Board has set a permissible limit of acid mist – company values are well within these standards. Air quality values measured are well within the maximum permissible limit as per (NAAQS).

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

In order to conduct a monthly assessment of the ambient air quality, source emissions, volatile organic compound (VOC), noise monitoring, National Accreditation Board for testing and calibration laboratories (NABL) and Ministry of Environment and Forests (MOEF) approved external laboratories are engaged as follows:

- In Bangalore, M/s. Robust Materials Technology Private Limited
- In Hyderabad, M/s. Star Analytical Services
- In Mangalore, Hubert Enviro Care Systems Private Limited

6. Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity:

Parameter	Unit	FY22	FY21
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	*1,765	772
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	10,554	12,038
Total Scope 1 and Scope 2 emissions per rupee of turnover (Kgs) -	-	0.00047	0.00057
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

(Note: Scope-1 emission increased due to:

- increase in from State power Grid interruption (68Hrs (FY21) to 125 Hrs (FY22)), as a result the backup diesel generators operations were used to compensate.
- Diesel consumption increased in MSEZ for Boilers from 269KL to 630KL due to increased plant occupancy

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

No

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

The Company's green (wind, hydro, solar) energy consumption was 73,641,046 units in FY2022. More than 90% of energy comes from green sources on the main campus in Bangalore. As a part of reducing Scope-1 emissions, e-vehicles were introduced to move people, waste and materials on site, thereby offsetting 150.56 Tonnes of CO₂ equivalent.

8. Details related to waste management by the entity:

Parameter	FY22	FY21
Total Waste generated (in metric tonnes)		
Plastic waste (A)	217.08	188
E-waste (B)	Nil	Nil
Bio-medical waste (C)	98.77	100.32
Construction and demolition waste (D)	NA	NA
Battery waste (E)	4.30	5.90
Radioactive waste (F)	0.024	0.018
Other Hazardous waste. Please specify, if any. (G)	2116.48	1134.13
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	597.90	531.18
Total (A + B + C + D + E + F + G + H)	3034.53	1959.53

Parameter	FY22	FY21
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	2,805.38	1,798.00
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	Nil	Nil
Total	2,805.38	17,98.00
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	146.40	161.16
(ii) Landfilling	82.38*	Nil
(iii) Other disposal operations	Nil	Nil
Total	228.76	161.16

(Note: Hazardous and non-hazardous waste has increased in the past 12 months due to the expansion of activities on the Mangalore and Hyderabad campuses.)

*No waste is sent to landfill in Bangalore or Hyderabad. The only landfill generated at present is from the Mangalore site.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No external assessment has been carried out. All types of waste generated in Syngene are collected, packed, stored in leak proof containers, the generated waste is sent for recycling or disposed for treatment / incineration within the stipulated time as per applicable rules through KSPCB authorized disposal facilities.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The standard operating procedure (SOP) for handling liquid and solid waste, in accordance with the applicable rules, determines the approach to proper waste management in the Company's dedicated facility in Bangalore. It outlines the process of segregation, according to compatibility of each category of generated waste. The waste is packed in leak proof containers (using biodegradable bags or puncture proof containers), labelled, and transferred using trolleys to the storage area in each building from where it is then transferred to Central waste yard (inside the facility) using electric vehicles.

- The waste is stored in the central waste yard and disposed of by Karnataka State Pollution Control Board (KSPCB) authorised waste handlers on a regular basis in accordance with the applicable Rules.
- Both the local storage area and central waste yard are equipped with different types of fire extinguishers, fire hydrant system, smoke detectors, fire alarm system for handling any fire/emergency. Casual employees are provided with appropriate PPE's to avoid any contact and infection.

The Company practices green concepts of 3Rs (reduce, reuse and recycle) in the operations. It also follows an integrated inventory management system to minimise waste generation.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details:

None of the Syngene sites are situated in ecologically sensitive areas.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not Applicable

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

The Company is in compliance with applicable environmental norms.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

Syngene has affiliations with 10 trade and industry chambers/ associations

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	The Confederation of Indian Industry (CII)	National
2	Association of Biotechnology Led Enterprises (ABLE)	National
3	State Environment Impact Assessment Authority	State
4	American Association for Accreditation of Laboratory Animal Care (AAALAC)	International
5	Quality Council of India	National
6	Indian Association of Secretaries and administrative professionals	National
7	Laboratory Animal Scientists Association	National
8	Indian Society for Clinical Research	National
9	Indian Association of Secretaries	National
10	European Bioanalysis Forum VZW	International

2. Details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Not Applicable

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Not Applicable

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Affected (PAFs)	Project Families	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
1	Project displaced people	Karnataka	Dakshina Kannada	47		100%	Rs.1.38 cr

3. Describe the mechanisms to receive and redress grievances of the community.

Mechanisms to address the grievances have been adapted for specific programs. The strategy is to address this through structured monitoring and evaluation of all programs, with assessment of stakeholder perceptions, either through regular surveys or third-party impact assessment. Details of action taken are documented.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY22	FY21
Directly sourced from MSMEs/ small producers	44%	32%
Sourced directly from within the district and neighbouring districts	65%	31%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Not Applicable. The Company offers contract research, development and manufacturing services to other businesses. It does not provide services directly to consumers.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters product	Not Applicable - The Company offers contract research, development and manufacturing services. It does not provide services to consumers.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of Data privacy, Advertising, Cyber-security, Delivery of essential services, Restrictive Trade Practices, Unfair Trade Practices, Other complaints during FY22 and FY21:

Not Applicable. The Company offers contract research, development and manufacturing services to other businesses. It does not provide services directly to consumers.:

4. Details of instances of product recalls on account of safety issues:

Not Applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? If available, provide a web-link of the policy.

Yes. The Company has a Data Privacy Policy and an Information Security Policy. The link for the website privacy notice is <https://syngene-aws-storage01.s3.ap-south-1.amazonaws.com/wp-content/uploads/2020/11/18173741/Syngene-Website-PrivacyNotice.pdf>

6. Details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

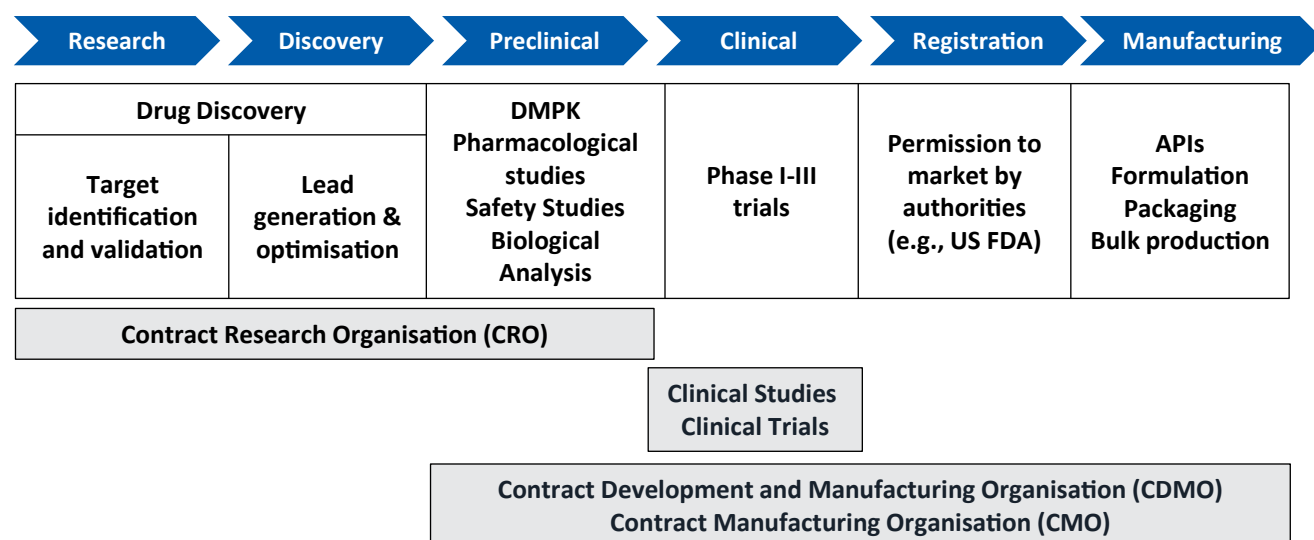
No penalties/regulatory action has been levied or taken with respect to the above listed matters.

Management Discussion and Analysis

Syngene and Target Market

Syngene International Ltd. (henceforth referred to as ‘Syngene’ or ‘the Company’) is an integrated research, development and manufacturing services company providing scientific services. Syngene’s health-related services extend across all major therapeutic areas and modalities. The Company provides end-to-end services within the Contract Research Organization (CRO) and a growing range of services within the Contract Development and Manufacturing Organization (CDMO). This makes Syngene’s business a combination of many businesses. The primary target market for these services is the pharmaceutical and biotechnology (biotech) sectors. The same scientific capabilities that serve human health also serve nutrition, animal health, consumer goods, agri-chemicals, and specialty chemical sectors.

In our primary market, the discovery and development of new medicines is a long and complex process. A growing number of innovator companies are looking for partners across the pharmaceutical value chain to foster innovation, improve productivity, efficiency, and flexibility through different stages of the drug discovery, development, and manufacturing processes. CROs offer services to support drug discovery and development, while CDMOs offer drug development and manufacturing services on a contractual basis.



Pharmaceutical Value Chain and Role of Contract Service Providers

While our contract research services primarily focus on drug discovery, early-stage development and pre-clinical studies, the pharmaceutical value chain also includes clinical research services, comprising clinical trials and studies.

The Company is one of the key players in the CRO market, has limited presence in clinical trials market and has an emerging presence in the CDMO market.

Global Pharmaceutical Research and Development Market

The global pharmaceutical R&D market is the primary target market for Syngene’s services. The US is the global leader in pharmaceutical R&D with largest proportion of the world’s pharmaceutical companies (46%), followed by China (7%) and the United Kingdom (6%)¹. The US pharmaceutical industry spent USD 91.1 billion² on R&D in 2020 and as a percentage of revenue, R&D expenditure has increased by 1/3rd over the past two decades from around 16% in 2000 to 21% in 2020³.

¹<https://www.pharmaceuticalprocessingworld.com/number-of-drugs-in-global-rd-pipeline-projected-to-reach-record-high-in-2019/>

²pharmaceutical R&D expenditure 1995-2020 | Statista

³U.S. pharmaceutical R&D spending as percent of total revenue 2020 | Statista

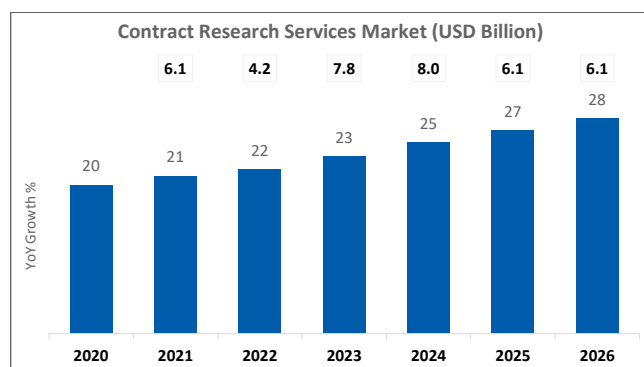
Contract Research Services

This comprises the market for drug discovery, preclinical studies and includes services such as target identification and validation, assay development, translational research, pharmacokinetic and pharmacodynamic evaluation, lead identification and optimization through to candidate selection, and preclinical evaluation including *in vitro* and *in vivo* safety and toxicology. It includes support services such as statistics, computational services, and compound management. The CRO services also include process development, pre-formulation support, GLP⁴ toxicity, and efficacy testing required for investigational new drug (IND) submissions for small and large molecule modalities. This does not include clinical trials services.

Contract Research Services - market size and attributes

The CRO market is expected to grow at a CAGR of 6% with overall market size increasing from USD 21 billion in 2021 to USD 28 billion by 2026⁵.

The CRO industry is fragmented as the participants in this industry consist of functional service providers from small companies focusing on one capability to integrated service providers who can provide an end-to-end platform of services from early-stage drug discovery to early development services.



Key factors driving partnership for innovation in drug discovery:

Increasing complexity in drug discovery:

The increasing requirement for complex capabilities including specialty platforms like targeted protein degradation, antibody-drug conjugates amongst others, incentivizes client companies to partner with drug discovery service providers to access these technologies and capabilities.

Accelerating drug discovery timelines

Data science offers considerable opportunities to improve speed, efficiency and the probability of a successful outcome in R&D. CROs are building capabilities around artificial intelligence and machine learning and real-world data generation and management. Pharmaceutical and biotech companies are increasingly accessing the services of CROs due to their ability to combine expertise in managing artificial intelligence with expertise in specific therapeutic areas.

Improve productivity in R&D

Pharmaceutical and biotech companies are focused on creating value through improvements in productivity, as reflected both in accelerating the pace of drug discovery and reducing the cost of therapeutic discovery. Partnering with CROs has proved to be a successful strategy in lowering the cost of innovation and in increasing productivity.

Flexible approach to drive innovation through network of R&D partners

Large pharmaceutical companies continue to drive innovation through a network model with companies partnering extensively with CROs at multiple points in the value chain, while retaining select core capabilities and IP in-house. This allows companies to:

- quickly enter and exit focus areas and through this explore a wider spectrum of the innovation ecosystem
- access expertise they do not have, or do not have at sufficient scale, across multiple therapeutic areas and through this access a wider pool of talent.
- reduce the need to maintain their own R&D infrastructure and personnel, thereby reducing the risk associated with capital investments and capability building.
- mitigate geographic and political risk.

Small and mid-sized biotech companies are increasingly favoring a virtualized R&D model, wherein no/little laboratory or clinical work is done internally. Instead, they access a broad range of capabilities through partnering with CROs, while minimizing infrastructure and personnel required to go through the drug discovery process.

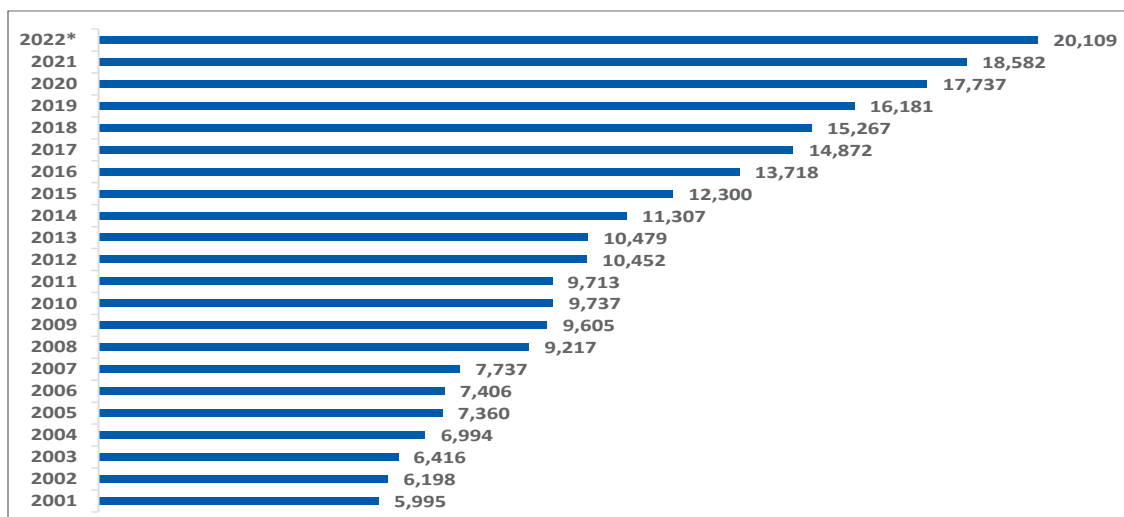
Overall, increasing molecule pipeline and drugs approved

The pharmaceutical industry's continuous investment in R&D has resulted in rapid growth in number of drugs in R&D pipeline.

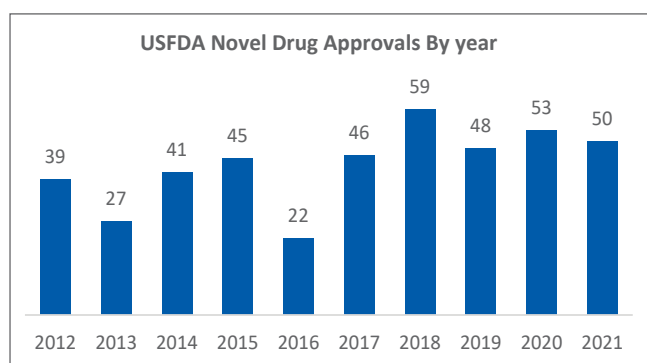
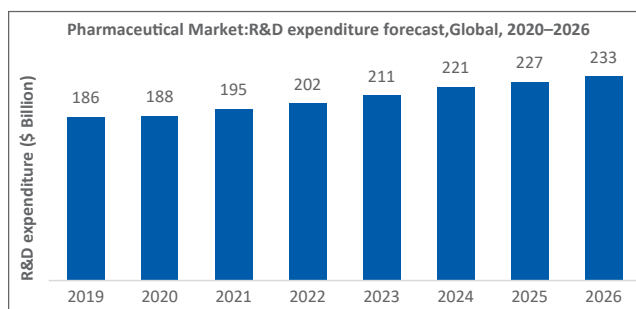
⁴Good Laboratory Practice (GLP) is a set of rules and criteria for a quality system concerned with the organizational process and the conditions under which non-clinical health and environmental safety studies are planned, performed, monitored, recorded, reported, and archived.

⁵Frost &Sullivan - Global Drug Discovery and Early Development Outsourcing Growth Opportunities, August 2021

Total number of drugs in the R&D pipeline worldwide from 2001 to 2021⁶



The number of new drugs approved each year has grown over the past decade. On average, US FDA, approved 51 drugs per year in the last 5 years (2017 to 2021), compared to 35 drugs per year between 2012 to 2016. More than 60% of new prescription drug approvals in the last 5 years came from small pharmaceutical/biotech companies who prefer to avoid long-term investments and therefore partner with CROs. ⁷More than 60% of new prescription drug approvals in the last 5 years came from small pharmaceutical/biotech companies who choose to avoid long-term investments and therefore partner with CROs. ⁸



R&D expenditure forecasted to grow

The estimated R&D expenditure by the pharmaceutical industry stood at USD 188 billion in 2020. This is expected to reach over USD 230 billion by 2026 at a CAGR of 3.6%⁹. Increasing R&D expenditure, molecule pipeline and drug approvals, will boost the demand for CRO services.

Syngene’s Research Services

The Company provides its Research Services through a range of flexible models, from shared resources and infrastructure to a dedicated facility. These options are reported as Discovery Services and Dedicated R&D Centres, respectively.

In Discovery Services the company is engaged in early-stage research from target identification to delivery of drug candidates for clinical development.

In Dedicated R&D Centres, the Company provides a fully functioning, full capability “turn-key” solution providing clients with everything they need to take their research projects forward, from highly trained scientific staff, management, state of the art infrastructure to operating systems, processes and procedures that ensure high quality operations and meet regulatory requirements, all set within a scientific ecosystem that allows them to scale up operations quickly if needed. Each Dedicated Centre is run exclusively for one client.

⁶<https://www.statista.com/statistics/791263/total-r-and-d-pipeline-size-timeline-worldwide/>

⁷Frost & Sullivan - Post-COVID-19 Trends Disrupt the Global Contract Research Organization (CRO) Market, May 2021

⁸Frost & Sullivan - Global Drug Discovery and Early Development Outsourcing Growth Opportunities, August 2021

⁹Frost & Sullivan - Global Drug Discovery and Early Development Outsourcing Growth Opportunities, August 2021

Discovery Services

a) About the Services

Syngene's Discovery Services includes Discovery Chemistry, Discovery Biology, Safety Assessment, and Research Informatics. The division features capabilities across a broad range of therapeutic areas and modalities (small molecules, large molecules, conjugates, cell and gene therapy), as well as several specialty platforms including Syngene SynVent (integrated drug discovery), Syn.AI (artificial intelligence/machine learning platform), SynVantage (AI-enabled, relay-based drug discovery), and SynTACs (targeted protein degradation).

b) Syngene's Strategy is to provide **End-to-End therapeutic discovery capabilities including differentiating technologies and platforms:**

The Company delivers high-value innovation on the robust foundation of its platforms and scientific capabilities. A key priority is to further leverage these strengths by expanding engagements with existing clients and adding new clients.

Syngene's end to end platform of discovery capabilities				
Functional Services	Chemistry	Biology	Safety Assessment	Research Informatics
	Capabilities across Small Molecule / Large Molecule/Conjugates/Cell & Gene Therapy			
Integrated Platform	Syngene SynVent – Integrated Drug Discovery Platform			
Credentials	Diverse range of capabilities across synthetic, medicinal, and analytical chemistry.	High end and high throughput infrastructure to accelerate drug discovery process	AAALAC ¹⁰ and GLP accredited Vivarium	Standalone + Integrated, customizable informatics solutions.
	Expertise in multiple modalities including small molecules, PROTACS, ADC, Peptides, oligonucleotides.	Differentiated capabilities including high content imaging, high throughput screening, stem cell and PROTAC assays, biophysical assays and gene editing platforms that support multiple modalities including CAR-T research.		Heptox Platform™ with patented liver model that integrates methods to predict liver injury from drugs
	Specialized analytical support to accelerate compound delivery			
	Capability to handle toxic and hi-potent chemicals	Wide range of services including protein sciences, structural biology, antibody discovery, cell engineering, invitro assays, DMPK, Invivo pharmacology, NGS for biomarker analysis.		
	24x7 functional state of the art facility	Access to patient tissues for Translational Research		
Infrastructure	>0.5Mn Sq Ft lab space		54,000 Sq. Ft Vivarium	

c) Progress during the year

Discovery Services reported a robust performance in FY22. This was largely driven by new client demand, particularly within the emerging biopharmaceutical segment, and further expansion of relationships with existing clients. The focus on driving Integrated Drug Discovery (IDD) projects contributed to the growth trajectory, with several new client programs being added in this space. Furthermore, newer services such as targeted protein degradation and peptide synthesis saw positive demand

¹⁰Association for Assessment and Accreditation of Laboratory Animal Care International

uptake during the year.

Capability/capacity additions during the year

- (i) The Company continued to expand its research facilities in Bangalore and Hyderabad. As part of the third phase of expansion, capacity for 300 scientists was added in Hyderabad, taking the total capacity to around 600 scientists.
- (ii) The Company's Research Informatics unit continued to provide computational support to programs within SynVent. To foster enhanced collaboration the unit launched a collaborative drug discovery platform that facilitates data visualization and analysis, augmented by predictive computational tools, to foster faster and more informed hypothesis generation and evaluation.

Dedicated R&D Centers

a) About the Services

Syngene operates dedicated R&D centers for three clients: Bristol-Myers Squibb, Baxter Inc., and Amgen Inc. These collaborations have witnessed consistent growth and expansion in scope of engagement over the years, making the Dedicated R&D Centers division a consistent driver of business growth.

b) Syngene's Strategy

Extend and Expand Dedicated R&D Centers

The Company remains focused on growing its strategic alliances within Dedicated R&D Centers as they provide a strong foundation for future planning and investment, provides revenue visibility over the medium to long term and generate predictable cash flows.

Progress during the year

In FY22, Syngene extended its collaboration with Amgen until the 2026. The scope of services was also expanded to cover integrated drug discovery and development solutions in discovery chemistry and biology, peptide chemistry, antibody and protein reagents, pharmacokinetics and drug metabolism, and pharmaceutical development. In addition to operating the existing Syngene Amgen R&D Center (SARC), under the new contract, Syngene will build and operate a dedicated laboratory, which will enable R&D project acceleration.

In FY21, Syngene expanded its collaboration with Bristol Myers Squibb to increase the number of scientists working under the collaboration by 40% and addition of a new 50,000 sq. ft. dedicated laboratory space. The contract was also extended until 2030.

Overall Outlook for Research Services:

Market demand remains strong for CRO services. The Company is well-positioned to capitalize this opportunity backed by its continued focus on driving Integrated Drug Discovery solutions and investments in differentiating capabilities, technologies, and platforms. The Company continues to invest in creating laboratory space to support further growth.

In Dedicated Centres, the Company will continue to focus on meeting the needs of its long-term strategic partners through investment in new capabilities and the continuous improvement of the services provided within these collaborations.

Development and Manufacturing Services

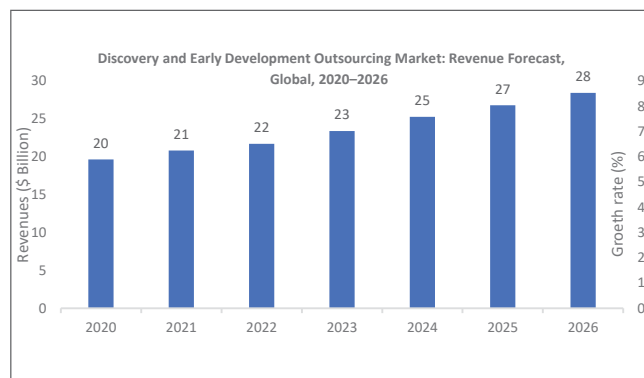
Pharmaceutical companies continue to increase outsourcing of drug development and manufacturing work to Contract Development, Manufacturing Organizations (CDMOs and CMOs). The work can range from production of small quantities of materials for R&D purposes, larger amounts for clinical study usage and ultimately full-scale production for commercial purposes. The end-to-end capabilities of CDMOs address the twin challenges of developing complex molecules and of technology transfer during the drug commercialization stage.

CMO/CDMOs are increasingly used as a way to gain access to advanced technologies and manufacturing expertise that can help clients lower drug development risk, reduce drug commercialization timelines and lower cost.

Small Molecule Development and Manufacturing Services Market

Small molecule CDMO services comprise clinical scale drug substance and drug product development and manufacturing services and commercial scale development and manufacturing services of small molecules.

The global small molecule CDMO market is expected to grow from USD 80 billion in 2020 to USD 115 billion in 2026 at a CAGR of 6%¹¹. This growth is driven by pharmaceutical manufacturers' growing reliance on the expertise of CDMOs for the development and manufacturing of innovator active pharmaceutical ingredients (APIs) and high-potency small molecules (HPAPI).



Growth led by API: Timely availability of APIs and finished dosage formulations (FDFs) for clinical and commercial development is critical in meeting accelerated timelines.

The API segment will continue to grow because of the rise in complex molecules requiring specific manufacturing capabilities, such as molecules with low solubility and HPAPs.

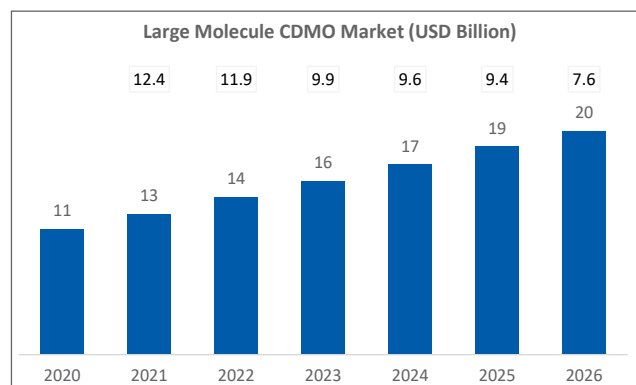
Increasing share of orphan drugs: The trend of outsourcing API manufacturing is also being boosted by the pharmaceutical industry's focus on unmet niche therapies. Orphan drugs, used for treatment of rare diseases, account for around 15%¹² of drug sales and this proportion is increasing. As these therapies often rely on complex APIs that need to be manufactured in small volumes, CDMOs with flexible manufacturing capacity are increasingly being preferred as alliance partners. Orphan drug pharmaceutical companies often also look to partner with CDMOs who have experience across all stages of drug development– from Investigational New Drug (IND) filing to New Drug Application (NDA) to advance their compound.

Large Molecule Development and Manufacturing Services Market

The market share of large molecules (biologics) has steadily increased over the past decade. Further, over the past five years there has been a 50% increase in the large molecule drug pipeline. In 2021, the USFDA approved 10 different biological products¹³. The number of companies working with biologics has also grown, particularly the number of small and virtual biotech players.

The manufacturing and development of large molecules/ biologics is complex, and capital-intensive, requiring large scale capital investment and the development of an extensive range and depth of scientific, development and manufacturing

skills. Establishing these capabilities can be a challenge for clinical-stage and virtual biopharmaceutical companies with limited or no infrastructure to develop and commercialize their clinical pipelines. To address this, many biopharmaceutical companies choose to partner with CDMOs to drive accelerated development, speed to market, innovative processes, and productivity. The large molecules CDMO market was valued at USD 11 billion in 2020 and is expected to reach USD 20 billion by 2026, at a CAGR of 10%¹⁴.



Syngene's Development and Manufacturing Services

Development Services: Syngene's Development Services group is engaged in delivering drug substance and drug product for clinical trials, as well as providing associated analytical services and clinical trial services. The Company provides cGMP compliant manufacturing of clinical supplies, and registration batches for small molecule.

Syngene's Development Services Strategy

a) Platform play leveraging existing capabilities:

Moving a drug candidate into the chemical manufacturing control (CMC) phase of drug development requires many specialized resources.

Syngene's end-to-end CMC services, covering drug substance, drug product, analytical, DMPK, GLP toxicology, GMP clinical supplies, manufacturing, and stability, along with an in-house team of regulatory experts and qualified personnel help achieve faster regulatory filing and first-in-human (FIH) studies while maintaining tight control over quality and expenditure. Syngene's credentials include delivery of integrated CMC programmes, including taking a clinical candidate to regulatory filing in less than year.

¹¹Frost & Sullivan - Global Small Molecule Contract Development and Manufacturing Organization (CDMO) Growth Opportunities, September 2021

¹²<https://www.evaluate.com/media/2741/download>

¹³<https://www.raps.org/news-and-articles/news-articles/2022/1/fda-approved-more-first-in-class-drugs-more-with-a>

¹⁴Frost & Sullivan - Global Biologics Contract Development and Manufacturing Organizations Growth Opportunities, June 2021

Development Services Strategy: Platform Play leveraging existing capabilities				
Functional Services	Chemical Development and Manufacturing	Formulation Development and Manufacturing	Analytical Development and stability studies	Clinical Development
Integrated Platform	Integrated Chemistry Manufacturing and Controls			
Capabilities	USFDA and PMDA approved manufacturing facilities including for HPAPI and Oligos	cGMP Manufacturing facility approved by USFDA, Russian Regulators, Indian Drugs Controller	Asia's largest State of the art Stability Centre approved by USFDA and PMDA	Enabling early to late phase clinical trials
	Experience in delivering integrated CMC from clinical candidate to regulatory filing in less than a year	Early phase and late phase formulation development across oral solid, liquids, injectables and topicals.	ICH stability studies cGMP compliant ICH stability studies for complete drug life cycle – from IND filing to commercialisation	USFDA, EMA, ANVIRA, UKMHRA, CDSCO compliant Human Pharmacology Unit doing phase 1 clinical studies
	Ability to execute complex chemistry	Diverse technology platforms to address drug delivery challenges (like nano technology, controlled drug delivery systems, amongst others)	End to end analytical support using both conventional and latest technologies	NABL and CAP accredited Central Clinical Lab
Capacity	Capability to deliver complex polymers for human use integrating small and large molecules	Low volume commercial drug product manufacturing capability for oral solids		NABL and OECD GLP accredited Large molecule Bioanalytical lab is
	Reactor sizes from 60L to 8,000L to support different scale of manufacturing	Ca. 6,000 square feet facility that supports formulation development for a scale of 0.1 to 5 kilograms.	72000 Sq. Ft Stability Centre with modular analytical labs	Fully equipped facility for Phase 1 clinical study supported by Bio analytical and clinical labs
	Dedicated HPAPI and Oligonucleotide cGMP facilities	Ca. 17000 Sq. Ft manufacturing facility that supports 1 kg to 120 kg of drug product manufacturing		Capability to handle patient based phase II to IV studies in India

b) Progress during the year

The division's core strength is its ability to provide integrated CMC services in conjunction with nearly three decades of experience and expertise in solving scientific complexity enables the division to deliver value to clients. During the year, efforts continued to sustain and enhance this value by simplifying processes, leveraging technology, and adopting sustainable practices. Digitization via electronic laboratory notebook (ELN) is complete across the division, thus establishing accurate data traceability.

c) Capability/capacity additions during the year:

The Company continued to invest in enhancing its capabilities to provide full spectrum of services. A new injectable fill-finish facility with a filling capacity of about 2,000 vials per hour is under qualification and validation. This will help to address the drug product requirements of both small molecule and large molecule for early phase clinical supplies covering the injectable market.

Syngene' s Manufacturing Services: Manufacturing Services completes the integrated platform offering to our customers:

a) Small Molecule Commercial Manufacturing Services

The Company has small molecule commercial manufacturing facility in Mangalore. The Company remains focused on securing USFDA and other major regulatory approvals for the facility. The approval is expected in FY24.

The Company made progress in building a project pipeline covering a combination of novel molecules, niche generic APIs and intermediates.

During the year the company manufactured remdesivir, the USFDA-approved COVID-19 drug for which the company had entered into a voluntary licensing agreement with Gilead Sciences to manufacture this

novel intravenous drug for distribution in India and other global markets. The Company had initiated the manufacturing and supply of this drug in November 2020.

b) Large Molecule Development and Manufacturing Services

The Company provides an end-to-end platform covering drug discovery, development, clinical manufacturing of drug substance and drug product, analytical and viral testing services, and commercial manufacturing of drug substance for large molecules.

Strategy: Drive platform approach for Biologics Development and Manufacturing providing end-to-end solutions

The Company aims to capitalize on strong demand for both biologics and biosimilars (across clinical and commercial supplies). This is being enabled by driving platform approach and accelerating capacity build.

Standalone service	Discovery Services	Bio Process Development	Clinical Manufacturing	Viral Testing	Analytics and characterization	Commercial manufacturing
Platform Solution	Integrated one stop solution across drug discovery, development and manufacturing. Gene to GMP (for first in human clinical trials) in 9 months					
Capabilities	Track record of services in recombinant DNA, cell line development, next gen sequencing, anti-body generation	Ability to take Gene to GMP product for clinical trials in 9 months	cGMP manufacturing facility for mammalian and microbial including plasmid DNA and mRNA products	Viral clearance studies for cell culture processes for Phase 1 and commercial	GLP certified and USFDA inspected lab	Disposable based manufacturing facility
		Cell line development with assured titer	BSL2 compliant Microbial facility capable of manufacturing over 200 million	GLP certified facility	Supported 50+ programs for USFDA, EMA filing including 3 blockbuster drugs	2 upstream suites allowing parallel processing
		High titer through process intensification (3 to 4x of standard titer)	doses of equivalent drug substance across Protein Sub-units, pDNA and mRNA that gives us the capability to manufacture vaccines.	State of the art BSL 2 lab	Wide experience in biosimilars, mABs, vaccines.	Downstream suite to support batch scheduling
		Track record and experience in mAbs, bispecific, antibody, recombinant, mRNA, microbial			Services Top 5 of 10 big pharma / biotech + 1 top animal health company	
		Full suite of techniques for process and product development and characterization				

a) Progress during the year

During the year, the company expanded its Biologics capabilities and capacity to strengthen its value proposition to the clients.

The Company developed a platform process that takes client's gene to a clinical grade GMP product for first-in human studies in a short span of 9 months. This provides a competitive value proposition for clients to evaluate their molecules rapidly through clinical studies.

The Company also developed a process intensification strategy in mammalian cell culture that demonstrated three-to-four-fold increase in standard titre. This lowers the cost per gram as the product progresses to late stage clinical and commercial launch.

(b) Capability/Capacity additions

(i) A cGMP microbial manufacturing facility was commissioned in Q1FY22. The facility is now fully operational and will provide further integration opportunities with existing Discovery and Development capabilities. It will also enable GMP manufacturing of plasmid DNA and mRNA, thus extending the suite of services available to clients.

(ii) The Company expanded the capacity of its USFDA and EMEA compliant mammalian manufacturing facility. An additional 2,000-liter single-use bioreactor was added during the year. The investment has increased the Company's production capabilities for end-to-end cGMP clinical and commercial manufacturing of bulk drug substances.

Outlook for Development and Manufacturing Services:

The fundamentals of the Company's Small Molecule CDMO Services are robust with an integrated platform for development and commercial manufacturing. The Company's focus on new chemical entities (NCEs) and molecule flow through from Discovery Services and from early stage to late-stage clinical trials is expected to drive capacity utilization. The commercial manufacturing facility is expected to ramp up utilization post USFDA approval expected in H2FY24.

Syngene is well-positioned with its capabilities and infrastructure to capture the strong market demand for biologics development and manufacturing. The Company remains focused on increasing capacity utilization and augmenting capacity to cater to the market and client demand.

Operational Review**Research Services**

During the year, the Company continued delivering on its strategy of providing end to end drug discovery capabilities.

The Company continued to gain traction in its Integrated Drug Discovery platform – SynVent. Completing the first full year of the platform, the Company is running 15 projects across clients.

Leveraging its capabilities across wide range of drug modalities for servicing its clients, the Company identified two candidates within the targeted protein degradation modality. Significant progress was made in selecting candidates for an antibody-drug conjugate, including validation of a novel linker moiety that imparts significantly improved physical properties leading to enhanced solubility.

Continuing its scientific contribution in the fight against the pandemic, the Discovery Services team supplied high-quality viral proteins to Bharat Biotech, the makers of India's indigenous COVID-19 vaccine. These proteins were critical for setting up clinical-grade assays for monitoring the efficacy of the COVAXIN vaccine in their various clinical trials. The scientific team also generated several variants of the SARS-CoV2 spike S1 protein, including the alpha, beta, and delta variants. These variants are used to determine the efficacy of different vaccines to cross-protect people from these strains. The Company has received a grant from India's Biotechnology Industry Research Assistance Council (BIRAC) for the co-development of a measles virosome-based COVID-19 vaccine.

Overall, Research Services contributed 66% to overall Revenue from Operations of Syngene in FY22 compared to 67% in FY21.

Development and Manufacturing Services

In Development Services, the Company strengthened its technical capabilities in process development for complex chemistry and extended its capabilities in oligonucleotide polymers and high potent APIs. These have helped build client confidence on scale up manufacturing for clinical supplies and win repeat orders.

During the year, biopharmaceutical client Panbela Therapeutics, which develops disruptive therapeutics for cancer treatment, received a US patent on an API process developed by the Development Services team. The patent covers a shortened synthesis of a lead investigational product, the novel process reduces the number of production steps from seventeen to six, which will make future commercialization easier and faster.

In Manufacturing Services, the Company continued to invest in adding capabilities in process development and adding

scale for clinical and commercial manufacturing. During the year the Company embarked on some key collaborations that include a five-year agreement with IAVI, a US-based non-profit, scientific research organization. The collaboration is to develop and manufacture three recombinant, monoclonal antibodies (mAbs) for Human Immunodeficiency Virus (HIV). Under this agreement, the Company will provide an integrated solution for development, manufacturing process development, scale-up and cGMP manufacturing of drug substance, viral clearance studies, cGMP manufacturing of drug product and stability studies.

The Company also won new projects from international organizations like the International Agency for Research on Cancer (IARC), the specialized cancer agency of the World Health Organization (WHO).

During the year, the Biologics services experienced supply chain challenges including a temporary shortage of supplies as a result of demand for COVID vaccines, coupled with logistics issues. These factors led to long lead times for raw material supplies that resulted in constrained revenue growth.

Overall, Development and Manufacturing Services contributed 34% of revenue from operations in FY22 compared to 33% in FY21.

Enabling Functions

The Quality function supported the drive to be 'Anytime Audit Ready' by all operations. Aligned with this focus, continued investments in digitization reduce the impact of human error and increase the ability to audit quality and other processes. Productivity, quality, and compliance dashboards, based on data captured using Electronic Lab Notebooks, are now available. During the year, the Company successfully completed 70 audits including 10 regulatory audits.

Across all operations, the commitment to continuous improvement ensures that operations are compliant and a lean quality control program was implemented to make laboratories more efficient. As a result, downtime of instruments was reduced and productivity increased.

Advances in information technology are being used to increase the speed of projects, decrease use of resources, process ever greater volumes of data and streamline projects through process automation. During the year, the Company started implementing an Internet of Things (IOT) solution to create

a fully integrated digital ecosystem including ~1200 existing systems. Once complete, the IoT will deliver benefits ranging from equipment maintenance, and spares management to proactive accident prevention.

To strengthen project execution, the Company launched the Synpro platform including the Synpro Academy to train participants in project management tools and techniques; the Synpro Project Management Manual; and a range of proprietary software tools for project management.

The Strategic Sourcing team has played a vital role in managing the supply chain during a disrupted year. The Company has diverse sourcing requirements ranging from chemicals to computers and capital equipment. The company demonstrated a strong, resilient supply chain which ensured timely availability of critical raw materials required for client projects. The Company continued its build of supplier ecosystem with sources distributed across the world to increase resilience.

Operational excellence is an important factor in creating a sustainable execution framework. The Company runs a LEAP (Leverage Excellence to Ascend and Perform) program as a framework for continuous improvement. LEAP includes Japanese workplace practices such as Kaizen and Gemba as well as Lean training to eliminate waste and Six Sigma process re-engineering. A company-wide continuous improvement program (SQDECC), based on six key operational metrics, drives a focus on client delivery.

Human Resources

Syngene's operations are delivered by a highly trained, experienced workforce, of which 87% are scientists.

During the year, the Company continued its commitment to hiring, developing and retaining employees to ensure that it had the capabilities to scale and sustain its growth.

In addition to experienced industry hires, the Company ran virtual campaigns to attract new graduates. These new graduates constitute a significant proportion of new hires at Syngene and the company invests in their training and development to help them get the best start in their scientific career. The Syngene Training Academy (STA) enables these staff to develop the skills they need to operate safely and productively in a demanding, industrial science working environment. The STA encompasses both technical and behavioral training over a six-month period.

FY22 Financial Performance

The consolidated financial performance of the Company for FY22 is discussed below.

Financial Performance

Particulars	(in Rs Mn)		
	FY22	FY21	Change (%)
Total Revenue	26,570	22,489	18%
Expenses			
Cost of chemicals, reagents and consumables consumed	7,490	5,265	42%
Employee benefits expense	7,181	6,602	9%
Foreign exchange fluctuation gain, net	(548)	(171)	220%
Other expenses	3,958	3,429	15%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	8,489	7,364	15%
Depreciation and amortisation expense	3,097	2,745	13%
Finance costs	241	277	(13%)
Profit before tax and exceptional item	5,151	4,342	19%

Particulars	(in Rs Mn)		
	FY22	FY21	Change (%)
Exceptional items	-307	350	(188%)
Profit before tax	4,844	4,692	3%
Tax expense	886	643	38%
Profit for the year	3,958	4,049	(2%)
Other comprehensive income	433	1,906	(77%)
Total comprehensive income for the year	4,391	5,955	(26%)

Particulars	(in Rs Mn)		
	FY22	FY21	Change (%)
Revenue from operations	26,042	21,843	19%
Earnings from operations	7,961	6,717	19%
Profit for the year before exceptional items (net of tax)	4,211	3,821	10%

Revenue

During FY22, the Company saw an 18% growth in revenue from Rs 22,489 Mn in FY21 to Rs 26,570 Mn. Revenue from operations, was up 19% from Rs 21,843 Mn in FY21 to Rs 26,042 Mn against last year. Growth was driven by solid delivery across all divisions.

Cost of chemicals, reagents and consumables consumed

The cost of materials consumed in FY22 increased by 42% to Rs 7,490 Mn, accounting for 35% of total expenses. Material costs as a percent of overall revenue increased by 480 basis points due to shift in the mix of business towards manufacturing driven by early-stage development projects, manufacturing of remdesivir and acceleration of biologics manufacturing in the later part of the year.

Employee benefits expense

The employee costs for the year increased by 9% to Rs 7,181 Mn. The increase was in line with headcount additions and the salary increment during the year. The increase was partially offset by lower accruals of retirement benefits in FY22.

Foreign exchange fluctuation

The Company earned an exchange gain of Rs 548 Mn during FY22 as against an exchange gain of Rs171 Mn in the previous year. The gain in FY22 was largely on account of the hedge rates being above the prevailing market rates.

Other expenses

The Company's other expenses comprise power and fuel costs, professional fees, selling expenses such as freight outwards, provision for doubtful debts and other general overheads.

The Company recorded Rs 3,958 Mn of other expenses in FY22 reflecting an increase of 15%.

Other expenses increased by 15% in FY22 driven by increasing investments in digital capabilities, expansion of commercial activities and the return to international travel. Other expenses as a percentage of revenue declined from 15.2% to 14.9% in FY22 driven by effective management of discretionary cost despite inflationary pressure.

Depreciation and amortisation expense

Depreciation and amortisation increased to Rs 3,097 Mn from Rs 2,745 Mn in FY21. This reflects the additional depreciation in new investments in expanding the Hyderabad facility, Biologics, and other investments across the business.

Finance costs

The Finance costs decreased by 13% to Rs 241 Mn in FY22 compared to Rs 277 Mn in FY21, with the average cost of debt was maintained at 2% p.a.

Interest coverage ratio is adequate at 22 times in FY22.

Tax expenses

Tax expenses for the year stood at Rs 886 Mn in FY22 in comparison to Rs 643 Mn in FY21.

Adjusted for the tax on exceptional items, the tax expenses for the year were Rs 940 Mn in FY22 in comparison to Rs 521 Mn in FY21. The effective tax rate increased from 12% in FY21 to 18% in FY22. This increase in effective tax rate is due to a one-time tax reversal in FY21 due to change in tax position

benefitting the effective tax rate in the last year. In addition, there has been a gradual increase in tax rates as some of the units are moving out of the SEZ tax benefit period. An increasing share of business coming from locations not enjoying SEZ tax benefits, leads to an increase in the effective tax rate in FY22.

Exceptional Items

In a September 2021 notification, the Government of India restricted the export incentive claim for FY20 to Rs. 50 Mn per company, thereby reducing the annual incentives granted and claimed by the Company in FY20. Management has considered reversal of Rs.307 Mn (Gross), write down of export incentive receivable as exceptional loss considering the materiality and occurrence of the impact during the year.

Profitability

The Company's reported Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) in FY22 grew by 15% to Rs 8,489Mn compared to Rs 7,364 Mn in FY21.

EBITDA Margin for the year was at 31.9% compared to 32.7%. EBITDA Margin was impacted by lower other income.

Excluding other income, EBITDA from operations was at Rs 7,961 Mn in FY22 compared to Rs 6,717 Mn in FY21, an increase of 19% YoY registering a margin of 30.6% of revenue from operations for the year as compared to 30.8% in the previous year.

Profit After Tax before exceptional items increased by 10% from Rs 3,821 Mn to Rs 4,211 Mn.

Profit After Tax (PAT) after exceptional items declined by 2% to Rs 3,958 Mn, as against Rs 4,049 Mn in FY21.

The Company's diluted earnings per share decreased to Rs 9.82 in FY22 as against Rs 10.11 in FY21.

Other Comprehensive Income

Other comprehensive income includes re-measurement gains/losses on defined benefit plans and gains/losses on hedging instruments designated as cash flow hedges. The decrease/increase is primarily due to mark-to-mark gain/loss on the hedge instruments.

Analysis of the Consolidated Balance Sheet: The following table exhibits the Company's balance sheet as on 31st March,2022 and 31st March,2021:

Particulars	FY22	FY21	Change (%)
Assets			
Non-current assets			
Tangible, Right-of-use and intangible assets	27,392	24,382	12%
Financial assets	4,154	4,448	(7%)
Deferred tax assets (net)	656	891	(26%)
Income tax assets (net)	1,191	867	37%
Other non-current assets	185	177	5%
Total non-current assets	33,579	30,765	9%
Current assets			
Inventories	1,794	596	201%
Financial assets	19,120	16,469	16%
Other current assets	1,145	1,003	14%
Total current assets	22,059	18,067	22%
Total Assets	55,638	48,832	14%
Equity and Liabilities			
Equity			
Equity share capital	4,008	4,000	
Other Equity	28,968	24,214	20%
Total Equity	32,976	28,214	17%
Non-current liabilities			
Financial Liabilities	7,501	6,400	16%
Provisions	344	520	(34%)
Other non-current liabilities	2,528	2,368	7%
Total non-current liabilities	10,373	9,288	11%
Liabilities			
Current liabilities			
Financial Liabilities	6,233	6,124	3%
Provisions	582	465	25%
Income tax liabilities (net)	240	134	79%
Other Current Liabilities	5,234	4,607	14%
Total current liabilities	12,289	11,330	9%
Total	55,638	48,832	14%

Non-current assets

Non-current assets grew by 9% primarily due to investments in tangible assets in newly set up research labs at Hyderabad and Bangalore in Discovery services, Dedicated Centers, injectable fill finish facility, capacity additions in Biologics, completion of microbial development and manufacturing facility and lease asset entered for Hyderabad and Biocon park.

Working Capital (Current assets, less current liabilities)

Working capital increased to Rs 9,769 Mn in FY22 from Rs 6,737 in FY21. Increase in working capital was due to increase in inventory levels by Rs 1,198 Mn to ensure that there is no disruption in client deliveries due to supply chain delays and to support holding of long lead time materials in case biologics. Short term investments increased with reclassification of maturity period. With improved collection cycle, trade receivables increased by only 7% despite 19% increase in Revenue from Operations.

Equity share capital

The Company's equity share capital comprises of approximately 400 Mn equity shares of Rs 10 /- each.

Other equity

Other equity comprises the share premium, retained earnings, cash flow hedging reserves and other reserves. The total reserves and surplus of the Company increased by 20% in FY22 as a result of the accumulation of profits earned during the year and the movement in items of other comprehensive income.

Non-current liabilities:

Non-current liabilities include:

Long-term borrowings in the form of an External Commercial Borrowing (ECB) facility of USD 50 Mn and Foreign Currency Term Loan (FCTL) facility of USD 20 Mn to fund the capital expenditure of the Company. Deferred revenues relating to assets funded by third parties that are to be amortized over the useful life of the assets/period of contract to Other operating Income.

The debt: equity ratio of the Company as on 31 March 2022, improved to 0.24 as compared to 0.27 as on 31 March 2021.

Net Cash position:

Taking account of investments in inter-corporate deposits with financial institutions, deposits with banks, cash and cash equivalents and investments in overnight mutual funds, the Company is net cash positive as of 31 March 2022. The net cash position increased from Rs 6,475 Mn as of 31st March 2021 to Rs 7,325 Mn as of 31st March 2022.

Contingent liabilities:

Contingent liabilities include tax and other proceedings that arise from time to time in the ordinary course of business. Contingent liabilities stood at Rs 5,478 Mn as of 31 March 2022 in comparison with Rs 4,297 Mn as of 31 March 2021. Of the above, proceedings under income tax matters comprise Rs 5,454 Mn disputing the Company's claim of tax benefits under 10B and 10AA relating to financial year 2002 – 03 to 2019 – 20 pending before various appellate authorities.

Other than the matters disclosed above, the Company is involved in taxation matters that arise from time to time in the ordinary course of business. Management is of the view that these will not have any material adverse effect on the Company's financial position or results of operations.

RISKS, CONCERNS AND MITIGATION STRATEGY

Risks and Concerns

Risk Management is an integral part of management practice in the Company and is correlated with the execution of its strategic priorities. An Enterprise-wide Risk Management framework provides a holistic approach to identification, monitoring, reporting and mitigating risks that could impact performance. Risk mitigation is reviewed regularly under a governance process involving the Executive Risk Committee and the Board Risk Committee.

The Executive Risk Committee assesses the probability, velocity, and severity of all enterprise risks. Emerging risks are identified and discussed with the Risk Committees along with the mitigation action plan. Every enterprise risk has an identified risk owner from the Executive Committee and the risk owners in addition to providing a quarterly update on the mitigation status, also leads a full risk review once a year with the Board committee.

Syngene's Enterprise Risk Management framework is aligned to SEBI regulations and risks have been categorized into sectoral, operational, sustainability/ESG, financial, information/cyber security risks. The following table provides a summarized view of the major risks and mitigations plans in the risk framework. Risk classification is based on probability, velocity and impact of the risk on the business.

Risks and mitigation plans in action

	Risks	Risk mitigation actions
	Sectoral Risks	
1	<p>Risk arising from customer concentration – risk of loss of revenue in the event of the loss of a key customer</p>	<p>Commercial execution has delivered a consistent expansion in the total number of active clients reducing dependence on any single customer.</p> <p>The Company endeavors to put in place long term contractual arrangements with the largest customers and invests in building deep partnerships which drive longevity and interdependency.</p> <p>The company puts a high value on customer satisfaction and has embedded a performance management model involving regular performance reviews with key customers to maintain a steady flow of information and feedback.</p>
2	<p>Risk arising from failure to keep pace with emerging client technology requirements</p> <p>Scientific research is fast-evolving with new and innovative technologies driving product innovation and new therapeutic approaches. Improved digital and computational capabilities are also transforming the speed and effectiveness of discovery research. Syngene’s clients operate at the leading edge of innovation. For these companies, part of the attraction of working with a CRO is having access to the latest skills and technology.</p>	<p>A newly established Board level Science and Technology Council reviews new and emerging technologies, takes inputs from academia, industry, customers, and originators of new technologies and ensures that these insights are considered within the company’s strategic plans.</p> <p>Over recent years, the Company has undertaken an ambitious investment program to invest in new technologies, new science, automation, and digital capabilities to ensure that it is able to offer the latest technology offerings to its customers.</p>

	Operational Risks	
	Risks	Risk mitigation actions
3	<p>Risk arising from lack of progress in biologics/large molecules development and manufacturing market leading to potential loss of business opportunities and inadequate return on investment.</p> <p>Syngene has expanded into contract manufacturing over the recent years. Large molecule manufacturing is an important pillar of Syngene’s manufacturing strategy, and the Company has made investments in mammalian and microbial facilities to manufacture large molecule drug substance.</p>	<p>Sustained investment has been undertaken to create a state-of-the-art biologics facility. Staff with specialized skills and knowledge have been recruited to ensure high quality execution.</p> <p>A specialist commercial sales capability for large molecules leads at the client interface to ensure that the Company captures its share of a growth market.</p>
4	<p>Risk arising from failed execution of the Integrated Drug Discovery (IDD) strategy</p> <p>The ability to offer IDD is important to clients who choose to operate within an asset lights model and consequently prefer to outsource the full drug discovery value chain to a contract research partner. Many venture capital funded biotech companies take this approach and increasingly larger biopharma companies are also accessing this model to retain a flexible approach to capital investment.</p>	<p>Extensive investment in building capabilities and expert leadership across our strategic, scientific and program management organizations ensure excellent execution of IDD programs.</p> <p>Special commercial, scientific and program management team has been established to support the IDD project portfolio.</p>

5	<p>Risk arising from inability to establish a world class, global sales/marketing/ commercial operation.</p> <p>Syngene’s customers are located across the globe, with the majority in North America, Europe, and Japan. An effective, close to the customer, commercial organization is required to ensure the Company can build and maintain the right level of relationships with current and new customers.</p>	<p>Established a global sales team with experienced leaders in key markets bringing the company in close proximity to client locations, helping to improve the level of customer engagement, ease of access and responsiveness.</p> <p>An annual customer satisfaction survey provides qualitative and quantitative feedback on how we are serving our customers and forms the basis for further service improvement.</p>
6	<p>Risk arising from inadequate infrastructure planning and execution</p> <p>Syngene’s discovery, development and manufacturing units require investment in state-of-the-art infrastructure to support growth. Failure to deliver the infrastructure in time risks our ability to deliver planned growth.</p>	<p>A company-wide, executive level infrastructure committee, led by the Chief Operating Officer, meets monthly to review infrastructure requirements and oversee delivery.</p> <p>Infrastructure planning forms part of the planning process and the capex budget provides for infrastructure expansion as outlined in our 5-year plan.</p>
Operational Risks		
Risks		Risk mitigation actions
7	<p>Risk arising from inadequate execution of the API manufacturing strategy.</p>	<p>Syngene has invested in a state-of-the-art USFDA and EMA compliant manufacturing facility with cGMP operations, systems and processes.</p> <p>Medium term: Pathway for obtaining key regulatory approvals in place.</p> <p>Short term: Developing a clear customer proposition and global sales and marketing capability to increase capacity utilization</p>
8	<p>Risk arising from inadequate project management within company operations</p> <p>As one part of a complex value chain, customer projects must be delivered at the right level of quality and within committed time frames. This requires an effective company-wide program management capability to ensure on-time, to quality, operations.</p>	<p>Investments in establishing a highly experienced, highly capable program management capability, supported by investments in technology and staff training is delivering consistent and competent project management across organization.</p>
9	<p>Risk arising from inability to attract, train and retain a skilled workforce</p>	<p>Syngene’s operations are delivered by a highly trained, experienced workforce, of which 87% are scientists.</p> <p>During the year, the Company continued its commitment to hiring, developing and retaining employees to ensure that it had the capabilities to scale and sustain its growth.</p> <p>In addition to experienced industry hires, the Company ran virtual campaigns to attract new graduates. These new graduates constitute a significant proportion of new hires at Syngene, and the company invests in their training and development to help them get the best start in their scientific career. The Syngene Training Academy (STA) enables these staff to develop the skills they need to operate safely and productively in a demanding, industrial science working environment. The STA encompasses both technical and behavioral training over a six-month period.</p> <p>The company has attained Great Place to Work™ certification, an award voted for by employees and this reflects positively on their experience of life at Syngene.</p> <p>The Company is committed to offering fair pay to all employees and regularly undertakes salary benchmarking and calibration to ensure pay and reward levels are competitive within the labor markets we operate in.</p>

10	<p>Risk arising from disruption in operations caused by shortage of water</p> <p>Water is a key input for many of Syngene’s processes and consequently the company places a high degree of focus on ensuring that we manage this scarce precious resource with care.</p>	<p>A multi-pronged approach has been taken to ensure adequate water supply to all operating plants. This includes extensive recycling of used water, rainwater harvesting and creation of in-campus water tanks to compensate for any disruption of external supplies.</p> <p>The company has invested in new approaches to water use reduction as part of its sustainability agenda and</p> <p>Syngene distributes its operations across multiple geographies as a mitigation strategy to address resource disruption in any one location.</p>
Operational Risks		
	Risks	Risk mitigation actions
11	<p>Risk arising from failure to adhere to Standard Operating Procedures (SOP) and meet industry compliance and operating norms</p> <p>Biopharma, and more broadly life-science operations, are highly regulated and require a high attention to consistent output quality. Standard Operating Processes must be well understood and followed with no deviation across all applicable aspects of operations.</p>	<p>Syngene has invested extensively in establishing a sophisticated industry and regulatory standard SOP framework.</p> <p>Staff undergo regular training and testing on SOP’s to ensure their full understanding. Operational adherence is monitored through line management and supported by a digital platform.</p>
12	<p>Risk arising from disruption in operations due to COVID 19 pandemic</p>	<p>The company put in place a comprehensive pandemic management program, focused on reducing risk of transmission between staff through regular testing, increased sanitization and social distancing.</p> <p>A comprehensive employee vaccination program contributed to near normal levels of operations throughout the pandemic.</p>
13	<p>Risk arising from adverse clinical events impacting patient safety</p>	<p>The Company has a well-established process to ensure clinical trials are conducted in the safest possible way compliant with global regulatory requirements and industry best practices. Potential risks are identified at the protocol design stage and diligence is exercised to ensure consistent protocol compliance.</p> <p>The Company ensures all clinical trials are conducted with access to appropriate medical care.</p> <p>Additionally, the company has appropriate clinical trial insurance.</p>

Sustainability/ESG Risks		
14	<p>Risk arising from disruption in the global supply chain leading to delayed delivery of client projects</p> <p>An effective, reliable supply chain is important to company operations.</p> <p>Any adverse developments impacting supply chain operations, such as a global pandemic, or geopolitical events can result in supply chain disruption thereby impacting our ability to deliver operations which in turn can adversely impact customers.</p>	<p>Building resilience in sourcing and logistics has been a priority over recent years driving investment in global category management processes, expansion of the supply chain team and development of a broader array of global supply and logistics partners.</p> <p>In India, a program has been launched to develop a local supply ecosystem to supplement global sourcing and Syngene is providing technological support to local partners where needed.</p>
15	<p>Risk arising from failure to uphold high standards of business integrity and ethics</p>	<p>A companywide Anti-bribery and Anti-Corruption (ABAC) policy has been rolled out which covers all employees and partners of Syngene. A structured program of communication and annual training refresher ensures widespread awareness of the policy.</p> <p>All vendors must meet our ABAC compliance standards and training is given at the time of onboarding and refreshed periodically.</p>

16	<p>Risk arising from non-compliance with Environmental / Health/Safety regulations</p>	<p>All regulations relating to environment, health, safety are monitored through a governance process to ensure the organization is compliant at all points in time. This is done through a digital tool, supported by a specialized legal and regulatory help desk, ensuring compliance monitoring.</p> <p>Day-to-day monitoring of compliance within the operations is managed by a team of EHSS professionals. The Gemba safety walks, which are part of the continuous improvement process, also ensure regular scrutiny of compliance.</p>
<p>Sustainability/ESG Risks</p>		
17	<p>Risk arising from inability to ensure adequate management of safety hazards within operations.</p> <p>Syngene operations have inherent risks associated with dealing with hazardous chemicals and sensitive biological entities.</p> <p>Additional operational safety hazards include factors such as working with heavy engineering, working at height and working with heat.</p>	<p>Safety is a primary concern across all operations and extensive efforts are made to establish a "safety first" mindset with all staff from their first day of employment and throughout their tenure with the company.</p> <p>A company-wide safety program, KAVACH, provides a governance framework, training and best practices around safety.</p> <p>Safety consciousness is driven through communication campaigns and is reinforced through strictly monitored safety operating protocols.</p> <p>Near miss reporting is encouraged and learnings are discussed and shared across the organization.</p> <p>Safety training and emergency response drills are conducted regularly to ensure a high state of awareness among all employees.</p>
<p>Financial Risks</p>		
18	<p>Risk arising from adverse outcomes relating to tax positions</p>	<p>Syngene adopts a conservative approach to tax planning. The Company's tax positions are established after considering inputs from tax specialists to ensure that they meet the requirements of tax laws and regulations.</p> <p>When appropriate, the company will assert its right to contest adverse tax judgements and retains expert and specialist advisors as needed.</p>
19	<p>Risk arising from inability to manage forex rate fluctuations</p> <p>Syngene's income is largely denominated in non-Indian currency, consequently the company is exposed to extensive translational risk due to changes in currency foreign exchange rates.</p> <p>The Company has foreign currency liabilities on the balance sheet arising from foreign currency loans and payables.</p> <p>Inability to effectively manage forex risk can lead to loss of value for the organization.</p>	<p>The Company has in place a comprehensive, Board approved foreign exchange policy that defines the approach and the limits for forex management in the company.</p> <p>The policy is strictly adhered to and regular audit and oversight by the Board Audit Committee ensures compliance to the policy.</p> <p>As a matter of policy all receivables arising out of long-term contracts are hedged for the contract period.</p> <p>All other receivables and payables are hedged as per provisions of the policy.</p>

20	<p>Risk arising from non-compliance with laws due to inadequate governance framework for regulatory compliance management and reporting</p>	<p>The Company has invested in and established a comprehensive compliance monitoring and management process. This process is underpinned by a state-of-the-art digital platform, as well as taking expert and specialist advice.</p> <p>A specialized legal and regulatory help desk ensures that management has easy access to expert advice and up to date information on laws and regulatory requirements.</p> <p>Periodic auditing of compliance governance is undertaken</p>
<p>Financial Risks</p>		
21	<p>Risk arising from liabilities and penalties due to failure to meet contractual terms and provisions.</p> <p>Failure to deliver on contractual commitments may attract liabilities and penalties.</p>	<p>The Company endeavors to operate with industry best practice standardized contracts to aid ease of compliance and simplicity for both the company and our customers.</p> <p>Additionally, the Company has implemented a standard terms library which is referenced during the contract negotiation to aid clarity and standardization within our contracts. Any deviation from standard terms needs to be approved by management.</p> <p>Execution teams have visibility of the delivery commitments, and it is monitored through a governance process.</p>

<p>Information/Cyber Security Risks</p>		
22	<p>Risk arising due to failure to comply with data privacy and confidentiality requirements related to personal and client data</p>	<p>The Company has established a data privacy policy which aims to meet industry best practice and global regulations on data privacy.</p> <p>A structured program of communication and training ensures all employees have awareness of the policy.</p>
23	<p>Risk arising from inadequate cybersecurity controls leading to loss of data</p>	<p>A multi-layer cyber security approach with best-in-class cyber security solutions has been deployed.</p> <p>Established governance over the management of cybersecurity using international standards like ISO27001 with vulnerability assessments regularly conducted to stress test the system.</p>
24	<p>Risk arising from failure to implement the digitization of operations strategy leading to an adverse impact on future growth</p> <p>Digitization across core operations and enabling functions has been undertaken to improve productivity, improve processes and increase data-based analytics and control capabilities.</p> <p>Failure to keep to timeline on implementation of digital initiatives may adversely impact operations.</p>	<p>Key thrust of Syngene’s digital program covers process automation; integration of process, systems, equipment and material flow; and deep data analytics capabilities</p> <p>Detailed implementation programs for the above areas are regularly reviewed for execution effectiveness by the executive IT committee.</p>

ESG

Syngene recognizes that its responsibility goes beyond creating financial value to encompass the delivery of shared value to all stakeholders. A robust Environmental, Social and Governance (ESG) framework is in place to support the sustained success of clients, employees, investors, communities, and all other stakeholders. This includes adopting environmentally sustainable practices; driving policies and programs that support the well-being and development of employees and communities; and upholding high standards of corporate governance founded on ethical values.

During the year, several initiatives were taken across various aspects of ESG to embed sustainability actions deeper into the business. The Company conducted its first materiality assessment in 2021 to gauge stakeholder expectations and determine their material issues. To ensure that the Company’s non-financial reporting receives the same weight and diligence as financial

reporting, the Executive ESG Council has been constituted comprising the Managing Director & Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Human Resources Officer and Head of Corporate Affairs. It is supported by a working group of specialists from across the Company. In 2021, the Company's ongoing efforts in corporate governance were recognized at the 21st National Awards for Excellence in Corporate Governance, hosted by the Institute of Company Secretaries of India, with the top award in the medium listed companies' category. More details on the ESG practices, performance, metrics, and targets can be viewed in the ESG Report 2020-21 available on the Company's website or by accessing the following link: [Syngene \(syngeneintl.com\)](http://Syngene(syngeneintl.com))

Internal Controls

A robust internal control mechanism is a prerequisite to ensure that an organization functions ethically, complies with all legal and regulatory requirements and observes the generally accepted principles of good corporate governance. It is an extension of the overall corporate risk management framework as well as is an integral part of the accounting and financial reporting process.

Syngene's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. The control mechanism provides for well documented policies/guidelines, authorizations, and approval procedures to ensure the orderly and efficient conduct of its business. This includes adherence to Company's policies, safeguarding of its assets, the prevention and detection of

frauds and errors, ensuring the accuracy and completeness of the accounting records and the timely preparation and presentation of reliable financial information. The Company believes that its experienced and qualified employees play a key role in fostering an environment in which controls, assurance, accountability, and ethical behaviour are accorded high importance.

The Company has engaged Ernst & Young LLP to carry out internal audit of its activities on a periodic basis. The internal auditors also provide an objective view and reassurance of the internal controls as well as simultaneously auditing transactions. They report directly to the Audit Committee of the Board, which ensures process independence. The Audit Committee, comprising of Independent Directors, reviews the adequacy and efficacy of the internal controls, as well as the effectiveness of the risk management process across the Company.

Cautionary Statement

The Management of Syngene has prepared and is responsible for the financial statements that appear in this report. These statements conform to the accounting principles generally accepted in India and include amounts based on informed judgments and estimates. Syngene's projections, estimates and expectations described in this report should be interpreted as 'forward-looking statements' that can be impacted by various internal and external risks. Risks associated with market, strategy, technology, operations, and stakeholders can significantly impact the business and the actual results may differ substantially or materially from those expressed or implied.

Independent Auditor's Report

To the Members of Syngene International Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Syngene International Limited (the "Company") and its employee welfare trust, which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Financial instruments – Hedge accounting

[Refer Note 2(a) and 28 to the standalone financial statements]

The Key Audit Matter

The Company enters into forward, option and interest rate swap contracts to hedge its foreign exchange and interest rate risks. Foreign exchange risks arise from sales to customers as significant part of its revenues are denominated in foreign currency with most of the costs denominated in Indian Rupees (INR). Foreign exchange risks also arise from foreign currency borrowings. The interest rate risks arises from the variable rate of interest on its foreign currency borrowings.

The Company designates a significant portion of its derivatives as cash flow hedges of highly probable forecasted transactions. Derivative financial instruments are recognized at their fair value as of the balance sheet date on the basis of valuation report obtained from third party specialists. Basis such valuations, effective portion of derivative movements are recognized within equity.

These matters are of importance to our audit due to complexity in the valuation of derivative contracts and complex accounting and documentation requirements under Ind AS 109: "Financial Instruments". COVID-19 has an impact on operations and thereby impacted Company's estimates relating to occurrence of the highly probable forecasted transactions. A hedging relationship can no longer be continued if the Company concludes forecasted transactions are not likely to occur. Given the uncertainties relating to COVID-19, judgments and estimates relating to hedge accounting were inherently complex.

Key audit matters (continued)

Financial instruments - Hedge accounting

How the matter was addressed in our audit

Our audit procedures in relation to hedge accounting included the following, amongst others:

- Tested the design and operating effectiveness of the Company's controls around hedge accounting;
- We involved our internal valuation specialists to assess the fair value of the derivatives by testing sample contracts;
- We analyzed critical terms (such as nominal amount, maturity and underlying) of the hedging instrument and the hedged item to assess they are closely aligned;
- We analysed the estimate of highly probable forecasted transactions and tested the impact of ineffective hedges; and
- We challenged Company's assertion relating to its ability to meet its forecasts on account of COVID-19, to be able to assert that hedge accounting can be continued by analysing various scenarios to conclude there was no significant impact on the year-end financial statements.

Taxation

[Refer Note 2(m), 30 and 31 to the standalone financial statements]

The Key Audit Matter

The Company's operations are majorly based out of units registered as Special Economic Zone (SEZ) and Export Oriented Unit (EOU). Accordingly, the Company enjoys certain deductions/benefits with respect to payment of income-tax and other indirect taxes, some of which are subject matters of dispute with tax authorities.

The Company periodically assesses its tax positions, which include examination by the external tax consultant and tax counsels appointed by the Company.

Judgment is required in assessing the range of possible outcomes for some of these tax matters. These judgements could change over time as each of the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents.

The Company makes an assessment to determine the outcome of these uncertain tax positions and decides to make an accrual or consider it to be a possible contingent liability. Where the amount of tax liabilities are uncertain, the Company recognises accruals which reflect its best estimate of the outcome based on the facts known as at the reporting date. Accordingly, we focused on this area.

The Company also has significant deferred tax assets primarily comprising of Minimum Alternate Tax ('MAT') entitlement credits on account of tax holiday benefits, which would expire over a period of 15 years. Assessment of recoverability of such MAT credits require the Company to prepare forecasts for future profitability and potential tax liabilities, which involves significant judgment and accordingly this was an area of focus for us.

How the matter was addressed in our audit

Our audit procedures in relation to taxation included the following, amongst others:

- Tested the design and operating effectiveness of the Company's controls around the tax computation and tax matters;
- We obtained an understanding of the key uncertain tax positions based on list of ongoing litigations and tax computations for the current year;

Key audit matters (continued)**Taxation**

- We analysed select key correspondences with the tax authorities to identify any additional uncertain tax positions;
- We analysed Company's judgment regarding the eventual resolution of matters with various tax authorities. In this regard, we understood how Company has considered past experience, where available, with the tax authorities in the respective jurisdictions;
- We also considered external legal opinions and consultations made by the Company for key matters during current and past periods;
- We used our own tax specialists' expertise to assess the key assumptions made by Company; and
- With respect to our assessment of recoverability of MAT, our audit procedures included:
 - Assessing the revenue and profit forecast against the historical performance and assessing the Company's plans with respect to new undertakings being setup having tax holiday benefits; and
 - Assessing the sensitivity of key assumptions including the growth rate and tax holiday benefit for future years on the Company's ability to utilize MAT credits.

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

The Company's Management and Board of Directors are responsible for the other information. The other information comprises of Management Reports such as Board's Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report, but does not include the standalone financial statements and our auditor's report thereon, which we have obtained prior to the date of this auditor's report, and the remaining sections of the Company's Annual Report, which are expected to be made available to us after that date.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections of Annual Report (other than those mentioned above), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the Company/Board of Trustees of the employee welfare trust ("Trust") are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the each Company/Trust and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective Board of Directors/Board of Trustees are also responsible for overseeing the financial reporting process of each Company/Trust.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 31 to the standalone financial statements.
- b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 28 to the standalone financial statements.
- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Report on Other Legal and Regulatory Requirements (continued)

- d (i) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 40(v) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 40(vi) to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
- e As stated in Note 42(b) to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Chartered Accountants

Firm's Registration No: 101248WW-100022

S Sethuraman

Partner

Membership Number: 203491

UDIN: 22203491AHWNZF2511

Bengaluru

27 April 2022

Annexure A to the Independent Auditor's Report

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2022, we report the following:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (i) (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain Property, Plant and Equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (i) (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (i) (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.
- (i) (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (ii) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investment in one company during the year. The Company has not made any investments in firms, limited liability partnership or any other parties.

According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion that the investment made during the year are prima facie, not prejudicial to the interest of the Company.

Annexure A to the Independent Auditor's Report (continued)

- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act, have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act, in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into Goods and Services Tax ('GST').

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Employees' State Insurance, Income-Tax, GST, Duty of Customs, Cess and other statutory dues have generally been regularly deposited by the Company with the appropriate authorities, though there have been slight delays in a few cases of provident fund.

According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Annexure A to the Independent Auditor's Report (continued)

Name of the statute	Nature of the dues	Amount disputed (INR in millions)	Amount paid under protest (INR in millions)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	660	-	2002 – 03 to 2008 – 09	High Court of Karnataka
Income Tax Act, 1961	Income Tax	292	273	2009 – 10 to 2010 – 11	Income Tax Appellant Tribunal (ITAT)
Income Tax Act, 1961	Income Tax	4,503	665	2008 – 09, 2011 – 12 to 2019 – 20	Commissioner of Income Tax (Appeals)
Finance Act, 1994	Service Tax (including interest)	24	-	2009-14, 2014-16, 2016-17	Customs, Excise and Service Tax Appellate Tribunals

- Viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary (as defined under the Act).
- x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable to the Company.

- xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable to the Company.
- xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Annexure A to the Independent Auditor's Report (continued)

- xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act, pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.
- (b) In respect of ongoing projects for previous year, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act.

The Company has not transferred the amount remaining unspent in respect of ongoing projects for current year, to a Special Account till the date of our report. However, the time period for such transfer i.e. thirty days from the end of the financial year as permitted under the sub-section (6) of Section 135 of the Act, has not elapsed till the date of our report.

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

Chartered Accountants

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

S Sethuraman

Partner

Membership Number: 203491

UDIN: 22203491AHWNZF2511

Bengaluru

27 April 2022

Annexure B to the Independent Auditor's Report on the standalone financial statements of Syngene International Limited for the year ended 31 March 2022.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Syngene International Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

A Company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

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

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

Chartered Accountants

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

S Sethuraman

Partner

Membership Number: 203491

UDIN: 22203491AHWNZF2511

Bengaluru

27 April 2022

Standalone Balance Sheet

as at March 31, 2022

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

	Note	31 March 2022	31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3 (a)	21,229	20,322
Capital work-in-progress	3 (a)	3,464	2,372
Right-of-use assets	3 (b)	2,188	1,121
Investment property	3 (c)	385	376
Other intangible assets	4	126	191
Financial assets			
(i) Investments	5(a)	2,706	2,790
(ii) Derivative assets		1,249	623
(iii) Other financial assets	6(a)	203	1,038
Deferred tax assets (net)	7	651	887
Income tax assets (net)		1,186	868
Other non-current assets	8(a)	185	177
Total non-current assets		33,572	30,765
Current assets			
Inventories	9	1,794	596
Financial assets			
(i) Investments	5(b)	7,638	4,233
(ii) Trade receivables	10	5,082	4,744
(iii) Cash and cash equivalents	11(a)	2,590	3,189
(iv) Bank balances other than (iii) above	11(b)	2,561	3,193
(v) Derivative assets		842	713
(vi) Other financial assets	6(b)	384	339
Other current assets	8(b)	1,145	1,003
Total current assets		22,036	18,010
Total assets		55,608	48,775
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12 (a)	4,008	4,000
Other equity	12 (b)	28,912	24,183
Total equity		32,920	28,183
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13(a)	5,315	5,124
(i) (a) Lease liabilities	34	2,102	1,052
(ii) Derivative liabilities		84	224
Provisions	14(a)	344	520
Other non-current liabilities	15(a)	2,528	2,368
Total non-current liabilities		10,373	9,288
Current liabilities			
Financial liabilities			
(i) Borrowings	13(b)	2,581	2,599
(i) (a) Lease liabilities	34	218	154
(ii) Trade payables	16		
total outstanding dues of micro and small enterprises		34	109
total outstanding dues of creditors other than micro and small enterprises		2,319	2,282
(iii) Derivative liabilities		8	18
(iv) Other financial liabilities	17	1,098	937
Provisions	14(b)	582	465
Current tax liabilities (net)		240	133
Other current liabilities	15(b)	5,235	4,607
Total current liabilities		12,315	11,304
Total equity and liabilities		55,608	48,775

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

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration No: 101248W/W-100022

S. Sethuraman
Partner
Membership No. 203491
Bangalore
April 27, 2022

for and on behalf of **Board of Directors of Syngene International Limited**

Kiran Mazumdar Shaw
Chairperson
DIN: 00347229

Sibaji Biswas
Chief Financial Officer

Bangalore
April 27, 2022

Jonathan Hunt
Managing Director and Chief Executive Officer
DIN: 07774619

Priyadarshini Mahapatra
Company Secretary
FCS Number: F8786

Standalone Statement of Profit and Loss

for the year ended march 31, 2022

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

	Note	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Revenue from operations	18	26,014	21,794
Other income	19	528	646
Total income		26,542	22,440
Expenses			
Cost of chemicals, reagents and consumables consumed	20	7,706	5,517
Changes in inventories of finished goods and work-in-progress	21	(216)	(252)
Employee benefits expense	22	6,978	6,415
Finance costs	23	241	277
Depreciation and amortisation expense	24	3,097	2,745
Other expenses	25	4,160	3,585
Foreign exchange fluctuation gain, net		(548)	(171)
Total expenses		21,418	18,116
Profit before tax and exceptional items		5,124	4,324
Exceptional items	35	(307)	350
Profit before tax		4,817	4,674
Tax expense	30		
Current tax		829	736
Deferred tax			
MAT credit entitlement		47	(268)
Other deferred tax		3	169
Total tax expense		879	637
Profit for the year		3,938	4,037
Other comprehensive income			
(i) Items that will not be reclassified subsequently to profit or loss			
Re-measurement on defined benefit plans		104	(30)
Income tax effect		(26)	5
(ii) Items that will be reclassified subsequently to profit or loss			
Effective portion of gains/(losses) on hedging instrument and investments in cash flow hedges		515	2,375
Income tax effect		(160)	(444)
Other comprehensive income for the year, net of taxes		433	1,906
Total comprehensive income for the year		4,371	5,943
Earnings per equity share	38		
Basic (in Rs)		9.89	10.15
Diluted (in Rs)		9.77	10.08

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

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration No: 101248WW-100022

S. Sethuraman
Partner
Membership No. 203491
Bangalore
April 27, 2022

for and on behalf of **Board of Directors of Syngene International Limited**

Kiran Mazumdar Shaw
Chairperson
DIN: 00347229

Sibaji Biswas
Chief Financial Officer

Bangalore
April 27, 2022

Jonathan Hunt
Managing Director and Chief Executive Officer
DIN: 07774619

Priyadarshini Mahapatra
Company Secretary
FCS Number: F8786

Standalone Statement Of Changes In Equity

for the year ended march 31, 2022

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

(A) Equity share capital

	31 March 2022	31 March 2021
Opening balance	4,000	4,000
Issue of shares during the year	8	-
Closing balance	4,008	4,000

(B) Other equity [refer note 12(b)]

Particulars	Reserves and surplus			Items of other comprehensive income		Total other equity
	Treasury shares	Retained earnings	Special Economic Zone (SEZ) reinvestment reserve	Share based payments	Cash flow hedging reserves	
Balance as at 1 April 2020	(40)	17,759	-	389	(1,614)	(86)
Profit for the year	-	4,037	-	-	-	4,037
Other comprehensive income, net of tax	-	-	-	-	1,931	(25)
Total comprehensive income for the year	-	4,037	-	-	1,931	(25)
Transactions recorded directly in equity						
Exercise of share options	8	(1)	-	(112)	-	7
Share based payment	-	-	-	492	-	492
Transfer to SEZ reinvestment reserve	-	(1,600)	1,600	-	-	-
Transfer from SEZ reinvestment reserve	-	1,600	(1,600)	-	-	-
Balance as at 31 March 2021	1,445	21,795	-	769	317	(111)
Profit for the year	-	3,938	-	-	-	3,938
Other comprehensive income, net of tax	-	-	-	-	355	78
Total comprehensive income for the year	-	3,938	-	-	355	78
Transactions recorded directly in equity						
Exercise of share options	266	-	-	(266)	-	-
Purchase of treasury shares	-	(9)	-	-	-	(9)
Share based payment	-	-	-	367	-	367
Transfer to SEZ reinvestment reserve	-	(1,500)	1,500	-	-	-
Transfer from SEZ reinvestment reserve	-	1,500	(1,500)	-	-	-
Balance as at 31 March 2022	1,711	25,733	-	870	672	(33)

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

As per our report of even date attached

for and on behalf of **Board of Directors of Syngene International Limited**

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

Chartered Accountants

Firm Registration No: 101248W/W-100022

Kiran Mazumdar Shaw

Chairperson

DIN: 00347229

Jonathan Hunt

Managing Director and Chief Executive Officer

DIN: 07774619

S. Sethuraman

Partner

Membership No. 203491

Bangalore

April 27, 2022

Sibaji Biswas

Chief Financial Officer

Bangalore

April 27, 2022

Priyadarshini Mahapatra

Company Secretary

FCS Number: F8786

Standalone Statement of Cash Flows

For the year ended March 31, 2022

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

	Year ended 31 March 2022	Year ended 31 March 2021
I Cash flows from operating activities		
Profit for the year	3,938	4,037
<i>Adjustments to reconcile profit to net cash flows</i>		
Depreciation and amortisation expense	3,097	2,745
Loss on assets scrapped	20	60
Exceptional items	307	(350)
Provision for doubtful receivables	46	16
Share based compensation expense	367	492
Interest expense	175	277
Unrealised foreign exchange loss/(gain)	224	(55)
Net gain on sale of current investments	(63)	(21)
Proceeds from insurance company	105	245
Interest income	(465)	(623)
Tax expenses	879	637
Operating profit before working capital changes	8,630	7,460
Movements in working capital		
Decrease/ (increase) in inventories	(1,198)	(344)
Decrease/ (increase) in trade receivables	(379)	383
Decrease/ (increase) in other assets	(787)	389
Increase/ (decrease) in trade payables, other liabilities and provisions	598	(80)
Cash generated from operations	6,864	7,808
Income taxes paid (net of refunds)	(1,042)	(828)
Net cash flow generated from operating activities	5,822	6,980
II Cash flows from investing activities		
Purchase of property, plant and equipment	(4,753)	(4,408)
Purchase of other intangible assets	(2)	(57)
Investment in compulsorily convertible preference shares	-	(25)
Investment in equity shares	(49)	(12)
Investment in bank deposits and inter corporate deposits	(22,460)	(16,024)
Redemption/ maturity of bank deposits and inter corporate deposits	21,571	14,917
Interest received	263	620
Proceeds from sale of current investments	21,460	10,775
Purchase of current investments	(22,145)	(12,067)
Net cash flow used in investing activities	(6,115)	(6,281)
III Cash flows from financing activities		
Proceeds from exercise of share options	-	8
Repayment of long term borrowings	-	(3,811)
Proceeds from long term borrowings	-	5,153
Proceeds/ (repayments) from short term borrowings, net	(58)	(450)
Repayment of lease liabilities (principal), net	(80)	(43)
Interest paid	(175)	(277)
Net cash flow generated from/ (used in) financing activities	(313)	580

Standalone Statement of Cash Flows

For the year ended march 31, 2022

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

	Year ended 31 March 2022	Year ended 31 March 2021
IV Net increase/ (decrease) in cash and cash equivalents (I+II+III)	(606)	1,279
V Effect of exchange difference on cash and cash equivalents held in foreign currency	7	(8)
VI Cash and cash equivalents at the beginning of the year	3,189	1,918
VII Cash and cash equivalents at the end of the year (IV+V+VI)	2,590	3,189
Components of cash and cash equivalents as at the end of the year		
Cash on hand	_*	_*
Balances with banks	2,290	3,185
Deposits with maturity of less than 3 months	300	4
Total cash and cash equivalents [refer note 11(a)]	2,590	3,189
Restricted cash balance [refer note 11 (ii)]	8	13

* Less than Rs. 0.5 million.

Change in liability arising from financing activities

	1 April 2021	Cash Flow	Foreign exchange gain	31 March 2022
Borrowings (including current maturities)	7,723	(58)	231	7,896
	7,723	(58)	231	7,896

	1 April 2020	Cash Flow	Foreign exchange gain	31 March 2021
Borrowings (including current maturities)	6,856	892	(25)	7,723
	6,856	892	(25)	7,723

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

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

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration No: 101248W/W-100022

S. Sethuraman
Partner
Membership No. 203491
Bangalore
April 27, 2022

for and on behalf of **Board of Directors of Syngene International Limited**

Kiran Mazumdar Shaw
Chairperson
DIN: 00347229

Sibaji Biswas
Chief Financial Officer

Bangalore
April 27, 2022

Jonathan Hunt
Managing Director and Chief Executive Officer
DIN: 07774619

Priyadarshini Mahapatra
Company Secretary
FCS Number: F8786

Notes to the Standalone Financial Statements

For the year ended march 31, 2022

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

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

	Land [refer note (a)]	Buildings [refer note (c)]	Plant and equipment [refer note (b)]	Office equipments	Furniture and fixtures	Vehicles	Total	Capital work-in- progress
Gross carrying amount								
At 1 April 2020	703	5,547	21,321	161	501	30	28,263	2,341
Additions	-	650	3,389	20	109	15	4,183	4,214
Transfer to investment property [refer note (e)]	-	(50)	(8)	-	-	-	(58)	-
Disposals / other adjustments	-	(6)	(161)	-	(4)	(7)	(178)	(4,183)
At 31 March 2021	703	6,141	24,541	181	606	38	32,210	2,372
Additions	-	384	3,268	11	120	1	3,784	4,875
Disposals / other adjustments	-	(5)	(178)	-	(2)	-	(185)	(3,784)
At 31 March 2022	703	6,520	27,631	192	724	39	35,809	3,464
Accumulated depreciation								
At 1 April 2020	-	833	8,285	110	247	22	9,497	-
Depreciation for the year	-	232	2,177	30	74	3	2,516	-
Disposals	-	(2)	(114)	-	(3)	(6)	(125)	-
At 31 March 2021	-	1,063	10,348	140	318	19	11,888	-
Depreciation for the year	-	256	2,490	27	88	3	2,865	-
Disposals	-	(5)	(166)	-	(2)	-	(173)	-
At 31 March 2022	-	1,314	12,673	167	404	22	14,580	-
Net carrying amount								
At 31 March 2021	703	5,078	14,193	41	288	19	20,322	2,372
At 31 March 2022	703	5,206	14,958	25	320	17	21,229	3,464

Notes:

- Land includes land held on lease under perpetual basis: Gross carrying amount - Rs. 661 (31 March 2021 - Rs. 661).
- Plant and equipment includes computers.
- Buildings with a gross carrying amount of Rs. 4,035 as at 31 March 2022 (as at 31 March 2021 - Rs. 3,786) have been constructed on leasehold land obtained by the Company on lease basis from Biocon Limited, the holding Company.
- Additions to property, plant and equipment includes additions related to borrowing cost amounting to Rs. 67 (31 March 2021 - Rs. 10).
- During the year ended 31 March 2021, a portion of facility was reclassified as investment property [refer note 3(c)], as the Company leased out the facility to a related party.
- Refer note 31 (ii) (a) for disclosure of contractual commitments for the acquisition of property, plant and equipment and capital work-in-progress.

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

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

3 (a) Capital work-in-progress aging schedule:

31 March 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	3,092	265	70	37	3,464
	3,092	265	70	37	3,464

31 March 2021	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2,001	318	42	11	2,372
	2,001	318	42	11	2,372

(i) There are no capital work-in-progress whose completion has exceeded its cost compared to its original plan as on 31 March 2022 and as on 31 March 2021.

(ii) Capital work-in-progress whose completion is overdue to its original plan:

31 March 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Expected Capitalisation date
Project 2	231	-	3	-	30 June 2022
Project 3	1,030	-	-	-	30 September 2022

31 March 2021	Less than 1 year	1-2 years	2-3 years	More than 3 years	Expected Capitalisation date
Project 1	274	-	-	-	30 June 2021

3 (b) Right-of-use assets

	Land	Buildings	Vehicles	Total
Gross carrying amount				
At 1 April 2020	65	868	39	972
Additions	-	361	17	378
Disposals	-	(12)	-	(12)
At 31 March 2021	65	1,217	56	1,338
Additions	302	953	22	1,277
Disposals	-	(74)	(23)	(97)
At 31 March 2022	367	2,096	55	2,518
Accumulated depreciation				
At 1 April 2020	20	85	3	108
Depreciation for the year	21	85	8	114
Disposals	-	(5)	-	(5)
At 31 March 2021	41	165	11	217
Depreciation for the year	18	92	10	120
Disposals	-	-	(7)	(7)
At 31 March 2022	59	257	14	330
Net carrying amount				
At 31 March 2021	24	1,052	45	1,121
At 31 March 2022	308	1,839	41	2,188

Notes to the Standalone Financial Statements

For the year ended march 31, 2022

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

3 (c) Investment property

	Buildings [refer note (b)]	Furniture and fixtures	Office equipments	Plant and equipment	Total
Gross carrying amount					
At 1 April 2020	34	3	1	460	498
Additions	50	-	-	8	58
At 31 March 2021	84	3	1	468	556
Additions	27	13	3	11	54
At 31 March 2022	111	16	4	479	610
Accumulated depreciation					
At 1 April 2020	3	2	-	133	138
Depreciation for the year	3	1	1	37	42
At 31 March 2021	6	3	1	170	180
Depreciation for the year	4	2	-	39	45
At 31 March 2022	10	5	1	209	225
Net carrying amount					
At 31 March 2021	78	-	-	298	376
At 31 March 2022	101	11	3	270	385

Note:

(a) During the year, the Company has recognised rental income of Rs. 344 (31 March 2021 : Rs. 222) in the statement of profit and loss for investment property. The fair value of investment property as at 31 March 2022 is Rs. 385 (31 March 2021 : Rs. 376).

(b) Investment property with a cost of Rs. 111 (31 March 2021 : Rs. 84) have been constructed on leasehold land obtained by the Company on lease basis from Biocon Limited.

(c) Refer note 31 (ii) (a) for disclosure of contractual commitments for the acquisition of investment property.

Notes to the Standalone Financial Statements

For the year ended march 31, 2022

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

4. Other intangible assets

	Computer software	Intellectual property rights	Total
Gross carrying amount			
At 1 April 2020	319	120	439
Additions	57	-	57
Disposals	-	-	-
At 31 March 2021	376	120	496
Additions	2	-	2
Disposals	-	-	-
At 31 March 2022	378	120	498
Accumulated amortisation			
At 1 April 2020	146	86	232
Amortisation for the year	49	24	73
Disposals	-	-	-
At 31 March 2021	195	110	305
Amortisation for the year	57	10	67
Disposals	-	-	-
At 31 March 2022	252	120	372
Net carrying amount			
At 31 March 2021	181	10	191
At 31 March 2022	126	-	126

(a) Refer note 31 (ii) (a) for disclosure of contractual commitments for the acquisition of intangible assets.

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

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

5. Investments

(a) Non-current investments

	31 March 2022	31 March 2021
Unquoted equity instruments of wholly owned subsidiary at cost:		
500 (31 March 2021: 500) Equity shares of USD 100 each in Syngene USA Inc., USA	3	3
Unquoted equity instruments carried at fair value through other comprehensive income:		
2,020 (31 March 2021: 2,020) Equity shares of Rs. 10 each in Immuneel Therapeutics Private Limited [refer note(i) below]	214	100
4,922,663 (31 March 2021: Nil) Equity shares of Rs. 10 each in HR Kaveri Private Limited	49	-
Unquoted - In Others		
Investments carried at fair value through profit or loss:		
123,203 (31 March 2021: 123,203) Equity shares of Rs. 100 each in Four EF Renewables Private Limited	12	12
246,406 (31 March 2021: 246,406) Compulsory convertible preference shares of Rs. 100 each in Four EF Renewables Private Limited [refer note(ii) below]	25	25
Investments carried at amortized cost:		
Inter corporate deposits with financial institutions *	2,403	2,650
	2,706	2,790
Aggregate value of unquoted investments	2,706	2,790

Note:

- (i) In the year ending 31 March 2021, the Company invested Rs. 100 Mn in Immuneel Therapeutics Private Limited. In the year ending 31 March 2022, additional funding from external investors were received resulting in a dilution of the Company's equity interest. The gain on fair valuation from Rs. 100 Mn to Rs. 214 Mn is recognised in Other comprehensive income.
- (ii) Terms of conversion: 1 compulsory convertible preference share of face value Rs. 100/- each will convert to 1 equity share of face value Rs. 100/- at end of the tenure of 20 years from allotment.

* Inter corporate deposits with financial institutions yield fixed interest rate.

(b) Current investments

	31 March 2022	31 March 2021
Quoted - Investment in mutual funds at fair value through profit or Loss	2,232	1,484
Unquoted - In others - at amortised cost		
Inter corporate deposits with financial institutions *	5,406	2,749
	7,638	4,233
* Inter corporate deposits with financial institutions yield fixed interest rate.		
Aggregate book and market value of quoted investments	2,232	1,484
Aggregate value of unquoted investments	5,406	2,749

Notes to the Standalone Financial Statements

For the year ended march 31, 2022

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

6. Other financial assets

	31 March 2022	31 March 2021
(a) Non-current		
Security deposits	203	149
Bank deposits with maturity of more than 12 months	-	889
	203	1,038
(b) Current		
Recoverable from insurance company (refer note 35)	-	105
Other receivables (refer note 26)	55	107
Interest accrued but not due	329	127
	384	339

7. Deferred tax assets (net) (refer note 30(b))

	31 March 2022	31 March 2021
Deferred tax assets		
MAT credit entitlement	1,727	1,774
Employee benefit obligations	152	104
Others	24	7
	1,903	1,885
Deferred tax liabilities		
Property, plant and equipment, investment property and other intangible assets, net	1,068	974
Derivatives, net	164	24
Others	20	-
	1,252	998
Deferred tax assets (net)	651	887

8. Other assets

(Unsecured considered good, unless otherwise stated)

	31 March 2022	31 March 2021
(a) Non-current		
Capital advances	103	84
Balances with statutory / government authorities	15	50
Prepayments	67	43
	185	177
(b) Current		
Advances other than capital advances	324	57
Export incentive receivables [refer note 35 (b)]	62	445
Balances with statutory / government authorities	477	259
Prepayments	282	242
	1,145	1,003

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

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

9. Inventories

	31 March 2022	31 March 2021
Chemicals, reagents and consumables *	1,276	294
Work-in-progress	397	212
Finished goods	121	90
	1,794	596

* includes goods in-transit Rs. 10 (31 March 2021 - Rs. 24)

10. Trade receivables

	31 March 2022	31 March 2021
Unsecured		
Considered good*	5,082	4,744
Credit impaired	100	62
	5,182	4,806
Allowance for credit losses	(100)	(62)
	5,082	4,744

* Includes receivables from related parties [refer note 26]

(a) Aging schedule

31 March 2022	Outstanding for following periods from due date of payment					
	Unbilled	Not due	Less than 6 months	6 months – 1 year	1-2 years	Total
Undisputed trade receivables - considered good	556	3,364	818	173	171	5,082
Undisputed trade receivables - credit impaired	-	-	-	-	100	100
	556	3,364	818	173	271	5,182

31 March 2021	Outstanding for following periods from due date of payment					
	Unbilled	Not due	Less than 6 months	6 months – 1 year	1-2 years	Total
Undisputed trade receivables - considered good	1,354	2,457	899	34	-	4,744
Undisputed trade receivables - credit impaired	-	-	-	34	28	62
	1,354	2,457	899	68	28	4,806

(b) All trade receivables are current and undisputed.

(c) Trade receivables outstanding for period above 3 years from due date of payment is Rs. Nil (31 March 2021: Rs. Nil) for the year ended 31 March 2022.

(d) The Company's exposure to credit and currency risks and loss allowances are disclosed in note 28.

11. Cash and bank balances

	31 March 2022	31 March 2021
(a) Cash and cash equivalents		
Cash on hand	-*	-*
Balances with banks (on current accounts)	2,290	3,185
Deposits with original maturity of less than 3 months	300	4
	2,590	3,189
(b) Bank balances other than above		
Deposits with maturity of less than 12 months	2,561	3,193
Total cash and bank balances	5,151	6,382

* Less than Rs. 0.5 million.

(i) The Company has balances with banks (on unpaid dividend account) which are not disclosed above since amounts are rounded off to Rupees million.

(ii) Cash and cash equivalents includes restricted cash and bank balances of Rs. 8 (31 March 2021: Rs. 13). The restrictions are primarily on account of bank balances held under Employee Welfare Trust.

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

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

12(a). Equity share capital

	31 March 2022	31 March 2021
Authorised		
500,000,000 (31 March 2021: 500,000,000) equity shares of Rs 10 each (31 March 2021: Rs 10 each)	5,000	5,000
Issued, subscribed and fully paid-up		
400,796,500 (31 March 2021: 400,000,000) equity shares of Rs 10 each (31 March 2021: Rs 10 each)	4,008	4,000
	4,008	4,000

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

Equity shares	31 March 2022		31 March 2021	
	No.	Rs	No.	Rs
At the beginning of the year	400,000,000	4,000	400,000,000	4,000
Issue of shares [refer note 41]	796,500	8	-	-
At the end of the year	400,796,500	4,008	400,000,000	4,000

(ii) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

(iii) Details of shares held by holding company and their subsidiaries

	31 March 2022		31 March 2021	
	No.	% holding	No.	% holding
Equity shares of Rs. 10 each fully paid Biocon Limited (holding company) [refer note (vi) below]	280,974,772	70.10%	280,974,772	70.24%

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

	31 March 2022		31 March 2021	
	No.	% holding	No.	% holding
Equity shares of Rs 10 each fully paid Biocon Limited [refer note (v) below]	280,974,772	70.10%	280,974,772	70.24%

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

	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
Equity shares allotted as fully paid bonus shares by capitalization of general reserve and surplus in statement of profit and loss [refer note (vi) below]	-	-	200,000,000	-	-

(vi) Issue of bonus shares

The shareholders approved through postal ballot on 13 July 2019, the issue of fully paid up bonus shares of face value of Rs. 10/- each in the ratio of 1:1 by capitalisation of general reserves and surplus in statement of profit and loss.

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

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

(vii) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer note 33.

(viii) Shares held by promoters

Promoter Name	At 1 April 2021	Change during the year	At 31 March 2022	% of Total Shares	% change during the year
Kiran Mazumdar Shaw	15,276	-	15,276	0.00%	-
Yamini R Mazumdar	20,060	-	20,060	0.01%	-
Ravi R Mazumdar	2,120	-	2,120	0.00%	-
Dev Mazumdar	7,000	-	7,000	0.00%	-
Biocon Limited	280,974,772	-	280,974,772	70.10%	-
Biocon Employee Welfare Trust	1,301,373	(122,640)	1,178,733	0.29%	-0.03%
	282,320,601	(122,640)	282,197,961	70.40%	-0.03%

Promoter Name	At 1 April 2020	Change during the year	At 31 March 2021	% of Total Shares	% change during the year
Kiran Mazumdar Shaw	15,276	-	15,276	0.00%	-
Yamini R Mazumdar	20,060	-	20,060	0.01%	-
Ravi R Mazumdar	2,120	-	2,120	0.00%	-
Dev Mazumdar	7,000	-	7,000	0.00%	-
Biocon Limited	280,974,772	-	280,974,772	70.24%	-
Biocon Employee Welfare Trust	1,737,469	(436,096)	1,301,373	0.33%	-0.11%
	282,756,697	(436,096)	282,320,601	70.58%	-0.11%

The Company has only one class of equity shares having a par value of Rs. 10 per share.

12(b). Other equity

Securities premium

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

Retained earnings

The amount represents surplus in statement of profit and loss not transferred to any reserve and can be distributed by the Company as dividends / issue of bonus shares to its equity shareholders. The amount also includes retained earnings of Syngene Employee Welfare Trust.

Treasury shares

The amount represents cost of own equity instruments that are acquired [treasury shares] by the ESOP trust and is disclosed as a deduction from other equity.

Special Economic Zone (SEZ) reinvestment 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 share based payment plan for certain categories of employees of the Company. Also refer Note 33 for further details on these plans.

Cash flow hedging reserves

The cash flow hedging reserve represents the cumulative effective portion of gains or losses (net of tax) 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 re-measurements of the defined benefits plan.

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

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

13. Borrowings

	31 March 2022	31 March 2021
(a) Non-current borrowings		
Term loans from banks		
External commercial borrowings (secured) [refer note (i) below]	3,796	3,660
Foreign currency term loan (secured) [refer note (ii) below]	1,519	1,464
	5,315	5,124
(b) Current borrowings		
Term loans from banks		
Pre shipment credit(unsecured) [refer note (iii) below]	2,581	2,599
	2,581	2,599
The above amount includes		
Secured borrowings	5,315	5,124
Unsecured borrowings	2,581	2,599
	7,896	7,723

Notes:

- (i) The Company had entered into external commercial borrowing agreement dated 21 September 2020 to borrow USD 50 million (Rs. 3,796) term loan facility. The facility is borrowed to incur capital expenditure at Bangalore, Hyderabad and Mangaluru premises of the Company and was used for this specific purpose. The facility carries an interest rate of Libor + 1.30% and are to be paid in three instalments of USD 7.5 million in September 2023, USD 12.5 million in September 2024 and USD 30 million in September 2025. The facility is secured by first priority pari passu charge on fixed assets (movable plant and machinery) and second charge on current assets of the Company. The Company is compliant with the financial covenants stipulated under the agreement.
- (ii) The Company has entered into foreign currency term loan agreement dated 30 March 2021 to borrow USD 20 million (Rs. 1,519) term loan facility. The facility is borrowed to incur capital expenditure at Bangalore, Hyderabad and Mangaluru premises of the Company and was used for this specific purpose. The facility carries an interest rate of Libor + 0.87% and are to be paid in three instalments of 15%, 25% and 60% from end of 3 years, 4 years and 5 years respectively from the date of origination. The facility is secured by first priority pari passu charge on fixed assets (movable plant and machinery) and second charge on current assets of the Company. The Company is compliant with the financial covenants stipulated under the agreement.
- (iii) The Company has obtained foreign currency denominated short term unsecured pre-shipment credit loans of Rs. 2,581 (USD 34 million) [31 March 2021 : Rs. 2,599 (USD 35.5 million)] that carries interest rate of SOFR + 0.20% to +0.30% [31 March 2021 : Libor + 0.20% to + 0.30%]. The loans are repayable after the end of 6 months from the date of its origination.
- (iv) Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 28.

Notes to the Standalone Financial Statements

For the year ended march 31, 2022

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

14. Provisions

	31 March 2022	31 March 2021
(a) Non-current		
Provision for employee benefits		
Gratuity (refer note 27)	344	520
	344	520
(b) Current		
Provision for employee benefits		
Gratuity (refer note 27)	174	45
Compensated absences (refer note 27)	408	420
	582	465

15. Other liabilities

	31 March 2022	31 March 2021
(a) Non-current		
Deferred revenues	2,528	2,368
	2,528	2,368
(b) Current		
Advances from customers	4,353	3,810
Deferred revenues	421	367
Others		
- Statutory dues	141	132
- Other dues	320	298
	5,235	4,607

Notes to the Standalone Financial Statements

For the year ended march 31, 2022

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

16. Trade payables

	31 March 2022	31 March 2021
Trade payables [refer note (a) below and note 26]		
Total outstanding dues of micro and small enterprises	34	109
Total outstanding dues of creditors other than micro and small enterprises	2,319	2,282
	2,353	2,391
(a) Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development Act, 2006 ("MSMED Act")		
(i) The principal amount and interest due thereon remaining unpaid to supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprise	34	109
- Interest due on 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	291	182
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
(iv) Interest accrued and remaining unpaid at the end of the year	1	4
(v) Interest remaining due and payable in succeeding years, in terms of Section 23 of the MSMED Act, 2006	11	10
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.		
* Less than Rs. 0.5 million.		

(b) Aging schedule:

31 March 2022	Outstanding for following periods from due date of payment				Total
	Unbilled	Not due	Less than 1 year	More than 1 year	
Total outstanding dues of micro and small enterprises	-	34	-	-	34
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,430	668	221	-	2,319
	1,430	702	221	-	2,353

31 March 2021	Outstanding for following periods from due date of payment				Total
	Unbilled	Not due	Less than 1 year	More than 1 year	
Total outstanding dues of micro and small enterprises	-	94	15	-	109
Total outstanding dues of creditors other than micro and small enterprises	1,567	520	195	-	2,282
	1,567	614	210	-	2,391

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

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

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

17. Other financial liabilities

	31 March 2022	31 March 2021
Current		
Payable for capital goods	1,096	892
Book overdraft	2	45
	1,098	937

(i) The Company has unpaid dividends which are not disclosed above since amounts are rounded off to Rupees million.

18. Revenue from operations

	Year ended 31 March 2022	Year ended 31 March 2021
Contract research and manufacturing services income [refer note (a) below]	25,039	20,842
Other operating revenues		
Scrap sales	22	37
Export incentives	-	41
Others [refer note (b) below]	953	874
	26,014	21,794

Note:

(a) Revenues include manufacture and sale of remdesivir, a broad-spectrum antiviral medication for the treatment of Covid-19 infection under the brand name 'RemWin' in a voluntary licensing agreement received from Gilead Sciences Inc.

(b) Others include income from support services, rentals by the SEZ Developer and recognition of deferred revenue for assets funded by customers over the useful life.

18.1 Disaggregated revenue information

Set out below is the disaggregation of revenue:

	Year ended 31 March 2022	Year ended 31 March 2021
Revenues from Contract research and manufacturing services income by geography		
India	2,376	1,149
United States of America	18,192	15,142
Rest of the world	4,471	4,551
	25,039	20,842
Revenue from other sources		
Other operating revenues	975	952
	975	952
Total revenue from operations	26,014	21,794

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

18.2 Contract balances

	Year ended 31 March 2022	Year ended 31 March 2021
Trade receivables [refer note (i) below]	5,082	4,744
Contract liabilities [refer note (ii) below]	7,302	6,545

Notes:

(i) Trade receivables are non-interest bearing.

(ii) Contract liabilities include advances from customers and deferred revenues.

Notes to the Standalone Financial Statements

For the year ended march 31, 2022

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

18.3 Changes in Contract liabilities - advances from customers and deferred revenues

	Year ended 31 March 2022	Year ended 31 March 2021
Balance at the beginning of the year	6,545	5,281
Add: Increase due to invoicing during the year	5,686	6,062
Less: Revenue recognised from advances from customers at the beginning of the year	(3,544)	(2,965)
Less: Amounts recognised as revenue during the year	(1,385)	(1,833)
Balance at the end of the year	7,302	6,545
Expected revenue recognition from remaining performance obligations:		
- Within one year	4,774	4,177
- More than one year	2,528	2,368
	7,302	6,545

18.4 Performance obligation:

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

19. Other income

	Year ended 31 March 2022	Year ended 31 March 2021
Interest income on:		
Deposits with banks and financial institutions	457	616
Lease deposits	8	7
Net gain on sale of current investments	63	21
Other non-operating income	-	2
	528	646

20. Cost of chemicals, reagents and consumables consumed

	Year ended 31 March 2022	Year ended 31 March 2021
Inventory at the beginning of the year	294	202
Add : Purchases	8,688	5,609
Less: Inventory at the end of the year	(1,276)	(294)
	7,706	5,517

Notes to the Standalone Financial Statements

For the year ended march 31, 2022

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

21. Changes in inventories of finished goods and work-in-progress

	Year ended 31 March 2022	Year ended 31 March 2021
Inventories at the beginning of the year		
Work-in-progress	212	33
Finished goods	90	17
	302	50
Inventories at the end of the year		
Work-in-progress	397	212
Finished goods	121	90
	518	302
	(216)	(252)

22. Employee benefits expense

	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	5,854	5,327
Contribution to provident fund and other funds	275	241
Gratuity expenses (refer note 27)	125	103
Share based compensation expense (refer note 33)	367	492
Staff welfare expenses	357	252
	6,978	6,415

23. Finance costs

	Year ended 31 March 2022	Year ended 31 March 2021
Interest expense on:		
Borrowings	72	174
Lease liabilities [refer note 34]	103	103
Exchange difference to the extent considered as an adjustment to borrowing cost	66	-
	241	277

Notes to the Standalone Financial Statements

For the year ended march 31, 2022

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

24. Depreciation and amortisation expense

	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation of property, plant and equipment [refer note 3 (a)]	2,865	2,516
Depreciation of right-of-use assets [refer note 3 (b)]	120	114
Depreciation of investment property [refer note 3 (c)]	45	42
Amortisation of other intangible assets [refer note 4]	67	73
	3,097	2,745

25. Other expenses

	Year ended 31 March 2022	Year ended 31 March 2021
Rent	48	38
Communication expenses	37	25
Travelling and conveyance	275	268
Professional charges	782	565
Payments to auditors [refer note (a) below]	8	7
Directors' fees including commission	50	24
Power and fuel	644	574
Facility charges	177	106
Insurance	176	162
Rates and taxes	53	57
Repairs and maintenance		
Plant and machinery	916	824
Buildings	44	101
Others	471	375
Selling expenses		
Freight outwards and clearing charges	28	34
Sales promotion expenses	90	27
Provision for doubtful receivables	46	16
Bad debts written off	8	16
Less: Provision no longer required written back	(8)	(16)
Printing and stationery	32	24
Clinical trial expenses	49	85
Corporate social responsibility expenses (refer note 37)	93	86
Loss on assets scrapped	20	59
Miscellaneous expenses	122	128
	4,160	3,585
(a) Payments to auditors:		
As an auditor:		
Statutory audit	4	3
Tax audit	1	1
Limited review	2	2
In other capacity:		
Other services (certification fees) [refer note (i) below]	-	-
Reimbursement of expenses	1	1
	8	7

(i) Amounts are not presented since the amounts are rounded off to Rupees million.

Notes to the Standalone Financial Statements

For the year ended march 31, 2022

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

26. Related party transactions

Related parties where control exists and related parties with whom transactions have taken place during the year are listed below :

List of Related parties

Particulars	Nature of relationship
A. Key management personnel	
Kiran Mazumdar Shaw	Chairperson
John Shaw	Non-executive director (till 21 July 2021)
Jonathan Hunt	Managing Director and Chief Executive Officer
Catherine Rosenberg	Non-executive director
Bala S. Manian	Independent director (till 15 July 2020)
Carl Decicco	Independent director (till 28 February 2022)
	Non-executive director (w.e.f. 1 March 2022)
Sharmila Abhay Karve	Independent director
Paul Blackburn	Independent director
Vijay Kuchroo	Independent director
Vinita Bali	Independent director
Kush Parmar	Independent director (w.e.f. 22 June 2021)
Sibaji Biswas	Chief Financial officer
Priyadarshini Mahapatra	Company Secretary
B. Holding company	
Biocon Limited	Holding Company
C. Subsidiary	
Syngene USA Inc.,	Wholly-owned subsidiary
D. Fellow subsidiaries	
Biocon Biologics Limited (formerly known as Biocon Biologics India Limited)	Fellow subsidiary
Biocon SDN. BHD	Fellow subsidiary
Biocon Biologics UK Limited(formerly known as Biocon Biologics Limited)	Fellow subsidiary
Biocon Biologics Inc.	Fellow subsidiary
Biocon Biologics Do Brasil Ltda	Fellow subsidiary
Biocon Biologics FZ-LLC	Fellow subsidiary
Biocon Biologics Healthcare SDN. BHD (formerly known as Biocon Healthcare SDN. BHD)	Fellow subsidiary
Bicara Therapeutics Inc.	Fellow subsidiary (upto 9 January 2021)
Biofusion Therapeutics Limited	Fellow subsidiary

Notes to the Standalone Financial Statements

For the year ended march 31, 2022

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

Biocon Biosphere Limited	Fellow subsidiary
Biocon Pharma Limited	Fellow subsidiary
Biocon Pharma Inc.	Fellow subsidiary
Biocon Pharma Ireland Limited	Fellow subsidiary
Biocon Pharma Malta Limited	Fellow subsidiary
Biocon Pharma Malta I Limited	Fellow subsidiary
Biocon Pharma UK Limited	Fellow subsidiary
Biocon SA	Fellow subsidiary
Biocon FZ LLC	Fellow subsidiary
Biocon Academy	Fellow subsidiary

E. Other related parties

Bicara Therapeutics Inc.	Associate of Holding Company (w.e.f. 10 January 2021)
Biocon Foundation	Trust in which a director is a trustee
Narayana Hrudayalaya 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
Immuneel Therapeutics Private Limited	Enterprise in which a director of the Company is a member of board of directors

Notes to the Standalone Financial Statements

For the year ended march 31, 2022

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

The Company has the following related parties transactions

Particulars	Transactions / Balances	31 March 2022	31 March 2021
Key management personnel	Salary and perquisites [refer note (i) & (ii) below]	110	91
	Sitting fees and commission	50	23
	Outstanding as at the year end		
	- Trade and other payables	13	5
Holding company	Rent	54	60
	Power and facility charges [refer note (iii) below]	204	138
	Purchase of goods	1	2
	Other expenses reimbursed	145	88
	Sale of services	28	65
	Rent and facility services	10	11
	Other expenses incurred on behalf	3	12
	Outstanding as at the year end		
	- Trade and other payables	99	65
	- Rent deposits	23	23
	- Trade and other receivables	74	31
	Guarantee given to Central Excise Department	148	148
Wholly-owned subsidiary	Business support services received	247	174
	Other expenses reimbursed	4	10
	Outstanding as at the year end		
	- Trade payables	86	30
	- Trade and other receivables	15	10
Fellow subsidiaries	Sale of services	502	404
	Rent and facility services	335	329
	Other expenses incurred on behalf	26	8
	Other expenses reimbursed	4	8
	Purchase of goods	7	-
	Outstanding as at the year end		
	- Trade and other payables	4	1
	- Trade and other receivables	243	362
Other related parties	Sale of services	198	283
	Health services availed	5	4
	Contribution towards CSR	41	10
	Staff welfare expenses	3	3
	Allotment of equity shares	-	100
	Provision for doubtful receivables	88	-
	Outstanding as at the year end		
	- Trade and other payables	- *	- *
	- Trade and other receivables	355	280
	- Allowance for credit losses	88	-

* Less than Rs. 0.5 million.

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

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

- (i) The remuneration to the key managerial personnel does not include the provisions made for gratuity and compensated absences, as they are determined on an actuarial basis for the Company as a whole.
- (ii) Share based compensation expense allocable to key management personnel is Rs. 97 (31 March 2021 : Rs. 133), which is not included in the remuneration disclosed above.
- (iii) Effective from 1 October 2006, the Company has entered into an arrangement for lease of land on lease basis and a service agreement with 'Biocon SEZ Developer' of Biocon Limited for availing certain facilities and services. The facility charges of Rs. 185 (Year ended 31 March 2021 : Rs. 129) and power charges (including other charges) of Rs. 19 (Year ended 31 March 2021 : Rs. 9) have been charged by Biocon Limited for the year ended 31 March 2022.
- (iv) Fellow subsidiary companies with whom the Company did not have any transactions -
- | | |
|--|---------------------------------|
| - Biocon Biologics Inc. | - Biocon Pharma Ireland Limited |
| - Biocon Biologics Do Brasil Ltda | - Biocon Pharma Malta Limited |
| - Biocon Biologics FZ-LLC | - Biocon Pharma Malta I Limited |
| - Biocon Biologics Healthcare SDN. BHD | - Biocon Pharma UK Limited |
| - Biofusion Therapeutics Limited | - Biocon SA |
| - Biocon Pharma Inc. | - Biocon FZ LLC |
| - Biocon Academy | |
- (v) The above disclosures include related parties as per IND-As 24 on "Related Party Disclosures" and Companies Act, 2013.
- (vi) All transactions with these related parties are priced on an arm's length basis and none of the balances are secured.

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

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

27. Employee benefit plans

- (i) The Company has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972 ('Gratuity Act'). Under the Gratuity Act, employee who has completed five years of service is entitled to specific benefit with no monetary limit. The level of benefit provided depends on the employee's length of service and salary at retirement/termination age. 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 and not disclosed. The expected rate of return on plan assets is 6.4% p.a. (31 March 2021: 6.3% 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 include the determination of the discount rate, future salary increases and mortality rate. Due to the complexity involved in the valuation it is highly sensitive to the changes in these assumptions. All assumptions are reviewed at reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the 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 1 April 2021	568	(3)	565
Current service cost	90	-	90
Interest cost	35	-	35
Amount recognised in Statement of profit and loss	125	-	125
<i>Remeasurements:</i>			
Return on plan assets, excluding amounts included in interest expense / (income)	-	-*	-*
Actuarial (gain) / loss arising from:			
Demographic assumptions	(44)	-	(44)
Financial assumptions	(36)	-	(36)
Experience adjustment	(24)	-	(24)
Amount recognised in other comprehensive income	(104)	-	(104)
Benefits paid	(68)	-	(68)
Balance as at 31 March 2022	521	(3)	518

Notes to the Standalone Financial Statements

For the year ended march 31, 2022

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

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability
Balance as on 1 April 2020	454	(3)	451
Current service cost	71	-	71
Interest cost	32	-	32
Amount recognised in Statement of profit and loss	103	-	103
<i>Remeasurements:</i>			
Return on plan assets, excluding amounts included in interest expense / (income)	-	-*	-*
Actuarial (gain) / loss arising from:			
Demographic assumptions	8	-	8
Financial assumptions	48	-	48
Experience adjustment	(26)	-	(26)
Amount recognised in other comprehensive income	30	-	30
Benefits paid	(19)	-	(19)
Balance as at 31 March 2021	568	(3)	565

* Less than Rs. 0.5 million.

	31 March 2022	31 March 2021
Non current	344	520
Current	174	45
	518	565

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

	31 March 2022	31 March 2021
Interest rate	6.4%	6.3%
Discount rate	6.4%	6.3%
Expected return on plan assets	6.4%	6.3%
Salary increase	9.0%	10.0%
Attrition rate (based on Age of the Employee)	8% - 20%	5% - 15%
Retirement age - Years	58	58

Assumptions regarding future mortality experience are set in accordance with published statistics and mortality tables.

The weighted average duration of the defined benefit obligation was 7 years (31 March 2021 - 9 years).

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

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

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

(iii) Sensitivity analysis

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

Particulars	31 March 2022		31 March 2021	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount rate	(28)	32	(42)	48
Salary increase	31	(28)	46	(41)
Attrition rate	(6)	7	(12)	13

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 31 March 2022 and 31 March 2021, the plan assets have been invested in insurer managed funds and the expected contribution to the fund during the year ending 31 March 2022, is approximately Rs 61 (31 March 2021 - Rs 45).

Maturity profile of defined benefit obligation

Particulars	31 March 2022	31 March 2021
1st Following year	61	45
2nd Following year	56	41
3rd Following year	56	44
4th Following year	53	48
5th Following year	50	43
Years 6 to 10	214	228
Years 11 and above	321	571

(iv) Risk Exposure

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

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

(v) Other long term benefits

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

Particulars	31 March 2022	31 March 2021
Compensated absences	408	420

Notes to the Standalone Financial Statements

For the year ended march 31, 2022

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

28. Financial instruments: Fair value and risk managements

A. Accounting classification and fair values

31 March 2022	Carrying amount			Fair value				Total
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	
Financial assets								
Investments (non-current)#	37	263	2,406	2,706	-	-	263	263
Derivative assets (non-current)	-	1,249	-	1,249	-	1,249	-	1,249
Other financial assets (non-current)	-	-	203	203	-	-	-	-
Investments (current)	2,232	-	5,406	7,638	2,232	-	-	2,232
Trade receivables	-	-	5,082	5,082	-	-	-	-
Cash and cash equivalents	-	-	2,590	2,590	-	-	-	-
Bank balances other than above	-	-	2,561	2,561	-	-	-	-
Derivative assets (current)	-	842	-	842	-	842	-	842
Other financial assets (current)	-	-	384	384	-	-	-	-
	2,269	2,354	18,632	23,255	2,232	2,091	263	4,586
Financial liabilities								
Borrowings (non-current)	-	-	5,315	5,315	-	-	-	-
Lease liabilities (non-current)	-	-	2,102	2,102	-	-	-	-
Derivative liabilities (non-current)	-	84	-	84	-	84	-	84
Borrowings (current)	-	-	2,581	2,581	-	-	-	-
Lease liabilities (current)	-	-	218	218	-	-	-	-
Trade payables	-	-	2,353	2,353	-	-	-	-
Derivative liabilities (current)	-	8	-	8	-	8	-	8
Other financial liabilities (current)	-	-	1,098	1,098	-	-	-	-
	-	92	13,667	13,759	-	92	-	92

31 March 2021	Carrying amount			Fair value				Total
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	
Financial assets								
Investments (non-current)#	37	100	2,653	2,790	-	-	100	100
Derivative assets (non-current)	-	623	-	623	-	623	-	623
Other financial assets (non-current)	-	-	1,038	1,038	-	-	-	-
Investments (current)	1,484	-	2,749	4,233	1,484	-	-	1,484
Trade receivables	-	-	3,390	3,390	-	-	-	-
Cash and cash equivalents	-	-	3,189	3,189	-	-	-	-
Bank balances other than above	-	-	3,193	3,193	-	-	-	-
Derivative assets (current)	-	713	-	713	-	713	-	713
Other financial assets (current)	-	-	1,693	1,693	-	-	-	-
	1,521	1,436	17,905	20,862	1,484	1,336	100	2,920
Financial liabilities								
Borrowings (non-current)	-	-	5,124	5,124	-	-	-	-
Lease liabilities (non-current)	-	-	1,052	1,052	-	-	-	-
Derivative liabilities (non-current)	-	224	-	224	-	224	-	224
Borrowings (current)	-	-	2,599	2,599	-	-	-	-
Lease liabilities (current)	-	-	154	154	-	-	-	-
Trade payables	-	-	2,391	2,391	-	-	-	-
Derivative liabilities (current)	-	18	-	18	-	18	-	18
Other financial liabilities (current)	-	-	937	937	-	-	-	-
	-	242	12,257	12,499	-	242	-	242

The Level 3 investment was made close to the year end and the cost of the investment approximates the fair value.

Includes equity instruments of wholly owned subsidiary at cost aggregating to Rs. 3.

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

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

- (a) 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.

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/option 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.

Significant observable inputs	Impact on profit or loss		Impact on other equity	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Movement in spot rate of the foreign currency				
INR/USD - Increase by 1%	-	-	(608)	(426)
INR/USD - Decrease by 1%	-	-	611	430
Movement in Interest rates				
LIBOR - Increase by 100 bps	-	-	(167)	(102)
LIBOR - Decrease by 100 bps	-	-	167	102

B. Financial risk management

The Company's activities expose it to a variety of financial risks : credit risk, market risk and liquidity 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 unbilled revenues) and from its investment activities, including deposits with banks and financial institutions, investments in mutual funds and other financial instruments.

Notes to the Standalone Financial Statements

For the year ended march 31, 2022

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

The Company has established a credit mechanism 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.

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 and unbilled revenue amounting to Rs. 5,082 (31 March 2021: Rs 4,744). The movement in allowance for impairment in respect of trade receivables during the year was as follows:

Allowance for Impairment	31 March 2022	31 March 2021
Opening balance	62	62
Impairment loss recognised	46	16
Impairment loss reversed	(8)	(16)
Closing balance	100	62

Note: During the year ended 31 March 2022, impairment loss reversed includes Rs. 8 (31 March 2021: Rs. 16) pertaining to customer balances written off.

Details of trade receivables that are not due, past due and impaired is given below:

Particulars	31 March 2022	31 March 2021
Neither past due nor impaired	3,920	3,811
Past due but not impaired		
Less than 365 days	991	967
More than 365 days	271	28
Less: Allowance for credit losses	(100)	(62)
Total	5,082	4,744

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

There is no receivable from customer (31 March 2021 : Nil) of the Company's receivables (31 March 2021 : Nil) which is more than 10 percent of the Company's total receivables.

Credit risk on investments, 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. Investments primarily include investment in liquid mutual fund units 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.

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

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

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. In addition, the Company maintains line of credits as stated in Note 13.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2022:

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Lease liabilities (non-current)	-	75	303	1,724	2,102
Lease liabilities (current)	218	-	-	-	218
Borrowings (non-current)	-	1,177	4,138	-	5,315
Borrowings (current)	2,581	-	-	-	2,581
Trade payables	2,353	-	-	-	2,353
Derivative liabilities (non-current)	-	1	1	82	84
Derivative liabilities (current)	8	-	-	-	8
Other financial liabilities	1,098	-	-	-	1,098
Total	6,258	1,253	4,442	1,806	13,759

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2021:

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Lease liabilities (non-current)	-	304	288	1,541	2,133
Lease liabilities (current)	163	-	-	-	163
Borrowings (non-current)	-	-	5,124	-	5,124
Borrowings (current)	2,599	-	-	-	2,599
Trade payables	2,391	-	-	-	2,391
Derivative liabilities (non-current)	-	72	152	-	224
Derivative liabilities (current)	18	-	-	-	18
Other financial liabilities	937	-	-	-	937
Total	6,108	376	5,564	1,541	13,589

(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 and option contracts to mitigate the risk of changes in exchange rates and foreign currency exposure.

Notes to the Standalone Financial Statements

For the year ended march 31, 2022

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

The currency profile of financial assets and financial liabilities as at 31 March 2022 and 31 March 2021 are as below:

31 March 2022	USD	EUR	Others	Total
Financial assets				
Trade receivables	4,270	43	-	4,313
Cash and cash equivalents	1,627	64	1	1,692
Other financial assets (current)	20	-	-	20
Financial liabilities				
Borrowings (non-current)	(5,315)	-	-	(5,315)
Borrowings (current)	(2,581)	-	-	(2,581)
Trade payables	(249)	(34)	(32)	(315)
Other financial liabilities (current)	(259)	(35)	(46)	(340)
Net assets / (liabilities)	(2,487)	38	(77)	(2,526)

31 March 2021	USD	EUR	Others	Total
Financial assets				
Trade receivables	3,682	298	-	3,980
Cash and cash equivalents	2,762	72	-	2,833
Other financial assets (current)	19	-	-	19
Financial liabilities				
Borrowings (non-current)	(5,124)	-	-	(5,124)
Borrowings (current)	(2,599)	-	-	(2,599)
Trade payables	(258)	(28)	(11)	(297)
Other financial liabilities (current)	(200)	(30)	(21)	(251)
Net assets / (liabilities)	(1,718)	312	(32)	(1,438)

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 equity	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
USD Sensitivity				
INR/USD - Increase by 1%	(25)	(17)	(633)	(443)
INR/USD - Decrease by 1%	25	17	636	447
EUR Sensitivity				
INR/EUR - Increase by 1%	1	2	1	2
INR/EUR - Decrease by 1%	(1)	(2)	(1)	(2)

Notes to the Standalone Financial Statements

For the year ended march 31, 2022

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

Derivative financial instruments

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

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

Particulars	31 March 2022	31 March 2021
Foreign exchange forward contracts to sell USD with maturity between 0-8 years	USD 591 (Rs. 44,869)	USD 419 (Rs. 30,671)
European style option contracts with periodical maturity between 0-8 years	USD 268 (Rs. 20,347)	USD 174 (Rs. 12,737)
Interest rate swaps used for hedging LIBOR component in External Commercial Borrowings with maturity between 0-3 years	USD 50 (Rs. 3,796)	USD 50 (Rs. 3,660)

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 31 March 2022 and 31 March 2021 the Company's borrowings at variable rate were mainly denominated in USD.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 March 2022	31 March 2021
Variable rate borrowings	1,519	1,464
Fixed rate borrowings	6,377	6,259
Total borrowings	7,896	7,723

(b) Sensitivity

Fixed rate borrowings:

The Company policy is to maintain its long-term borrowings at fixed rate using interest rate swaps to achieve this when necessary. They are therefore not subject to interest rate risk as defined under Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of change in market interest rates.

Variable rate borrowings:

A reasonably possible change of 100 bps would have increased / (decreased) profit and loss and equity by Rs. 15 (31 March 2021 : Rs. 15).

Notes to the Standalone Financial Statements

For the year ended march 31, 2022

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

29. Capital management

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

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

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

The capital structure as of 31 March 2022 and 31 March 2021 was as follows:

Particulars	31 March 2022	31 March 2021
Total equity attributable to the equity shareholders of the Company	32,920	28,183
As a percentage of total capital	81%	78%
Long-term borrowings	5,315	5,124
Short-term borrowings	2,581	2,599
Total borrowings	7,896	7,723
As a percentage of total capital	19%	22%
Total capital (Equity and Borrowings)	40,816	35,906

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

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

30. Tax expense

(a) Amount recognised in Statement of profit and loss

	31 March 2022	31 March 2021
Current tax	829	736
Deferred tax:		
MAT credit entitlement	47	(268)
Others related to:		
Origination and reversal of other temporary differences	3	169
Tax expense for the year	879	637
Reconciliation of effective tax rate		
Profit before tax and exceptional item	5,124	4,324
Add: Exceptional item	(307)	350
Profit before tax	4,817	4,674
Tax at statutory income tax rate 34.94% (31 March 2021 - 34.94%)	1,683	1,633
<i>Tax effects of amounts which are not deductible / (taxable) in calculating taxable income</i>		
Tax incentive and other deductions	(816)	(953)
Non-deductible expense	14	41
Basis difference that will reverse during the tax holiday period	(100)	(148)
Others	98	64
Income tax expense	879	637

(b) 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 31 March 2022	Opening balance	Recognised in profit or loss	Recognised in OCI	Recognised in equity	Closing balance
Deferred tax asset					
MAT credit entitlement	1,774	(47)	-	-	1,727
Defined benefit obligations	104	74	(26)	-	152
Others	7	17	-	-	24
Gross deferred tax assets	1,885	44	(26)	-	1,903
Deferred tax liability					
Property, plant and equipment, investment property and intangible assets, net	974	94	-	-	1,068
Derivatives, net	24	-	140	-	164
Others	-	-	20	-	20
Gross deferred tax liability	998	94	160	-	1,252
Deferred tax assets / (liabilities), net	887	(50)	(186)	-	651

Notes to the Standalone Financial Statements

For the year ended march 31, 2022

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

For the year ended 31 March 2021	Opening balance	Recognised in profit or loss	Recognised in OCI	Recognised in equity	Closing balance
Deferred tax asset					
MAT credit entitlement	1,506	268	-	-	1,774
Defined benefit obligations	130	(31)	5	-	104
Derivatives, net	420	-	(420)	-	-
Others	27	(20)	-	-	7
Gross deferred tax assets	2,083	217	(415)	-	1,885
Deferred tax liability					
Derivatives, net	-	-	24	-	24
Property, plant and equipment, investment property and intangible assets, net	856	118	-	-	974
Gross deferred tax liability	856	118	24	-	998
Deferred tax assets / (liabilities), net	1,227	99	(439)	-	887

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

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

31. Contingent liabilities and commitments

(to the extent not provided for)

(i) Contingent liabilities

	31 March 2022	31 March 2021
(a) Claims against the Company not acknowledged as debt	5,478	4,297
The above includes:		
(I) Income tax matters under dispute for notices and orders received relating to financial year 2002 - 03 to 2019 - 20 (31 March 2021 : financial year 2002 - 03 to 2018 - 19)	5,454 #	4,273 #
(II) Indirect tax matters	24	24

(III) In light of judgment of Honourable Supreme Court dated 28th February 2019 on the definition of "Basic Wages" under the Employees Provident Funds & Misc. Provisions Act, 1952 and based on Company's evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence it is unclear as to whether the clarified definition of Basic Wage would be applicable prospectively or retrospectively. The amount of the obligation therefore cannot be measured with sufficient reliability for past periods and hence has currently been considered to be a contingent liability.

Including the matters disclosed above, the Company is involved in taxation matters that arise from time to time in the ordinary course of business for years that are under assessment. Judgment is required in assessing the range of possible outcomes for some of these tax matters, which could change substantially over time as each of the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents. Based on its internal assessment supported by external legal counsel views, if any, the Company believes that it will be able to sustain its positions if challenged by the authorities and accordingly no additional provision is required for these matters. Management is of the view that above matters will not have any material adverse effect on the Company's financial position and results of operations.

includes Rs. 660 of contingent liability for the favourable order received by the Company during the previous year from the Honourable High Court of Karnataka against the matters appealed by the tax authorities with respect to financial year 2002-03 to 2008-09.

(b) Guarantees

	31 March 2022	31 March 2021
Guarantees given by banks on behalf of the Company for contractual obligations of the Company.	-	2

The necessary terms and conditions have been complied with and no liabilities have arisen.

(ii) Commitments

	31 March 2022	31 March 2021
Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances	1,163	1,656

Notes to the Standalone Financial Statements

For the year ended march 31, 2022

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

32. Segmental Information

Operating segments

The Company is engaged in a single operating segment of providing contract research and manufacturing services. Accordingly, there are no additional disclosures to be provided Ind AS 108 'Operating Segments' other than those already provided in these standalone financial statements.

Geographical information

The geographical information analyses the Company's revenues and non-current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, revenue has been based on the geographic location of the customers and assets which have been based on the geographical location of the assets.

	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations:		
India	2,789	1,579
United States of America	18,754	15,664
Rest of the World	4,471	4,551
Total	26,014	21,794

The following is the carrying amount of non current assets by geographical area in which the assets are located:

	31 March 2022	31 March 2021
Carrying amount of non-current assets		
India	28,763	25,427
Outside India	-	-
Total	28,763	25,427

Note: Non-current assets excludes investments, derivative assets, financial assets and deferred tax assets.

Major customer

Revenue from one customer (31 March 2021 - one customer) of the Company's Revenue from operations aggregates to Rs. 5,645 (31 March 2021 - Rs. 4,730) which is more than 10 percent of the Company's total revenue.

33. Share based compensation

Syngene ESOP Plan 2011

On 20 July 2012, Syngene Employee Welfare Trust ('Trust') was created for the welfare and benefit of the employees and directors of the Company and administrated by the Nomination and Remuneration Committee. The Board of Directors approved the employee stock option plan of the Company. On 31 October 2012, the Trust subscribed into the equity shares of the Company using the proceeds from interest free loan of Rs. 150 obtained from the Company.

Grant

Pursuant to the Scheme, the Company has granted options to eligible employees of the Company under Syngene Employee Stock Option Plan - 2011. Each option entitles for one equity share. The options under this grant will vest to the employees as 25%, 35% and 40% of the total grant at end of second, third and fourth year from the date of grant, respectively, with an exercise period of three years for each grant. The vesting conditions include service terms and performance of the employees.

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

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

These options are exercisable at an exercise price of Rs. 11.25 [31 March 2021 : Rs. 11.25] per share (Face Value of Rs. 10 per share).

Details of Grant

Particulars	31 March 2022 No. of options	31 March 2021 No. of options
Outstanding at the beginning of the year	1,958,084	2,689,574
Granted during the year	-	-
Forfeited / lapsed during the year	(126,792)	(111,265)
Exercised during the year	(489,152)	(620,225)
Outstanding at the end of the year	1,342,140	1,958,084
Exercisable at the end of the year	482,332	547,787
Weighted average exercise price	11.25	11.25
Weighted average share price at the date of exercise during the year (In Rs)	589.6	503.6

The weighted average remaining contractual life for the stock options outstanding as at 31 March 2022 is 0.9 years [31 March 2021 : 1.40 years].

Syngene Restricted Stock Unit Long Term Incentive Plan 2020

The Board of Directors of the Company on 24 April 2019 and the Shareholders of the Company in the Annual General Meeting held on 24 July 2019 approved the Syngene Restricted Stock Unit Long Term Incentive Plan FY2020. Each option entitles for one equity share. The options under this grant will vest to the employees as 25%, 25%, 25% and 25% of the total grant at the end of first, second, third and fourth year from the date of first grant, respectively, with an exercise period of 5 years for each grant. The vesting conditions include service terms and performance of the employees. These options are exercisable at an exercise price of Rs. 10 per share (Face Value of Rs. 10 per share).

Details of Grant

Particulars	31 March 2022 No. of options	31 March 2021 No. of options
Outstanding at the beginning of the year	3,103,825	-
Granted during the year	418,132	3,184,649
Forfeited during the year	(467,068)	(80,824)
Exercised during the year	(427,352)	-
Outstanding at the end of the year	2,627,537	3,103,825
Exercisable at the end of the year	231,837	-
Weighted average exercise price	-	-
Weighted average value of shares granted during the year under Black Scholes Model (In Rs)	615.0	326.3
Weighted average share price at the date of exercise during the year (In Rs)	584.3	-

The weighted average remaining contractual life for the stock options outstanding as at 31 March 2022 is 5.19 years [31 March 2021 : 6.21 years].

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

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

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

Particulars	31 March 2022	31 March 2021
Dividend yield (%)	0.1%	0.2%
Exercise Price (In Rs)	10	10
Volatility	32.9%	26.9%
Life of the options granted (vesting and exercise period) [in years]	5.5	7.5
Average risk-free interest rate	5.0%	7.0%

34. Leases

The Company has entered into lease agreements for use of land, buildings, plant and equipment and vehicles which expires over a period ranging upto the year of 2039. Gross payments for the year aggregate to Rs. 183 (31 March 2021 - Rs. 146).

The weighted average borrowing rate of 7% 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 31 March 2022:

Particulars	Land	Buildings	Vehicles	Total
Balance at the beginning	56	1,116	34	1,206
Additions during the year	302	953	22	1,277
Finance cost accrued during the period	4	96	3	103
Deletions	-	(75)	(8)	(83)
Payment of lease liabilities	(34)	(128)	(21)	(183)
Balance at the end	328	1,962	30	2,320

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

Particulars	Land	Buildings	Vehicles	Total
Balance at the beginning	90	749	34	873
Additions during the year	-	361	17	378
Finance cost accrued during the period	7	93	3	103
Deletions	-	(2)	- *	(2)
Payment of lease liabilities	(41)	(85)	(20)	(146)
Balance at the end	56	1,116	34	1,206

* Less than Rs. 0.5 million.

The following is the break-up of current and non-current lease liabilities:

	31 March 2022	31 March 2021
Current	218	154
Non-current	2,102	1,052
Total	2,320	1,206

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

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

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

	31 March 2022	31 March 2021
Less than one year	228	163
One to five years	970	592
More than five years	3,052	1,541
Total	4,250	2,296

The following are the amounts recognised in the statement of profit or loss:

	31 March 2022	31 March 2021
Depreciation expenses on right of use-assets	120	114
Interest expenses on lease liabilities	103	103
Total	223	217

35. Exceptional items

- Pursuant to a fire incident on 12 December 2016, certain fixed assets, inventory and other contents in one of the buildings were damaged. The Company had lodged an estimate of loss with the insurance company and the final assessment is currently pending. The Company in the past years have received an aggregate amount of Rs. 2,120 million as interim amounts which were presented net of losses incurred under Exceptional items in this standalone financial statement. The amount for the year ended 31 March 2021 aggregated Rs. 350 million with a consequential tax of Rs. 122 million was included within tax expense in this standalone financial statement for the year ended 31 March 2021.
- The Ministry of Commerce and Industry, Government of India issued a Gazette notification number 29/2015-2020 dated 23 September 2021 on Service Exports from India Scheme (SEIS) for services rendered in financial year 2019 - 2020 with the total entitlement capped at Rs. 50 million per exporter for the period. The Company has reversed the SEIS claim receivables of Rs. 307 million for the financial year 2019-2020 and the same has been presented under Exceptional items in this standalone financial statement for the year ended 31 March 2022.

36. Impact of COVID-19

In March 2020, the World Health Organization 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 finalizing various estimates in relation to its financial statement captions upto the date of approval of the financial statements by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

37. 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.

Notes to the Standalone Financial Statements

For the year ended March 31, 2022

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

	31 March 2022	31 March 2021
(a) Amount required to be spent by the Company during the year	93	86
(b) Amount unspent of previous years shortfall	21	-
(c) Amount spent during the year (in cash)		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	55	65
(d) Amount unspent and carried forward to next year	59	21

Out of required amount of Rs 93 to be spent for financial year 2022-23, the Board of Directors has decided to allocate Rs 52 of the budget for year ending 31 March 2022 towards academic sponsorship and research grants. However, the project was delayed. The Board has approved for transfer of unspent amount of Rs 52 for the year ending 31 March 2022 to a separate Unspent CSR account for utilisation during FY2022-23.

Out of required amount Rs 21 unspent from previous financial year, the Board of Directors had decided to allocate Rs 7 of the budget for year ending 31 March 2022 towards COVID testing as well as vaccination activities. However, due to the limited availability of the vaccines at the beginning of the year, the project was delayed. The Board has approved the retention of unspent amount of Rs 7 for the year ending 31 March 2022 in a separate Unspent CSR account for utilisation during FY2022-23.

The Company has undertaken CSR activities in nature of Community COVID 19 testing, vaccination program, mass rapid transit, women's safety, school programs, smart clinic and health during the year ended 31 March 2022 and 31 March 2021.

38. Earnings per equity share (EPS)

	31 March 2022	31 March 2021
<i>Earnings</i>		
Profit for the year	3,938	4,037
<i>Shares</i>		
Basic outstanding shares	400,796,500	400,000,000
Less: Weighted average shares held with the ESOP Trust	(2,647,740)	(2,274,925)
Weighted average shares used for computing basic EPS	398,148,760	397,725,075
Add: Effect of dilutive options granted but not yet exercised / not yet eligible for exercise	4,765,753	2,943,430
Weighted average shares used for computing diluted EPS	402,914,513	400,668,505
<i>Earnings per equity share</i>		
Basic (in Rs.)	9.89	10.15
Diluted (in Rs.)	9.77	10.08

Notes to the Standalone Financial Statements

For the year ended march 31, 2022

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

39. Financial ratios:

Ratio	Numerator	Denominator	31 March 2022	31 March 2021	Variance %
(a) EBITDA ratio	Earnings before interest, taxes, depreciation and amortisation * = Net profit before tax and exceptional item + Depreciation and amortisation + Finance costs	Total income	32%	33%	-3%
(b) Net profit ratio	Profit for the year *	Total income	16%	17%	-7%
(c) Return on equity ratio	Profit for the year *	Average equity	14%	15%	-10%
(d) Debt equity ratio	Borrowings	Equity	0.24	0.27	-12%
(e) Debt service coverage ratio	Earnings before interest, taxes, depreciation and amortisation * = Net profit before tax and exceptional item + Depreciation and amortisation + Finance costs	Total debt service in preceding twelve months = Finance costs + Repayment of short term borrowings + Repayment of long term borrowings	28.23	1.62	1644%
(f) Asset turnover ratio	Sale of services	Average gross property, plant and equipment	0.74	0.69	7%
(g) Current ratio	Current assets	Current liabilities	1.79	1.59	12%
(h) Inventory turnover ratio	Cost of chemicals sold = Purchases of chemicals, reagents and consumable + Changes in inventories	Average inventory	6.27	12.42	-50%
(i) Trade receivable turnover ratio	Revenue from operations	Average trade receivable	5.29	5.00	6%
(j) Trade payable turnover ratio	Total supply purchases = Purchases of chemicals, reagents and consumables + Changes in inventories + Other expenses	Average trade payables	4.91	3.83	28%

* excludes exceptional items in the computation of operational performance ratios

Explanation for variance more than 25% in the above ratios:

- (i) Improvement in debt service coverage ratio is due to repayment of long term borrowings for Rs. Nil during the year ended 31 March 2022 compared to Rs. 3,811 for the year ended 31 March 2021.

Notes to the Standalone Financial Statements

For the year ended march 31, 2022

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

- (ii) Decline in inventory ratio is on account of expansion in businesses of development and manufacturing services of the Company and also increase in the level of inventories to safeguard business for potential Covid-19 lockdown and logistics challenges witnessed across the globe.
- (iii) Increase in trade payable ratio is on account of expansion in businesses of development and manufacturing services of the Company.

40. Other Statutory Information :

- (i) The Company does not have any Benami property or any proceeding is pending against the Company for holding any Benami property.
 - (ii) The Company do not have any transactions with companies struck off.
 - (iii) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
 - (iv) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
 - (v) The Company has not advanced or loaned or invested any funds (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).
 - (vi) The Company has not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (vii) The Company is not classified as wilful defaulter.
 - (viii) The Company doesn't have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as search or survey.
41. On 27 April 2021, the Board of Directors of the Company have approved an allotment of 796,500 equity shares of Rs. 10/- (Rupees Ten each) of the Company to Syngene Employee Welfare Trust at face value pursuant to the shareholders' approval at the Annual General Meeting on 24 July 2019 to allot fresh equity shares upto 1.67% of the paid-up equity capital of the Company in tranches for the purpose of implementation of the Syngene International Limited - Restricted Stock Unit Long Term Incentive Plan FY2020.

42. Events after reporting period:

- (a) On 27 April 2022, the Board of Directors of the Company have approved an allotment of 638,000 equity shares of Rs. 10/- (Rupees Ten each) of the Company to Syngene Employee Welfare Trust at face value pursuant to the shareholders' approval at the Annual General Meeting on 24 July 2019 to allot fresh equity shares upto 1.67% of the paid-up equity capital of the Company in tranches for the purpose of implementation of the Syngene International Limited - Restricted Stock Unit Long Term Incentive Plan FY2020.
- (b) On 27 April 2022, the Board of Directors of the Company has proposed a final dividend of 10% or Re. 1 per equity share as on the record date for distribution of final dividend (comprising of regular dividend of 5% or Rs.0.5 per equity share and additional special dividend of 5% or Rs.0.5 per equity share). The proposed dividend is subject to the approval of the shareholders in the Annual General Meeting.

43. Prior year's comparatives

Previous year's figures have been regrouped / reclassified, where necessary, to conform to current year's classification.

As per our report of even date attached

for and on behalf of **Board of Directors of Syngene International Limited**

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

Chartered Accountants

Firm Registration No: 101248WW-100022

S. Sethuraman

Partner

Membership No. 203491

Bangalore

April 27, 2022

Kiran Mazumdar Shaw

Chairperson

DIN: 00347229

Sibaji Biswas

Chief Financial Officer

Bangalore

April 27, 2022

Jonathan Hunt

Managing Director and Chief Executive Officer

DIN: 07774619

Priyadarshini Mahapatra

Company Secretary

FCS Number: F8786

Independent Auditor's Report

To the Members of Syngene International Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Syngene International Limited (hereinafter referred to as the "Holding Company"), its employee welfare trust and subsidiary (Holding Company, its employee welfare trust and subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Financial instruments – Hedge accounting

[Refer Note 2(c) and 28 to the consolidated financial statements]

The Key Audit Matter

The Holding Company enters into forward, option and interest rate swap contracts to hedge its foreign exchange and interest rate risks. Foreign exchange risks arise from sales to customers as significant part of its revenues are denominated in foreign currency with most of the costs denominated in Indian Rupees (INR). Foreign exchange risks also arise from foreign currency borrowings. The interest rate risks arises from the variable rate of interest on its foreign currency borrowings.

The Holding Company designates a significant portion of its derivatives as cash flow hedges of highly probable forecasted transactions. Derivative financial instruments are recognized at their fair value as of the balance sheet date on the basis of valuation report obtained from third party specialists. Basis such valuations, effective portion of derivative movements are recognized within equity.

These matters are of importance to our audit due to complexity in the valuation of derivative contracts and complex accounting and documentation requirements under Ind AS 109: "Financial Instruments". COVID-19 has an impact on operations and thereby impacted Holding Company's estimates relating to occurrence of the highly probable forecasted transactions. A hedging relationship can no longer be continued if the Holding Company concludes forecasted transactions are not likely to occur. Given the uncertainties relating to COVID-19, judgments and estimates relating to hedge accounting were inherently complex.

Key Audit Matters (continued)

Financial instruments - Hedge accounting (continued)

How the matter was addressed in our audit

Our audit procedures in relation to hedge accounting included the following, amongst others:

- Tested the design and operating effectiveness of the Holding Company's controls around hedge accounting;
- We involved our internal valuation specialists to assess the fair value of the derivatives by testing sample contracts;
- We analyzed critical terms (such as nominal amount, maturity and underlying) of the hedging instrument and the hedged item to assess they are closely aligned;
- We analysed the estimate of highly probable forecasted transactions and tested the impact of ineffective hedges; and
- We challenged Holding Company's assertion relating to its ability to meet its forecasts on account of COVID-19, to be able to assert that hedge accounting can be continued by analysing various scenarios to conclude there was no significant impact on the year-end financial statements.

Taxation

[Refer Note 2(o), 30 and 31 to the consolidated financial statements]

The Key Audit Matter

The Holding Company's operations are majorly based out of units registered as Special Economic Zone (SEZ) and Export Oriented Unit (EOU). Accordingly, the Holding Company enjoys certain deductions/benefits with

respect to payment of income-tax and other indirect taxes, some of which are subject matters of dispute with tax authorities. The Holding Company periodically assesses its tax positions, which include examination by the external tax consultant and tax counsels appointed by the Holding Company.

Judgment is required in assessing the range of possible outcomes for some of these tax matters. These judgements could change over time as each of the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents.

The Holding Company makes an assessment to determine the outcome of these uncertain tax positions and decides to make an accrual or consider it to be a possible contingent liability. Where the amount of tax liabilities are uncertain, the Holding Company recognises accruals which reflect its best estimate of the outcome based on the facts known as at the reporting date. Accordingly, we focused on this area.

The Holding Company also has significant deferred tax assets primarily comprising of Minimum Alternate Tax ('MAT') entitlement credits on account of tax holiday benefits, which would expire over a period of 15 years. Assessment of recoverability of such MAT credits require the Holding Company to prepare forecasts for future profitability and potential tax liabilities, which involves significant judgment and accordingly this was an area of focus for us.

How the matter was addressed in our audit

Our audit procedures in relation to taxation included the following, amongst others:

- Tested the design and operating effectiveness of the Holding Company's controls around the tax computation and tax matters;

Key Audit Matters (continued)

Taxation

- We obtained an understanding of the key uncertain tax positions based on list of ongoing litigations and tax computations for the current year;
- We analysed select key correspondences with the tax authorities to identify any additional uncertain tax positions;
- We analysed Holding Company's judgment regarding the eventual resolution of matters with various tax authorities. In this regard, we understood how Holding Company has considered past experience, where available, with the tax authorities in the respective jurisdictions;
- We also considered external legal opinions and consultations made by the Holding Company for key matters during current and past periods;
- We used our own tax specialists' expertise to assess the key assumptions made by Holding Company; and
- With respect to our assessment of recoverability of MAT, our audit procedures included:
 - Assessing the revenue and profit forecast against the historical performance and assessing the Holding Company's plans with respect to new undertakings being setup having tax holiday benefits; and
 - Assessing the sensitivity of key assumptions including the growth rate and tax holiday benefit for future years on the Holding Company's ability to utilize MAT credits.

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

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises of Management Reports such as Board's Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report, but does not include the consolidated financial statements and our auditor's report thereon, which we have obtained prior to the date of this auditor's report, and the remaining sections of the Holding Company's Annual Report, which are expected to be made available to us after that date.

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

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

When we read the other sections of Annual Report (other than those mentioned above), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the

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

Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors/Board of Trustees of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the consolidated financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 **(A) As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:**
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

Report on Other Legal and Regulatory Requirements (continued)**(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:**

- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 31 to the consolidated financial statements.
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 28 to the consolidated financial statements in respect of such items as it relates to the Group.
- iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company incorporated in India during the year ended 31 March 2022.
- iv. The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 40(v) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary company, or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary company incorporated in India or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- v. The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 40(vi) to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary company, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary company incorporated in India shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- vi. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
- vii. As stated in Note 42(b) to the consolidated financial statements, the Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Chartered Accountants

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

S Sethuraman

Partner

Membership Number: 203491

UDIN: 22203491AHWMGI9834

Bengaluru

27 April 2022

Syngene International Limited

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Syngene International Limited for the year ended 31 March 2022

According to the information and explanations given to us and based on our examination, there are no companies included in the consolidated financial statements of the Holding Company which are companies incorporated in India except the Holding Company. The Companies (Auditor's Report) Order, 2020 of the Holding Company did not include any unfavourable answers or qualifications or adverse remarks.

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

Chartered Accountants

Firm's Registration No: 101248WW-100022

S Sethuraman

Partner

Membership Number: 203491

UDIN: 22203491AHWMGI9834

Bengaluru

27 April 2022

Annexure B to the Independent Auditor's Report on the Consolidated Financial Statements of Syngene International Limited for the year ended 31 March 2022

Report on the Internal Financial Controls with reference to the aforesaid Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of Syngene International Limited (hereinafter referred to as "the Holding Company") a company incorporated in India under the Companies Act, 2013, as of that date.

In our opinion, the Holding Company has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibility for Internal Financial Controls

The Holding Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

A Company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper Management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Chartered Accountants

Firm's Registration No: 101248WW-100022

S Sethuraman

Partner

Membership Number: 203491

UDIN: 22203491AHWMGI9834

Bengaluru

27 April 2022

Consolidated Balance Sheet

as at March 31, 2022

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

	Note	March 31, 2022	March 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	3 (a)	21,229	20,322
Capital work-in-progress	3 (a)	3,464	2,372
Right-of-use assets	3 (b)	2,188	1,121
Investment property	3 (c)	385	376
Other intangible assets	4	126	191
Financial assets			
(i) Investments	5(a)	2,703	2,787
(ii) Derivative assets		1,249	623
(iii) Other financial assets	6(a)	203	1,038
Deferred tax assets (net)	7	656	891
Income tax assets (net)		1,191	867
Other non-current assets	8(a)	185	177
Total non-current assets		33,579	30,765
Current assets			
Inventories	9	1,794	596
Financial Assets			
(i) Investments	5(b)	7,638	4,233
(ii) Trade receivables	10	5,077	4,757
(iii) Cash and cash equivalents	11(a)	2,618	3,233
(iv) Bank balances other than (iii) above	11(b)	2,561	3,193
(v) Derivative assets		842	713
(vi) Other financial assets	6(b)	384	339
Other current assets	8(b)	1,145	1,003
Total current assets		22,059	18,067
Total Assets		55,638	48,832
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12 (a)	4,008	4,000
Other equity	12 (b)	28,968	24,214
Total Equity		32,976	28,214
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13(a)	5,315	5,124
(i) (a) Lease liabilities	35	2,102	1,052
(ii) Derivative liabilities		84	224
Provisions	14(a)	344	520
Other non-current liabilities	15(a)	2,528	2,368
Total non-current liabilities		10,373	9,288

Consolidated Balance Sheet

as at March 31, 2022

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

	Note	March 31, 2022	March 31, 2021
Current liabilities			
Financial liabilities			
(i) Borrowings	13(b)	2,581	2,599
(i) (a) Lease liabilities	35	218	154
(ii) Trade payables	16		
total outstanding dues of micro and small enterprises		34	109
total outstanding dues of creditors other than micro and small enterprises		2,294	2,307
(iii) Derivative liabilities		8	18
(iv) Other financial liabilities	17	1,098	937
Provisions	14(b)	582	465
Current tax liabilities (net)		240	134
Other current liabilities	15(b)	5,234	4,607
Total current liabilities		12,289	11,330
Total equity and liabilities		55,638	48,832

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

As per our report of even date attached

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

Chartered Accountants

Firm Registration No: 101248W/W-100022

S. Sethuraman

Partner

Membership No. 203491

Bangalore
27 April 2022

for and on behalf of **Board of Directors of Syngene International Limited**

Kiran Mazumdar Shaw

Chairperson

DIN: 00347229

Sibaji Biswas

Chief Financial Officer

Bangalore
27 April 2022

Jonathan Hunt

Managing Director & Chief Executive Officer

DIN: 07774619

Priyadarshini Mahapatra

Company Secretary

ACS Number: 18776

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

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

	Note	Year ended March 31, 2022	Year ended March 31, 2021
Income			
Revenue from operations	18	26,042	21,843
Other income	19	528	646
Total income		26,570	22,489
Expenses			
Cost of chemicals, reagents and consumables consumed	20	7,706	5,517
Changes in inventories of finished goods and work-in-progress	21	(216)	(252)
Employee benefits expense	22	7,181	6,602
Finance costs	23	241	277
Depreciation and amortisation expense	24	3,097	2,745
Other expenses	25	3,958	3,429
Foreign exchange fluctuation gain, net		(548)	(171)
Total expenses		21,419	18,147
Profit before tax and exceptional items			
Exceptional items	36	5,151	4,342
		(307)	350
Profit before tax		4,844	4,692
Tax expense			
	30		
Current tax		837	746
Deferred tax			
MAT credit entitlement		47	(268)
Other deferred tax		2	165
Total tax expense		886	643
Profit for the year		3,958	4,049
Other comprehensive income			
(i) Items that will not be reclassified subsequently to profit or loss			
Re-measurement on defined benefit plans		104	(30)
Income tax effect		(26)	5
(ii) Items that will be reclassified subsequently to profit or loss			
Effective portion of gains/(losses) on hedging instrument and investments in cash flow hedges		515	2,375
Income tax effect		(160)	(444)
Other comprehensive income for the year, net of taxes		433	1,906
Total comprehensive income for the year		4,391	5,955
Profit attributable to:			
Shareholders of the Company		3,958	4,049
Non-controlling interest		-	-
Profit for the year		3,958	4,049

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

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

	Note	Year ended March 31, 2022	Year ended March 31, 2021
Other comprehensive income attributable to:			
Shareholders of the Company		433	1,906
Non-controlling interest		-	-
Other comprehensive income for the year		433	1,906
Total comprehensive income attributable to:			
Shareholders of the Company		4,391	5,955
Non-controlling interest		-	-
Total comprehensive income for the year		4,391	5,955
Earnings per equity share			
Basic (in Rs)		9.94	10.18
Shareholders of the Company		9.82	10.11

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

As per our report of even date attached

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

Chartered Accountants

Firm Registration No: 101248W/W-100022

S. Sethuraman

Partner

Membership No. 203491

Bangalore

27 April 2022

for and on behalf of **Board of Directors of Syngene International Limited**

Kiran Mazumdar Shaw

Chairperson

DIN: 00347229

Sibaji Biswas

Chief Financial Officer

Bangalore

27 April 2022

Jonathan Hunt

Managing Director & Chief Executive Officer

DIN: 07774619

Priyadarshini Mahapatra

Company Secretary

ACS Number: 18776

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

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

(A) Equity share capital

	March 31, 2022	March 31, 2021
Opening balance	4,000	4,000
Issue of shares during the year	8	-
Closing balance	4,008	4,000

(B) Other equity [refer note 12(b)]

Particulars	Reserves and surplus			Items of other comprehensive income				
	Securities premium	Treasury shares	Retained earnings	Special Economic Zone (SEZ) reinvestment reserve	Share based payments	Cash flow hedging reserves	Other items of other comprehensive income	Total other equity
Balance as at 1 April 2020	1,333	(41)	17,777	-	389	(1,614)	(86)	17,758
Profit for the year	-	-	4,049	-	-	-	-	4,049
Other comprehensive income, net of tax	-	-	-	-	-	1,931	(25)	1,906
Total comprehensive income for the year	-	-	4,049	-	-	1,931	(25)	5,955
Transactions recorded directly in equity								
Exercise of share options	112	9	(1)	-	(112)	-	-	8
Share based payment	-	-	-	-	493	-	-	493
Transfer to SEZ reinvestment reserve	-	-	(1,600)	1,600	-	-	-	-
Transfer from SEZ reinvestment reserve	-	-	1,600	(1,600)	-	-	-	-
Balance as at 31 March 2021	1,445	(32)	21,825	-	770	317	(111)	24,214
Profit for the year	-	-	3,958	-	-	-	-	3,958
Other comprehensive income, net of tax	-	-	-	-	-	355	78	433
Total comprehensive income for the year	-	-	3,958	-	-	355	78	4,391
Transactions recorded directly in equity								
Exercise of share options	266	(8)	-	-	(266)	-	-	(8)
Share based payment	-	-	-	-	371	-	-	371
Transfer to SEZ reinvestment reserve	-	-	(1,500)	1,500	-	-	-	-
Transfer from SEZ reinvestment reserve	-	-	1,500	(1,500)	-	-	-	-
Balance as at 31 March 2022	1,711	(40)	25,783	-	875	672	(33)	28,968

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

As per our report of even date attached for and on behalf of **Board of Directors of Syngene International Limited**

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

Chartered Accountants

Firm Registration No: 101248WW/-100022

S. Sethuraman

Partner

Membership No. 203491

Bangalore

27 April 2022

Kiran Mazumdar Shaw

Chairperson

DIN: 00347229

Sibaji Biswas

Chief Financial Officer

Bangalore

27 April 2022

Jonathan Hunt

Managing Director & Chief Executive Officer

DIN: 07774619

Priyadarshini Mahapatra

Company Secretary

ACS Number: 18776

Consolidated Statement of Cash Flows

for the year ended March 31, 2022

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

	Year ended March 31, 2022	Year ended March 31, 2021
I. Cash flows from operating activities		
Profit for the year	3,958	4,049
<u>Adjustments to reconcile profit before tax to net cash flows</u>		
Depreciation and amortisation expense	3,097	2,745
Loss on assets scrapped	20	60
Exceptional items	307	(350)
Provision for doubtful receivables	46	16
Share based compensation expense	371	494
Interest expense	175	277
Unrealised foreign exchange loss/(gain)	224	(55)
Net gain on sale of current investments	(63)	(21)
Proceeds from insurance company	105	245
Interest income	(465)	(623)
Tax expenses	886	644
Operating profit before working capital changes	8,661	7,481
Movements in working capital		
Decrease/ (increase) in inventories	(1,198)	(344)
Decrease/ (increase) in trade receivables	(362)	381
Decrease/ (increase) in other assets	(783)	381
Increase/ (decrease) in trade payables, other liabilities and provisions	546	(51)
Cash generated from operations	6,864	7,848
Income taxes paid (net of refunds)	(1,058)	(836)
Net cash flow generated from operating activities	5,806	7,012
II. Cash flows from investing activities		
Purchase of property, plant and equipment	(4,753)	(4,408)
Purchase of other intangible assets	(2)	(57)
Investment in compulsorily convertible preference shares	-	(25)
Investment in equity shares	(49)	(12)
Investment in bank deposits and inter corporate deposits	(22,460)	(16,024)
Redemption/ maturity of bank deposits and inter corporate deposits	21,571	14,917
Interest received	263	620
Proceeds from sale of current investments	21,460	10,775
Purchase of current investments	(22,145)	(12,067)
Net cash flow used in investing activities	(6,115)	(6,281)
III. Cash flows from financing activities		
Proceeds from exercise of share options	-	8
Repayment of long term borrowings	-	(3,811)
Proceeds from long term borrowings	-	5,153
Proceeds/ (repayments) from short term borrowings, net	(58)	(450)
Repayment of lease liabilities	(80)	(43)
Interest paid	(175)	(277)
Net cash flow generated from/ (used in) financing activities	(313)	580

Consolidated Statement of Cash Flows

for the year ended March 31, 2022

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

	Year ended March 31, 2022	Year ended March 31, 2021
IV. Net increase/ (decrease) in cash and cash equivalents (I+II+III)	(622)	1,311
V. Effect of exchange difference on cash and cash equivalents held in foreign currency	7	(8)
VI. Cash and cash equivalents at the beginning of the year	3,233	1,930
VII. Cash and cash equivalents at the end of the year (IV+V+VI)	2,618	3,233
Components of cash and cash equivalents as at the end of the year		
Balances with banks	2,318	3,229
Deposits with maturity of less than 3 months	300	4
Total cash and cash equivalents [refer note 11(a)]	2,618	3,233
Restricted cash balance [refer note 11 (ii)]	8	13

* Less than Rs. 0.5 million.

Change in liability arising from financing activities

	1 April 2021	Cash Flow	Foreign exchange loss	31 March 2022
Borrowings (including current maturities)	7,723	(58)	231	7,896
	7,723	(58)	231	7,896

	1 April 2020	Cash Flow	Foreign exchange loss	31 March 2021
Borrowings (including current maturities)	6,856	892	(25)	7,723
	6,856	892	(25)	7,723

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

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

As per our report of even date attached

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

Chartered Accountants

Firm Registration No: 101248WW-100022

S. Sethuraman

Partner

Membership No. 203491

Bangalore

27 April 2022

for and on behalf of **Board of Directors of Syngene International Limited**

Kiran Mazumdar Shaw

Chairperson

DIN: 00347229

Sibaji Biswas

Chief Financial Officer

Bangalore

27 April 2022

Jonathan Hunt

Managing Director & Chief Executive Officer

DIN: 07774619

Priyadarshini Mahapatra

Company Secretary

ACS Number: 18776

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

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

	Land [refer note (a)]	Buildings [refer note (c)]	Plant and equipment [refer note (b)]	Office equipments	Furniture and fixtures	Vehicles	Total	Capital work-in- progress
Gross carrying amount								
At 1 April 2020	703	5,547	21,321	161	501	30	28,263	2,341
Additions	-	650	3,389	20	109	15	4,183	4,214
Transfer to investment property [refer note (e)]	-	(50)	(8)	-	-	-	(58)	-
Disposals / other adjustments	-	(6)	(161)	-	(4)	(7)	(178)	(4,183)
At 31 March 2021	703	6,141	24,541	181	606	38	32,210	2,372
Additions	-	384	3,268	11	120	1	3,784	4,876
Disposals / other adjustments	-	(5)	(178)	-	(2)	-	(185)	(3,784)
At 31 March 2022	703	6,520	27,631	192	724	39	35,809	3,464
Accumulated depreciation								
At 1 April 2020	-	833	8,285	110	247	22	9,497	-
Depreciation for the year	-	232	2,177	30	74	3	2,516	-
Transfer to investment property	-	-	-	-	-	-	-	-
Disposals	-	(2)	(114)	-	(3)	(6)	(125)	-
At 31 March 2021	-	1,063	10,348	140	318	19	11,888	-
Depreciation for the year	-	256	2,491	27	88	3	2,865	-
Disposals	-	(5)	(166)	-	(2)	-	(173)	-
At 31 March 2022	-	1,314	12,673	167	404	22	14,580	-
Net carrying amount								
At 31 March 2021	703	5,078	14,193	41	288	19	20,322	2,372
At 31 March 2022	703	5,206	14,958	25	320	17	21,229	3,464

Notes:

- Land includes land held on lease under perpetual basis: Gross carrying amount - Rs. 661 (31 March 2021 - Rs. 661).
- Plant and equipment includes computers.
- Buildings with a gross carrying amount of Rs. 4,035 as at 31 March 2022 (as at 31 March 2021 - Rs. 3,786) have been constructed on leasehold land obtained by the Company on lease basis from Biocon Limited, the holding Company.
- Additions to property, plant and equipment includes additions related to borrowing amounting to Rs. 67 (31 March 2021 - Rs. 10).
- During the year ended 31 March 2021, a portion of facility was reclassified as investment property [refer note 3(c)], as the Company leased out the facility to a related party.
- Refer note 31 (ii) (a) for disclosure of contractual commitments for the acquisition of property, plant and equipment and capital work-in-progress.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

3 (a) Capital work-in-progress aging schedule:

31 March 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	3,092	265	70	37	3,464
	3,092	265	70	37	3,464

31 March 2021	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2,001	318	42	11	2,372
	2,001	318	42	11	2,372

(i) There are no capital work-in-progress whose completion has exceeded its cost compared to its original plan as on 31 March 2022 and as on 31 March 2021.

(ii) Capital work-in-progress whose completion is overdue to its original plan:

31 March 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Expected Capitalisation date
Project 2	231	-	3	-	30 June 2022
Project 3	1,030	-	-	-	30 September 2022

31 March 2021	Less than 1 year	1-2 years	2-3 years	More than 3 years	Expected Capitalisation date
Project 1	274	-	-	-	30 June 2021

3 (b) Right-of-use assets

31 March 2022	Land	Buildings	Vehicles	Total
Gross carrying amount				
At 1 April 2020	65	868	39	972
Additions	-	361	17	378
Deletions	-	(12)	-	(12)
At 31 March 2021	65	1,217	56	1,338
Additions	302	953	22	1,277
Deletions	-	(74)	(23)	(97)
At 31 March 2022	367	2,096	55	2,518
Accumulated depreciation				
At 1 April 2020	20	85	3	108
Depreciation for the year	21	85	8	114
Deletions	-	(5)	-	(5)
At 31 March 2021	41	165	11	217
Depreciation for the year	18	92	10	120
Deletions	-	-	(7)	(7)
At 31 March 2022	59	257	14	330
Net carrying amount				
At 31 March 2021	24	1,052	45	1,121
At 31 March 2022	308	1,839	41	2,188

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

3 (c) Investment property

31 March 2022	Buildings [refer note (b)]	Furniture and fixtures	Office equipments	Plant and equipment	Total
Gross carrying amount					
At 1 April 2020	34	3	1	460	498
Transfer from property, plant and equipment	50	-	-	8	58
Additions	-	-	-	-	-
At 31 March 2021	84	3	1	468	556
Additions	27	13	3	11	54
At 31 March 2022	111	16	4	479	610
Accumulated depreciation					
At 1 April 2020	3	2	-	133	138
Transfer from property, plant and equipment	-	-	-	-	-
Depreciation for the year	3	1	1	37	42
At 31 March 2021	6	3	1	170	180
Depreciation for the year	3	1	1	40	45
At 31 March 2022	9	4	2	210	225
Net carrying amount					
At 31 March 2021	78	-	-	298	376
At 31 March 2022	102	12	2	269	385

Note:

- During the year, the Company has recognised rental income of Rs. 344 (31 March 2021 : Rs. 222) in the statement of profit and loss for investment property. The fair value of investment property as at 31 March 2022 is Rs. 385 (31 March 2021 : Rs. 376).
- Investment property with a cost of Rs. 111 (31 March 2021 : Rs. 84) have been constructed on leasehold land obtained by the Company on lease basis from Biocon Limited.
- Refer note 31 (ii) (a) for disclosure of contractual commitments for the acquisition of investment property.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

4. Other intangible assets

	Computer software	Intellectual property rights	Total
Gross carrying amount			
At 1 April 2020	319	120	439
Additions	57	-	57
Disposals	-	-	-
At 31 March 2021	376	120	496
Additions	2	-	2
Disposals	-	-	-
At 31 March 2022	378	120	498
Accumulated amortisation			
At 1 April 2020	146	86	232
Amortisation for the year	49	24	73
Disposals	-	-	-
At 31 March 2021	195	110	305
Amortisation for the year	57	10	67
Disposals	-	-	-
At 31 March 2022	252	120	372
Net carrying amount			
At 31 March 2021	181	10	191
At 31 March 2022	126	-	126

(a) Refer note 31 (ii) (a) for disclosure of contractual commitments for the acquisition of intangible assets.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

5. Investments

(a) Non-current investments

	March 31, 2022	March 31, 2021
Unquoted equity instruments carried at fair value through other comprehensive income:		
2,020 (31 March 2021: 2,020) Equity shares of Rs. 10 each in Immuneel Therapeutics Private Limited [refer note(i) below]	214	100
4,922,663 (31 March 2021: Nil) Equity shares of Rs. 10 each in HR Kaveri Private Limited	49	-
Unquoted - In Others		
Investments carried at fair value through profit or loss		
123,203 (31 March 2021: 123,203) Equity shares of Rs. 100 each in Four EF Renewables Private Limited	12	12
246,406 (31 March 2021: 246,406) Compulsory convertible preference shares of Rs. 100 each in Four EF Renewables Private Limited [refer note(ii) below]	25	25
Investments carried at amortized cost:		
Inter corporate deposits with financial institutions *	2,403	2,650
	<u>2,703</u>	<u>2,787</u>
Aggregate value of unquoted investments	2,703	2,787

Note:

- (i) In the year ending 31 March 2021, the Company invested Rs. 100 in Immuneel Therapeutics Private Limited. In the year ending 31 March 2022, additional funding from external investors were received resulting in a dilution of the Company's equity interest. The gain on fair valuation from Rs. 100 to Rs. 214 is recognised in Other comprehensive income.
- (ii) Terms of conversion: 1 compulsory convertible preference share of face value Rs. 100/- each will convert to 1 equity share of face value Rs. 100/- at end of the tenure of 20 years from allotment.
- * Inter corporate deposits with financial institutions yield fixed interest rate.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

(b) Current investments

	March 31, 2022	March 31, 2021
Quoted - Investment in mutual funds at fair value through profit or Loss	2,232	1,484
Unquoted - In others - at amortised cost		
Inter corporate deposits with financial institutions *	5,406	2,749
	7,638	4,233
* Inter corporate deposits with financial institutions yield fixed interest rate.		
Aggregate book and market value of quoted investments	2,232	1,484
Aggregate value of unquoted investments	5,406	2,749

6. Other financial assets

	March 31, 2022	March 31, 2021
(a) Non-current		
Security deposits	203	149
Bank deposits with maturity of more than 12 months	-	889
	203	1,038
(b) Current		
Recoverable from insurance company	-	105
Other receivables (refer note 26)	55	107
Interest accrued but not due	329	127
	384	339

7. Deferred tax assets (net) (refer note 30(b))

	March 31, 2022	March 31, 2021
Deferred tax assets		
MAT credit entitlement	1,727	1,774
Employee benefit obligations	152	104
Others	28	11
	1,907	1,889
Deferred tax liabilities		
Property, plant and equipment, investment property and other intangible assets, net	1,067	974
Derivatives, net	164	24
Others	20	-
	1,251	998
Deferred tax assets (net)	656	891

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

8. Other assets

(Unsecured considered good, unless otherwise stated)

	March 31, 2022	March 31, 2021
(a) Non-current		
Capital advances	103	84
Balances with statutory / government authorities	15	50
Prepayments	67	43
	185	177
(b) Current		
Advances other than capital advances	324	57
Export incentive receivables [refer note 35 (b)]	62	445
Balances with statutory / government authorities	477	259
Prepayments	282	242
	1,145	1,003

9. Inventories

	March 31, 2022	March 31, 2021
Chemicals, reagents and consumables *	1,276	294
Work-in-progress	397	212
Finished goods	121	90
	1,794	596

* includes goods in-transit Rs. 10 (31 March 2021 - Rs. 24)

10. Trade receivables

	March 31, 2022	March 31, 2021
Unsecured		
Considered good*	5,077	4,757
Credit impaired	100	62
	5,177	4,819
Allowance for credit losses	(100)	(62)
	5,077	4,757

* Includes receivables from related parties [refer note 26]

(a) Aging schedule

31 March 2022	Outstanding for following periods from due date of payment					Total
	Unbilled	'Not due	Less than 6 months	6 months – 1 year	1-2 years	
Undisputed trade receivables - considered good	556	3,359	818	173	171	5,077
Undisputed trade receivables - credit impaired	-	-	-	-	100	100
	556	3,359	818	173	181	5,177

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

31 March 2021	Outstanding for following periods from due date of payment					Total
	Unbilled	'Not due	Less than 6 months	6 months – 1 year	1-2 years	
Undisputed trade receivables - considered good	1,354	2,470	899	34	-	4,757
Undisputed trade receivables - credit impaired	-	-	-	34	28	62
	1,354	2,470	899	68	28	4,819

- (b) All trade receivables are current and undisputed.
- (c) Trade receivables outstanding for period above 2 years from due date of payment is Rs. Nil (31 March 2021: Rs. Nil) for the year ended 31 March 2022.
- (d) The Company's exposure to credit and currency risks and loss allowances are disclosed in note 28.

11. Cash and bank balances

	March 31, 2022	March 31, 2021
(a) Cash and cash equivalents		
Cash on hand	-	-*
Balances with banks (on current accounts)	2,318	3,229
Deposits with original maturity of less than 3 months	300	4
	2,618	3,233
(b) Bank balances other than above		
Deposits with maturity of less than 12 months	2,561	3,193
Total cash and bank balances	5,179	6,426

* Less than Rs. 0.5 million.

- (i) The Company has balances with banks (on unpaid dividend account) which are not disclosed above since amounts are rounded off to Rupees million.
- (ii) Cash and cash equivalents includes restricted cash and bank balances of Rs. 8 (31 March 2021: Rs. 13). The restrictions are primarily on account of bank balances held under Employee Welfare Trust.

12(a). Equity share capital

	March 31, 2022	March 31, 2021
Authorised		
500,000,000 (31 March 2021: 500,000,000) equity shares of Rs 10/- each (31 March 2021 - Rs 10/- each)	5,000	5,000
Issued, subscribed and fully paid-up		
400,796,500 (31 March 2021: 400,000,000) equity shares of Rs 10/- each (31 March 2021 - Rs 10/- each)	4,008	4,000
	4,008	4,000

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

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

Equity shares	March 31, 2022		March 31, 2021	
	No.	Rs.	No.	Rs.
At the beginning of the year	400,000,000	4,000	400,000,000	4,000
Issue of shares [refer note 41]	796,500	8	-	-
At the end of the year	400,796,500	4,008	400,000,000	4,000

(ii) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

(iii) Details of shares held by holding company and their subsidiaries

	March 31, 2022		March 31, 2021	
	No.	% holding	No.	% holding
Equity shares of Rs. 10 each fully paid Biocon Limited (holding company) [refer note (vi) below]	280,974,772	70.10%	280,974,772	70.24%

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

	March 31, 2022		March 31, 2021	
	No.	% holding	No.	% holding
Equity shares of Rs 10 each fully paid Biocon Limited [refer note (vi) below]	280,974,772	70.10%	280,974,772	70.24%

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

	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Equity shares allotted as fully paid bonus shares by capitalization of general reserve and surplus in statement of profit and loss [refer note (vi) below]	-	-	200,000,000	-	-

(vi) Issue of bonus shares:

The shareholders approved through postal ballot on 13 July 2019, the issue of fully paid up bonus shares of face value of Rs. 10/- each in the ratio of 1:1 by capitalisation of general reserves and surplus in statement of profit and loss.

(vii) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer note 34.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

(viii) Share held by promoters:

Promoter Name	At 1 April 2021	Change during the year	At 31 March 2022	% of Total Shares	% change during the year
Kiran Mazumdar Shaw	15,276	-	15,276	0.00%	-
Yamini R Mazumdar	20,060	-	20,060	0.01%	-
Ravi R Mazumdar	2,120	-	2,120	0.00%	-
Dev Mazumdar	7,000	-	7,000	0.00%	-
Biocon Limited	280,974,772	-	280,974,772	70.10%	-
Biocon Employee Welfare Trust	1,301,373	(122,640)	1,178,733	0.29%	-0.03%
	282,320,601	(122,640)	282,197,961	70.40%	-0.03%

Promoter Name	At 1 April 2020	Change during the year	At 31 March 2021	% of Total Shares	% change during the year
Kiran Mazumdar Shaw	15,276	-	15,276	0.00%	-
Yamini R Mazumdar	20,060	-	20,060	0.01%	-
Ravi R Mazumdar	2,120	-	2,120	0.00%	-
Dev Mazumdar	7,000	-	7,000	0.00%	-
Biocon Limited	280,974,772	-	280,974,772	70.24%	-
Biocon Employee Welfare Trust	1,737,469	(436,096)	1,301,373	0.33%	-0.11%
	282,756,697	(436,096)	282,320,601	70.58%	-0.11%

The Company has only one class of equity shares having a par value of Rs. 10 per share.

12(b). Other equity

Securities premium

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

Retained earnings

The amount represents surplus in statement of profit and loss not transferred to any reserve and can be distributed by the Company as dividends to its equity shareholders. The amount also includes retained earnings of Syngene Employee Welfare Trust.

Treasury shares

The amount represents cost of own equity instruments that are acquired (treasury shares) by the ESOP trust and is disclosed as a deduction from other equity.

Special Economic Zone (SEZ) reinvestment 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

Share based payment reserve

The Company has established share based payment plan for certain categories of employees of the Company. Also refer note 34 for further details on these plans.

Cash flow hedging reserves

The cash flow hedging reserve represents the cumulative effective portion of gains or losses (net of tax) 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 re-measurements of the defined benefits plan.

13. Borrowings

	March 31, 2022	March 31, 2021
(a) Non-current borrowings		
Term loans from banks		
External commercial borrowings(secured) [refer note (i) below]	3,796	3,660
Foreign currency term loan (secured) [refer note (ii) below]	1,519	1,464
	5,315	5,124
(b) Current borrowings		
Term loans from banks		
Pre shipment credit(unsecured) [refer note (iii) below]	2,581	2,599
	2,581	2,599
The above amount includes		
Secured borrowings	5,315	5,124
Unsecured borrowings	2,581	2,599
	7,896	7,723

Notes:

- (i) The Company had entered into external commercial borrowing agreement dated 21 September 2020 to borrow USD 50 million (Rs. 3,796) term loan facility. The facility is borrowed to incur capital expenditure at Bangalore, Hyderabad and Mangaluru premises of the Company and was used for this specific purpose. The facility carries an interest rate of Libor + 1.30% and are to be paid in three instalments of USD 7.5 million in September 2023, USD 12.5 million in September 2024 and USD 30 million in September 2025. The facility is secured by first priority pari passu charge on fixed assets (movable plant and machinery) and second charge on current assets of the Company. The Company is compliant with the financial covenants stipulated under the agreement.
- (ii) The Company has entered into foreign currency term loan agreement dated 30 March 2021 to borrow USD 20 million (Rs. 1,519) term loan facility. The facility is borrowed to incur capital expenditure at Bangalore, Hyderabad and Mangaluru premises of the Company and was used for this specific purpose. The facility carries an interest rate of Libor + 0.87% and are to be paid in three instalments of 15%, 25% and 60% from end of 3 years, 4 years and 5 years respectively from the date of origination. The facility is secured by first priority pari passu charge on fixed assets (movable plant and machinery) and second charge on current assets of the Company. The Company is compliant with the financial covenants stipulated under the agreement.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

14. Provisions

	March 31, 2022	March 31, 2021
(a) Non-current		
Provision for employee benefits		
Gratuity (refer note 27)	344	520
	344	520
(b) Current		
Provision for employee benefits		
Gratuity (refer note 27)	174	45
Compensated absences (refer note 27)	408	420
	582	465

15. Other liabilities

	March 31, 2022	March 31, 2021
(a) Non-current		
Deferred revenues	2,528	2,368
	2,528	2,368
(b) Current		
Advances from customers	4,353	3,810
Deferred revenues	421	367
Others		
- Statutory dues	140	132
- Other dues	320	298
	5,234	4,607

16. Trade payables

	March 31, 2022	March 31, 2021
Trade payables [refer note (a) below and note 26]		
Total outstanding dues of micro and small enterprises	34	109
Total outstanding dues of creditors other than micro and small enterprises	2,294	2,307
	2,328	2,416
(a) Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development Act, 2006 ("MSMED Act")		
(i) The principal amount and interest due thereon remaining unpaid to supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprise	34	109
- Interest due on 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	291	182
(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		

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

- (iv) Interest accrued and remaining unpaid at the end of the year 1 4
- (v) Interest remaining due and payable in succeeding years, in terms of Section 23 of the MSMED Act, 2006

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.

* Less than Rs. 0.5 million.

(b) Aging schedule:

31 March 2022	Outstanding for following periods from due date of payment				Total
	Unbilled	Not due	Less than 1 year	More than 1 year	
Total outstanding dues of micro and small enterprises	-	34	-	-	34
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,430	640	224	-	2,294
	1,430	674	224	-	2,328

(b) Aging schedule:

31 March 2021	Outstanding for following periods from due date of payment				Total
	Unbilled	Not due	Less than 1 year	More than 1 year	
Total outstanding dues of micro and small enterprises	-	94	15	-	109
Total outstanding dues of creditors other than micro and small enterprises	1,567	545	195	-	2,307
	1,567	639	210	-	2,416

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

(b) Aging schedule:

Current

Payable for capital goods	1,096	892
Book overdraft	2	45
	1,098	937

- (i) The Company has unpaid dividends which are not disclosed above since amounts are rounded off to Rupees million.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

18. Revenue from operations

	Year ended March 31, 2022	Year ended March 31, 2021
Contract research and manufacturing services income [refer note (a) below]		
Other operating revenues	25,067	20,891
Scrap sales		
Export incentives	22	37
Others [refer note (b) below]	-	41
- Other dues	953	874
	26,042	21,843

Note:

- (a) Revenues include manufacture and sale of remdesivir, a broad-spectrum antiviral medication for the treatment of Covid-19 infection under the brand name 'RemWin' in a voluntary licensing agreement received from Gilead Sciences Inc.
- (b) Others include income from support services, rentals by the SEZ Developer and recognition of deferred revenue for assets funded by customers over the useful life.

18.1 Disaggregated revenue information

Set out below is the disaggregation of revenue:

	Year ended March 31, 2022	Year ended March 31, 2021
Revenues from Contract research and manufacturing services income by geography		
India	2,376	1,149
United States of America	18,220	15,191
Rest of the world	4,471	4,551
	25,067	20,891
Revenue from other sources		
Other operating revenues	975	952
	975	952
Total revenue from operations	26,042	21,843

18.2 Contract balances

Trade receivables [refer note (i) below]	5,077	3,392
Contract liabilities [refer note (ii) below]	7,302	6,545

Notes:

- (i) Trade receivables are non-interest bearing.
- (ii) Contract liabilities include advances from customers and deferred revenue.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

18.3 Changes in Contract liabilities - advances from customers and deferred revenue

	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	6,545	5,281
Add: Increase due to invoicing during the year	5,686	4,859
Less: Revenue recognised from advances from customers at the beginning of the year	(3,544)	(2,975)
Less: Amounts recognised as revenue during the year	(1,385)	(620)
Balance at the end of the year	7,302	6,545
Expected revenue recognition from remaining performance obligations:		
- Within one year	4,774	4,177
- More than one year	2,528	2,368
	7,302	6,545

18.4 Performance obligation:

In relation to information about the Group's performance obligations in contracts with customers refer note 2(l).

19. Other income

	Year ended March 31, 2022	Year ended March 31, 2021
Interest income on:		
Deposits with banks and financial institutions	457	616
Lease deposits	8	7
Net gain on sale of current investments	63	21
Other non-operating income	-	2
	528	646

20. Cost of chemicals, reagents and consumables consumed

	Year ended March 31, 2022	Year ended March 31, 2021
Inventory at the beginning of the year	294	202
Add : Purchases	8,688	5,609
Less: Inventory at the end of the year	(1,276)	(294)
	7,706	5,517

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

21. Changes in inventories of finished goods and work-in-progress

	Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the beginning of the year		
Work-in-progress	212	33
Finished goods	90	17
	302	50
Inventories at the end of the year		
Work-in-progress	397	212
Finished goods	121	90
	518	302
	(216)	(252)

22. Employee benefits expense

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	6,052	5,500
Contribution to provident fund and other funds	275	241
Gratuity expenses (refer note 27)	125	103
Share based compensation expense (refer note 34)	371	502
Staff welfare expenses	358	256
	7,181	6,602

23. Finance costs

	Year ended March 31, 2022	Year ended March 31, 2021
Interest expense on:		
Borrowings	72	174
Lease liabilities [refer note 34]	103	103
Exchange difference to the extent considered as an adjustment to borrowing cost	66	-
	241	277

24. Depreciation and amortisation expense

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of property, plant and equipment [refer note 3 (a)]	2,865	2,516
Depreciation of right-of-use assets [refer note 3 (b)]	120	114
Depreciation of investment property [refer note 3 (c)]	45	42
Amortisation of other intangible assets [refer note 4]	67	73
	3,097	2,745

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

25. Other expenses

	Year ended March 31, 2022	Year ended March 31, 2021
Rent	48	38
Communication expenses	37	26
Travelling and conveyance	283	274
Professional charges	571	401
Payments to auditors [refer note (a) below]	7	7
Directors' fees including commission	50	24
Power and fuel	648	574
Facility charges	177	106
Insurance	178	162
Rates and taxes	53	58
Repairs and maintenance		
Plant and machinery	916	824
Buildings	44	102
Others	471	375
Selling expenses		
Freight outwards and clearing charges	27	34
Sales promotion expenses	90	30
Provision for doubtful receivables	46	16
Bad debts written off	8	16
Less: Provision no longer required written back	(8)	(16)
Printing and stationery	32	24
Clinical trial expenses	49	85
Corporate social responsibility expenses (refer note 38)	93	87
Loss on assets scrapped	20	59
Miscellaneous expenses	118	123
	3,958	3,429
(a) Payments to auditors:		
As an auditor:		
Statutory audit	3	3
Tax audit	1	1
Limited review	2	2
In other capacity:		
Other services (certification fees) [refer note (i) below]	-	-
Reimbursement of expenses	1	1
	7	7

(i) Amounts are not presented since the amounts are rounded off to Rupees million.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

26. Related party transactions

Related parties where control exists and related parties with whom transactions have taken place during the year are listed below :

List of Related parties

Particulars	Nature of relationship
A. Key management personnel	
Kiran Mazumdar Shaw	Chairperson
John Shaw	Non-executive director (till 21 July 2021)
Jonathan Hunt	Managing Director and Chief Executive Officer
Catherine Rosenberg	Non-executive director
Bala S. Manian	Independent director (till 15 July 2020)
Carl Decicco	Independent director (till 28 February 2022)
	Non-executive director (w.e.f. 1 March 2022)
Sharmila Abhay Karve	Independent director
Paul Blackburn	Independent director
Vijay Kuchroo	Independent director
Vinita Bali	Independent director
Kush Parmar	Independent director (w.e.f. 22 June 2021)
Sibaji Biswas	Chief Financial officer
Priyadarshini Mahapatra	Company Secretary
B. Holding company	
Biocon Limited	Holding Company
C. Fellow subsidiaries	
Biocon Biologics Limited (formerly known as Biocon Biologics India Limited)	Fellow subsidiary
Biocon SDN. BHD	Fellow subsidiary
Biocon Biologics UK Limited (formerly known as Biocon Biologics Limited)	Fellow subsidiary
Biocon Biologics Inc.	Fellow subsidiary
Biocon Biologics Do Brasil Ltda	Fellow subsidiary
Biocon Biologics FZ-LLC	Fellow subsidiary
Biocon Biologics Healthcare SDN. BHD (formerly known as Biocon Healthcare SDN. BHD)	Fellow subsidiary
Bicara Therapeutics Inc.	Fellow subsidiary (upto 9 January 2021)
Biofusion Therapeutics Limited	Fellow subsidiary
Biocon Biosphere Limited	Fellow subsidiary
Biocon Pharma Limited	Fellow subsidiary
Biocon Pharma Inc.	Fellow subsidiary
Biocon Pharma Ireland Limited	Fellow subsidiary
Biocon Pharma Malta Limited	Fellow subsidiary
Biocon Pharma Malta I Limited	Fellow subsidiary
Biocon Pharma UK Limited	Fellow subsidiary
Biocon SA	Fellow subsidiary

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

Particulars	Nature of relationship
Biocon FZ LLC	Fellow subsidiary
Biocon Academy	Fellow subsidiary

D. Other related parties

Bicara Therapeutics Inc.	Associate of Holding Company (w.e.f. 10 January 2021)
Biocon Foundation	Trust in which a director is a trustee
Narayana Hrudayalaya 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
Immuneel Therapeutics Private Limited	Enterprise in which a director of the Company is a member of board of directors

The Company has the following related parties transactions

Particulars	Transactions / Balances	31 March 2022	31 March 2021
Key management personnel	Salary and perquisites [refer note (i) & (ii) below]	110	91
	Sitting fees and commission	50	23
	Outstanding as at the year end		
	- Trade and other payables	13	5
Holding company	Rent	54	60
	Power and facility charges [refer note (iii) below]	204	138
	Purchase of goods	1	2
	Other expenses reimbursed	145	88
	Sale of services	28	65
	Rent and facility services	10	11
	Other expenses incurred on behalf	3	12
	Outstanding as at the year end		
	- Trade and other payables	99	65
	- Rent deposits	23	23
- Trade and other receivables	74	31	
Guarantee given to Central Excise Department	148	148	
Fellow subsidiaries	Sale of services	502	404
	Rent and facility services	335	329
	Other expenses incurred on behalf	26	8
	Other expenses reimbursed	4	8
	Purchase of goods	7	-
	Outstanding as at the year end		
	- Trade and other payables	4	1
	- Trade and other receivables	243	362

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

Particulars	Transactions / Balances	31 March 2022	31 March 2021
Other related Parties	Sale of services	198	283
	Health services availed	5	4
	Contribution towards CSR	41	10
	Staff welfare expenses	3	3
	Allotment of equity shares	-	100
	Provision for doubtful receivables	88	-
	Outstanding as at the year end		
	- Trade and other payables	-	-
	- Trade and other receivables	355	280
	- Allowance for credit losses	88	-

* Less than Rs. 0.5 million.

- (i) The remuneration to the key managerial personnel does not include the provisions made for gratuity and compensated absences, as they are determined on an actuarial basis for the Company as a whole.
- (ii) Share based compensation expense allocable to key management personnel is Rs. 97 (31 March 2021 : Rs. 133), which is not included in the remuneration disclosed above.
- (iii) Effective from 1 October 2006, the Company has entered into an arrangement for lease of land on lease basis and a service agreement with 'Biocon SEZ Developer' of Biocon Limited for availing certain facilities and services. The facility charges of Rs. 185 (Year ended 31 March 2021 : Rs. 129) and power charges (including other charges) of Rs. 19 (Year ended 31 March 2021 : Rs. 9) have been charged by Biocon Limited for the year ended 31 March 2022.
- (iv) Fellow subsidiary companies with whom the Company did not have any transactions -

Biocon Biologics Inc.	Biocon Pharma Ireland Limited
Biocon Biologics Do Brasil Ltda	Biocon Pharma Malta Limited
Biocon Biologics FZ-LLC	Biocon Pharma Malta I Limited
Biocon Biologics Healthcare SDN. BHD	Biocon Pharma UK Limited
Biofusion Therapeutics Limited	Biocon SA
Biocon Pharma Inc.	Biocon FZ LLC
Biocon Academy	

- (v) The above disclosures include related parties as per Ind AS 24 on "Related Party Disclosures" and Companies Act, 2013.
- (vi) All transactions with these related parties are priced on an arm's length basis and none of the balances are secured.

27. Employee benefit plans

- (i) The Company has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972 ('Gratuity Act'). Under the Gratuity Act, employee who has completed five years of service is entitled to specific benefit with no monetary limit. The level of benefit provided depends on the employee's length of service and salary at retirement/termination age. 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 and not disclosed. The expected rate of return on plan assets is 6.4% p.a. (31 March 2021: 6.3% 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

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

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the 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 1 April 2021	568	(3)	565
Current service cost	90	-	90
Interest cost	35	-	35
Amount recognised in Statement of profit and loss	125	-	125
<i>Remeasurements:</i>			
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-
Actuarial (gain) / loss arising from:			
Demographic assumptions	(44)	-	(44)
Financial assumptions	(36)	-	(36)
Experience adjustment	(24)	-	(24)
Amount recognised in other comprehensive income	(104)	-	(104)
Benefits paid	(68)	-	(68)
Balance as at 31 March 2022	521	(3)	518

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as on 1 April 2020	454	(3)	451
Current service cost	74	-	74
Interest cost	29	-	29
Amount recognised in Statement of profit and loss	103	-	103
<i>Remeasurements:</i>			
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-
Actuarial (gain) / loss arising from:			
Demographic assumptions	8	-	8
Financial assumptions	48	-	48
Experience adjustment	(26)	-	(26)
Amount recognised in other comprehensive income	30	-	30
Benefits paid	(19)	-	(19)
Balance as at 31 March 2021	568	(3)	565

* Less than Rs. 0.5 million.

	March 31, 2022	March 31, 2021
Non current	344	520
Current	174	45
	518	565

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

	March 31, 2022	March 31, 2021
Interest rate	6.4%	6.3%
Discount rate	6.4%	6.3%
Expected return on plan assets	6.4%	6.3%
Salary increase	9.0%	10.0%
Attrition rate (based on Age of the Employee)	8% - 20%	5% - 15%
Retirement age - Years	58	58

Assumptions regarding future mortality experience are set in accordance with published statistics and mortality tables.

The weighted average duration of the defined benefit obligation was 7 years (31 March 2021 - 9 years).

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

(iii) Sensitivity analysis

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

Particulars	31 March 2022		31 March 2021	
	Increase by	Decrease by	Increase by	Decrease by
	1%	1%	1%	1%
Discount rate	(28)	32	(42)	48
Salary increase	31	(28)	46	(41)
Attrition rate	(6)	7	(12)	13

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 31 March 2022 and 31 March 2021, the plan assets have been invested in insurer managed funds and the expected contribution to the fund during the year ending 31 March 2022, is approximately Rs 61 (31 March 2021 - Rs 45).

Maturity profile of defined benefit obligation

Particulars	31 March 2022	31 March 2021
1st Following year	61	45
2nd Following year	56	41
3rd Following year	56	44
4th Following year	53	48
5th Following year	50	43
Years 6 to 10	214	228
Years 11 and above	321	571

(iv) Risk Exposure

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

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

(v) Other long term benefits

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

Particulars	31 March 2022	31 March 2021
Compensated absences	408	420

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

28. Financial instruments: Fair value and risk managements

A. Accounting classification and fair values

31 March 2022	Carrying amount				Fair value			Total
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	
Financial assets								
Investments (non-current)#	37	263	2,403	2,703	-	-	300	300
Derivative assets (non-current)	-	1,249	-	1,249	-	1,249	-	1,249
Other financial assets (non-current)	-	-	203	203	-	-	-	-
Investments (current)	2,232	-	5,406	7,638	2,232	-	-	2,232
Trade receivables	-	-	5,077	5,077	-	-	-	-
Cash and cash equivalents	-	-	2,618	2,618	-	-	-	-
Bank balances other than above	-	-	2,561	2,561	-	-	-	-
Derivative assets (current)	-	842	-	842	-	842	-	842
Other financial assets (current)	-	-	384	384	-	-	-	-
	2,269	2,354	18,652	23,275	2,232	2,091	300	4,623
Financial liabilities								
Borrowings (non-current)	-	-	5,315	5,315	-	-	-	-
Lease liabilities (non-current)	-	-	2,102	2,102	-	-	-	-
Derivative liabilities (non-current)	-	84	-	84	-	84	-	84
Borrowings (current)	-	-	2,581	2,581	-	-	-	-
Lease liabilities (current)	-	-	218	218	-	-	-	-
Trade payables	-	-	2,328	2,328	-	-	-	-
Derivative liabilities (current)	-	8	-	8	-	8	-	8
Other financial liabilities (current)	-	-	1,098	1,098	-	-	-	-
	-	92	13,642	13,734	-	92	-	92
31 March 2021								
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments (non-current)#	37	100	2,650	2,787	-	-	137	137
Derivative assets (non-current)	-	623	-	623	-	623	-	623
Other financial assets (non-current)	-	-	1,038	1,038	-	-	-	-
Investments (current)	1,484	-	2,749	4,233	1,484	-	-	1,484
Trade receivables	-	-	3,392	3,392	-	-	-	-
Cash and cash equivalents	-	-	3,233	3,233	-	-	-	-
Bank balances other than above	-	-	3,193	3,193	-	-	-	-
Derivative assets (current)	-	713	-	713	-	713	-	713
Other financial assets (current)	-	-	1,704	1,704	-	-	-	-
	1,521	1,436	17,959	20,916	1,484	1,336	137	2,957
Financial liabilities								
Borrowings (non-current)	-	-	5,124	5,124	-	-	-	-
Lease liabilities (non-current)	-	-	1,052	1,052	-	-	-	-
Derivative liabilities (non-current)	-	224	-	224	-	224	-	224
Borrowings (current)	-	-	2,599	2,599	-	-	-	-
Lease liabilities (current)	-	-	154	154	-	-	-	-
Trade payables	-	-	2,416	2,416	-	-	-	-
Derivative liabilities (current)	-	18	-	18	-	18	-	18
Other financial liabilities (current)	-	-	937	937	-	-	-	-
	-	242	12,282	12,524	-	242	-	242

The Level 3 investment was made close to the year end and the cost of the investment approximates the fair value.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

- (a) 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.

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/option 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.

Significant observable inputs	Impact on profit or loss		Impact on other equity	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Movement in spot rate of the foreign currency				
INR/USD - Increase by 1%	-	-	(608)	(426)
INR/USD - Decrease by 1%	-	-	611	430
Movement in Interest rates				
LIBOR - Increase by 100 bps	-	-	(167)	(102)
LIBOR - Decrease by 100 bps	-	-	167	102

B. Financial risk management

The Group's activities expose it to a variety of financial risks : credit risk, market risk and liquidity risk.

(i) Risk management framework

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

(ii) Credit risk

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

The Group has established a credit mechanism under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, where available, and other publicly available financial information. Outstanding customer receivables are regularly monitored.

The Group 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 and unbilled revenue amounting to Rs. 5,077 (31 March 2021: Rs 4,757). The movement in allowance for impairment in respect of trade receivables during the year was as follows:

Allowance for Impairment	31 March 2022	31 March 2021
Opening balance	62	62
Impairment loss recognised	15	16
Impairment loss reversed	(8)	(16)
Closing balance	69	62

Note: During the year ended 31 March 2022, impairment loss reversed includes Rs. 16 pertaining to customer balances written off.

Details of trade receivables that are not due, past due and impaired is given below:

Particulars	31 March 2022	31 March 2021
Neither past due nor impaired	3,915	3,824
Past due but not impaired		
Less than 365 days	991	967
More than 365 days	271	28
Less: Allowance for credit losses	(100)	(62)
Total	5,077	4,757

There are no receivable from customer (31 March 2021 : Nil) of the Company's receivables (31 March 2021 : Nil) which is more than 10 percent of the Company's total receivables.

Credit risk on investments, cash and cash equivalent and derivatives is limited as the Group generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units and non-convertible debentures.

(iii) Liquidity risk

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

The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. In addition, the Group maintains line of credits as stated in note 13.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2022:

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Lease liabilities (non-current)	-	75	303	1,724	2,102
Lease liabilities (current)	218	-	-	-	218
Borrowings (non-current)	-	1,177	4,138	-	5,315
Borrowings (current)	2,581	-	-	-	2,581
Trade payables	2,328	-	-	-	2,328
Derivative liabilities (non-current)	-	1	1	82	84
Derivative liabilities (current)	8	-	-	-	8
Other financial liabilities	1,098	-	-	-	1,098
Total	6,233	1,253	4,442	1,806	13,734

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2021:

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Lease liabilities (non-current)	-	304	288	1,541	2,133
Lease liabilities (current)	163	-	-	-	163
Borrowings (non-current)	-	-	5,124	-	5,124
Borrowings (current)	2,599	-	-	-	2,599
Trade payables	2,416	-	-	-	2,416
Derivative liabilities (non-current)	-	72	152	-	224
Derivative liabilities (current)	18	-	-	-	18
Other financial liabilities	937	-	-	-	937
Total	6,133	376	5,564	1,541	13,614

(iv) Market risk

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

Foreign currency risk

The Group operates internationally and a major portion of the business is transacted in several currencies and consequently, the Group is exposed to foreign exchange risk through operating and borrowing activities in foreign currency. The Group holds derivative instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates and foreign currency exposure.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

The currency profile of financial assets and financial liabilities as at 31 March 2022 and 31 March 2021 are as below:

31 March 2022	USD	EUR	Others	Total
Financial assets				
Trade receivables	4,265	43	-	4,308
Cash and cash equivalents	1,627	64	1	1,692
Other financial assets (current)	20	-	-	20
Financial liabilities				
Borrowings (current)	(5,315)	-	-	(5,315)
Borrowings (non-current)	(2,581)	-	-	(2,581)
Trade payables	(249)	(34)	(32)	(315)
Other financial liabilities (current)	(259)	(35)	(46)	(340)
Net assets / (liabilities)	(2,492)	38	(77)	(2,531)

31 March 2021	USD	EUR	Others	Total
Financial assets				
Trade receivables	3,684	298	-	3,982
Cash and cash equivalents	2,806	72	-	2,878
Other financial assets (current)	19	-	-	19
Financial liabilities				
Borrowings (current)	(5,124)	-	-	(5,124)
Borrowings (non-current)	(2,599)	-	-	(2,599)
Trade payables	(229)	(28)	(11)	(268)
Other financial liabilities (current)	(200)	(30)	(21)	(251)
Net assets / (liabilities)	(1,643)	312	(32)	(1,363)

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 equity	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
USD Sensitivity				
INR/USD - Increase by 1%	(25)	(17)	(800)	(443)
INR/USD - Decrease by 1%	25	17	803	447
EUR Sensitivity				
INR/EUR - Increase by 1%	1	2	1	2
INR/EUR - Decrease by 1%	(1)	(2)	(1)	(2)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

Derivative financial instruments

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

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

Particulars	31 March 2022	31 March 2021
Foreign exchange forward contracts to sell USD with maturity between 0-8 years	USD 591 (Rs. 44,869)	USD 419 (Rs. 30,671)
European style option contracts with periodical maturity between 0-8 years	USD 268 (Rs. 20,347)	USD 174 (Rs. 12,737)
Interest rate swaps used for hedging LIBOR component in External Commercial Borrowings with maturity between 0-3 years	USD 50 (Rs. 3,796)	USD 50 (Rs. 3,660)

Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During the year ended 31 March 2022 and 31 March 2021 the Group's borrowings at variable rate were mainly denominated in USD.

(a) Interest rate risk exposure

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 March 2022	31 March 2021
Variable rate borrowings	1,519	1,464
Fixed rate borrowings	6,377	6,259
Total borrowings	7,896	7,723

(b) Sensitivity

Fixed rate borrowings:

The Group policy is to maintain its long-term borrowings at fixed rate using interest rate swaps to achieve this when necessary. They are therefore not subject to interest rate risk as defined under Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of change in market interest rates.

Variable rate borrowings:

A reasonably possible change of 100 bps would have increased / (decreased) profit and loss and equity by Rs. 15 (31 March 2021 : Rs. 15).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

29. Capital management

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

The Group'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 31 March 2022 and 31 March 2021 was as follows:

Particulars	31 March 2022	31 March 2021
Total equity attributable to the equity shareholders of the Company	32,976	28,214
As a percentage of total capital	81%	79%
Long-term borrowings	5,315	5,124
Short-term borrowings	2,581	2,599
Total borrowings	7,896	7,723
As a percentage of total capital	19%	21%
Total capital (Equity and Borrowings)	40,872	35,937

30. Tax expense

(a) Amount recognised in Statement of profit and loss

	March 31, 2022	March 31, 2021
Current tax	837	746
Deferred tax:		
MAT credit entitlement	47	(268)
Others related to:		
Origination and reversal of other temporary differences	2	165
Tax expense for the year	886	643
Reconciliation of effective tax rate		
Profit before tax and exceptional item	5,151	4,342
Add: Exceptional item	(307)	350
Profit before tax	4,844	4,692
Tax at statutory income tax rate 34.94% (31 March 2021 - 34.94%)	1,692	1,638
<i>Tax effects of amounts which are not deductible / (taxable) in calculating taxable income</i>		
Tax incentive	(953)	(953)
Non-deductible expense	41	41
Basis difference that will reverse during the tax holiday period	(148)	(148)
Others	65	65
Income tax expense	886	643

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

(b) 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 31 March 2022	Opening balance	Recognised in profit or loss	Recognised in OCI	Recognised in equity	Closing balance
Deferred tax asset					
MAT credit entitlement	1,774	(47)	-	-	1,727
Defined benefit obligations	104	74	(26)	-	152
Others	11	17	-	-	28
Gross deferred tax assets	1,889	44	(26)	-	1,907
Deferred tax liability					
Property, plant and equipment, investment property and intangible assets, net	974	93	-	-	1,067
Derivatives, net	24	-	140	-	164
Others	-	-	20	-	20
Gross deferred tax liability	998	93	160	-	1,251
Deferred tax assets / (liabilities), net	891	(49)	(186)	-	656
For the year ended 31 March 2021					
Deferred tax asset					
MAT credit entitlement	1,506	268	-	-	1,774
Defined benefit obligations	130	(31)	5	-	104
Derivatives, net	420	-	(420)	-	-
Others	27	(16)	-	-	11
Gross deferred tax assets	2,083	221	(415)	-	1,889
Deferred tax liability					
Property, plant and equipment, investment property and intangible assets, net	856	118	-	-	974
Derivatives, net	-	-	24	-	24
Gross deferred tax liability	856	118	24	-	998
Deferred tax assets / (liabilities), net	1,227	103	(439)	-	891

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

31. Contingent liabilities and commitments

(to the extent not provided for)

(i) Contingent liabilities

	March 31, 2022	March 31, 2021
(a) Claims against the Company not acknowledged as debt	5,478	4,297
The above includes:		
(I) Income tax matters under dispute for notices and orders received relating to financial year 2002 - 03 to 2019 - 20 (31 March 2021 : financial year 2002 - 03 to 2018 - 19)	5,454 #	4,273 #
(II) Indirect tax matters	24	24
(III) In light of judgment of Honourable Supreme Court dated 28th February 2019 on the definition of "Basic Wages" under the Employees Provident Funds & Misc. Provisions Act, 1952 and based on Company's evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence it is unclear as to whether the clarified definition of Basic Wage would be applicable prospectively or retrospectively. The amount of the obligation therefore cannot be measured with sufficient reliability for past periods and hence has currently been considered to be a contingent liability.		

Including the matters disclosed above, the Group is involved in taxation matters that arise from time to time in the ordinary course of business for years that are under assessment. Judgment is required in assessing the range of possible outcomes for some of these tax matters, which could change substantially over time as each of the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents. Based on its internal assessment supported by external legal counsel views, if any, the Company believes that it will be able to sustain its positions if challenged by the authorities and accordingly no additional provision is required for these matters. Management is of the view that above matters will not have any material adverse effect on the Company's financial position and results of operations.

includes Rs. 660 of contingent liability for the favourable order received by the Company during the previous year from the Honourable High Court of Karnataka against the matters appealed by the tax authorities with respect to financial year 2002-03 to 2008-09.

(b) Guarantees

	March 31, 2022	March 31, 2021
Guarantees given by banks on behalf of the Company for contractual obligations of the Company.	-	2

The necessary terms and conditions have been complied with and no liabilities have arisen.

(ii) Commitments

	March 31, 2022	March 31, 2021
Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances	1,163	1,656

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

32. (a) Interest in other entities

Subsidiary

The Group's subsidiary as at 31 March 2022 is set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held by the Group, and proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Country of incorporation	Ownership interest held by the group		Ownership interest held by the non-controlling interest		Principal activities
		31 March 2022	31 March 2021	31 March 2022	31 March 2021	
		%	%	%	%	
Syngene USA Inc.		100	100	-	-	Business support and marketing for research services

(b) Additional information, as required under Schedule III of the Act, of enterprises consolidated as subsidiary.

Name of entity	Net assets as at 31 March 2022		Share in profit or loss for the year ended 31 March 2022		Share in other comprehensive income for the year ended 31 March 2022		Share in total comprehensive income for the year ended 31 March 2022	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated other comprehensive income	Amount
	Holding Company							
Syngene International Limited	100%	32,916	100%	3,939	100%	433	100%	4,371
Subsidiary								
Syngene USA Inc.	-	60	-	19	-	-	-	19
Non-controlling interest	-	-	-	-	-	-	-	-
Total	100%	32,976	100%	3,958	100%	433	100%	4,390

Name of entity	Net assets as at 31 March 2022		Share in profit or loss for the year ended 31 March 2022		Share in other comprehensive income for the year ended 31 March 2022		Share in total comprehensive income for the year ended 31 March 2022	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated other comprehensive income	Amount
	Holding Company							
Syngene International Limited	100%	28,183	100%	4,037	100%	1,906	100%	5,943

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

Name of entity	Net assets as at 31 March 2022		Share in profit or loss for the year ended 31 March 2022		Share in other comprehensive income for the year ended 31 March 2022		Share in total comprehensive income for the year ended 31 March 2022	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated other comprehensive income	Amount
Subsidiary								
Syngene USA Inc.	-	31	-	12	-	-	-	12
Non-controlling interest	-	-	-	-	-	-	-	-
Total	100%	28,214	100%	4,049	100%	1,906	100%	5,955

33. Segmental Information

Operating segments

The Group is engaged in a single operating segment of providing contract research and manufacturing services. Accordingly, there are no additional disclosures to be provided Ind AS 108 'Operating Segments' other than those already provided in these consolidated financial statements.

Geographical information

The geographical information analyses the Group's revenues and non-current assets by the Group's country of domicile (i.e. India) and other countries. In presenting the geographical information, revenue has been based on the geographic location of the customers and assets which have been based on the geographical location of the assets.

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations:		
India	2,789	1,579
United States of America	18,782	15,713
Rest of the World	4,471	4,551
Total	26,042	21,843

The following is the carrying amount of non current assets by geographical area in which the assets are located:

Carrying amount of non-current assets	March 31, 2022	March 31, 2021
India	28,768	25,426
Outside India	-	-
Total	28,768	25,426

Note: Non-current assets excludes investments, derivative assets, financial assets and deferred tax assets.

Major customer

Revenue from one customer (31 March 2021 - one customer) of the Company's Revenue from operations aggregates to Rs. 5,645 (31 March 2021 - Rs. 4,730) which is more than 10 percent of the Company's total revenue.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

34. Share based compensation

Syngene ESOP Plan 2011

On 20 July 2012, Syngene Employee Welfare Trust ('Trust') was created for the welfare and benefit of the employees and directors of the Company and administrated by the Nomination and Remuneration Committee. The Board of Directors approved the employee stock option plan of the Company. On 31 October 2012, the Trust subscribed into the equity shares of the Company using the proceeds from interest free loan of Rs. 150 obtained from the Company.

Grant

Pursuant to the Scheme, the Company has granted options to eligible employees of the Company under Syngene Employee Stock Option Plan - 2011. Each option entitles for one equity share. The options under this grant will vest to the employees as 25%, 35% and 40% of the total grant at end of second, third and fourth year from the date of grant, respectively, with an exercise period of three years for each grant. The vesting conditions include service terms and performance of the employees. These options are exercisable at an exercise price of Rs. 11.25 [31 March 2021 : Rs. 11.25] per share (Face Value of Rs. 10 per share).

Details of Grant

Particulars	March 31, 2022 No. of options	March 31, 2021 No. of options
Outstanding at the beginning of the year	1,958,084	2,689,574
Granted during the year	-	-
Forfeited / lapsed during the year	(126,792)	(111,265)
Exercised during the year	(489,152)	(620,225)
Outstanding at the end of the year	1,342,140	1,958,084
Exercisable at the end of the year	482,332	547,787
Weighted average exercise price	11.25	11.25
Weighted average share price at the date of exercise (In Rs)	589.6	503.6

The weighted average remaining contractual life for the stock options outstanding as at 31 March 2022 is 0.9 years [31 March 2021 : 1.40 years].

Syngene Restricted Stock Unit Long Term Incentive Plan 2020

The Board of Directors of the Company on 24 April 2019 and the Shareholders of the Company in the Annual General Meeting held on 24 July 2019 approved the Syngene Restricted Stock Unit Long Term Incentive Plan FY2020. Each option entitles for one equity share. The options under this grant will vest to the employees as 25%, 25%, 25% and 25% of the total grant at the end of first, second, third and fourth year from the date of first grant, respectively, with an exercise period of 5 years for each grant. The vesting conditions include service terms and performance of the employees. These options are exercisable at an exercise price of Rs. 10 per share (Face Value of Rs 10 per share).

Details of Grant

Particulars	March 31, 2022 No. of options	March 31, 2021 No. of options
Outstanding at the beginning of the year	3,103,825	-
Granted during the year	418,132	3,184,649
Forfeited during the year	(467,068)	(80,824)
Exercised during the year	(427,352)	-
Outstanding at the end of the year	2,627,537	3,103,825
Exercisable at the end of the year	231,837	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

Weighted average exercise price	-	-
Weighted average fair value of shares granted during the year under Black Scholes Model (In Rs)	615.00	326.31
Weighted average share price at the date of exercise during the year (In Rs)	584.3	-

The weighted average remaining contractual life for the stock options outstanding as at 31 March 2022 is 5.19 years [31 March 2021 : 6.21 years].

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

Particulars	March 31, 2022	March 31, 2021
Dividend yield (%)	0.1%	0.2%
Exercise Price (In Rs)	10	10
Volatility	32.9%	26.9%
Life of the options granted (vesting and exercise period) [in years]	5.5	7.5
Average risk-free interest rate	5.0%	7.0%

35. Leases

The Group has entered into lease agreements for use of land, buildings, plant and equipment and vehicles which expires over a period ranging upto the year of 2039. Gross payments for the year aggregate to Rs. 183 (31 March 2021 - Rs. 146).

The weighted average borrowing rate of 7% 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 31 March 2022:

Particulars	Land	Buildings	Vehicles	Total
Balance at the beginning	56	1,116	34	1,206
Additions during the year	302	953	22	1,277
Finance cost accrued during the period	4	96	3	103
Deletions	-	(75)	(8)	(83)
Payment of lease liabilities	(34)	(128)	(21)	(183)
Balance at the end	328	1,962	30	2,320

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

Particulars	Land	Buildings	Vehicles	Total
Balance at the beginning	90	749	34	873
Additions during the year	-	361	17	378
Finance cost accrued during the period	7	93	3	103
Deletions	-	(2)	-	(2)
Payment of lease liabilities	(41)	(85)	(20)	(146)
Balance at the end	56	1,116	34	1,206

* Less than Rs. 0.5 million.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

The following is the break-up of current and non-current lease liabilities:

Particulars	March 31, 2022	March 31, 2021
Current	218	154
Non-current	2,102	1,052
Total	2,320	1,206

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

Particulars	March 31, 2022	March 31, 2021
Less than one year	228	163
One to five years	970	592
More than five years	3,052	1,541
Total	4,250	2,296

The following are the amounts recognised in the statement of profit or loss for the year ended 31 March 2021:

Particulars	March 31, 2022	March 31, 2021
Depreciation expenses on right of use-assets	120	114
Interest expenses on lease liabilities	103	103
Total	223	217

36. Exceptional items

- Pursuant to a fire incident on 12 December 2016, certain fixed assets, inventory and other contents in one of the buildings were damaged. The Company had lodged an estimate of loss with the insurance company and the final assessment is currently pending. The Company in the past years have received an aggregate amount of Rs. 2,120 as interim amounts which were presented net of losses incurred under Exceptional items in this consolidated financial statement. The amount for the year ended 31 March 2021 aggregated Rs. 350 with a consequential tax of Rs. 122 was included within tax expense in this consolidated financial statement for the year ended 31 March 2021.
- The Ministry of Commerce and Industry, Government of India issued a Gazette notification number 29/2015-2020 dated 23 September 2021 on Service Exports from India Scheme (SEIS) for services rendered in financial year 2019 - 2020 with the total entitlement capped at Rs. 50 per exporter for the period. The Company has reversed the SEIS claim receivables of Rs. 307 for the financial year 2019-2020 and the same has been presented under Exceptional items in this consolidated financial statement for the year ended 31 March 2022.

37. Impact of COVID-19

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

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

38. Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

Particulars	March 31, 2022	March 31, 2021
(a) Amount required to be spent by the Company during the year	93	87
(b) Amount unspent of previous years shortfall	21	-
(c) Amount spent during the year (in cash)		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	55	66
(d) Amount unspent and carried forward to next year	59	21

Out of required amount of Rs 93 to be spent for financial year 2022-23, the Board of Directors has decided to allocate Rs 52 of the budget for year ending 31 March 2022 towards academic sponsorship and research grants. However, the project was delayed. The Board has approved for transfer of unspent amount of Rs 52 for the year ending 31 March 2022 to a separate Unspent CSR account for utilisation during FY 2022-23.

Out of required amount Rs 21 remaining unspent from previous financial year, the Board of Directors had decided to allocate Rs 7 of the budget for year ending 31 March 2022 towards COVID testing as well as vaccination activities. However, due to the limited availability of the vaccines at the beginning of the year, the project was delayed. The Board has approved the retention of unspent amount of Rs 7 for the year ending 31 March 2022 in a separate Unspent CSR account for utilisation during FY 2022-23.

The Company has undertaken CSR activities in nature of Community COVID 19 testing, vaccination program, mass rapid transit, women's safety, school programs, smart clinic and health during the year ended 31 March 2022 and 31 March 2021.

39. Earnings per equity share (EPS)

	March 31, 2022	March 31, 2021
<i>Earnings</i>		
Profit for the year	3,958	4,049
<i>Shares</i>		
Basic outstanding shares	400,796,500	400,000,000
Less: Weighted average shares held with the ESOP Trust	(2,647,740)	(2,274,925)
Weighted average shares used for computing basic EPS	398,148,760	397,725,075
Add: Effect of dilutive options granted but not yet exercised / not yet eligible for exercise	4,765,753	2,943,430
Weighted average shares used for computing diluted EPS	402,897,208	400,668,505
Earnings per equity share		
Basic (in Rs.)	9.94	10.18
Diluted (in Rs.)	9.82	10.11

40. Other Statutory Information:

- (i) The Company does not have any Benami property or any proceeding is pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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

- (iii) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (iv) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- (v) The Company has not advanced or loaned or invested any funds (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).
- (vi) The Company has not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company is not classified as wilful defaulter.
- (viii) The Company doesn't have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as search or survey.

41. On 27 April 2021, the Board of Directors of the Company have approved an allotment of 796,500 equity shares of Rs. 10/- (Rupees Ten each) of the Company to Syngene Employee Welfare Trust at face value pursuant to the shareholders' approval at the Annual General Meeting on 24 July 2019 to allot fresh equity shares upto 1.67% of the paid-up equity capital of the Company in tranches for the purpose of implementation of the Syngene International Limited - Restricted Stock Unit Long Term Incentive Plan FY2020.

42. Events after reporting period:

- (a) On 27 April 2022, the Board of Directors of the Company have approved an allotment of 638,000 equity shares of Rs. 10/- (Rupees Ten each) of the Company to Syngene Employee Welfare Trust at face value pursuant to the shareholders' approval at the Annual General Meeting on 24 July 2019 to allot fresh equity shares upto 1.67% of the paid-up equity capital of the Company in tranches for the purpose of implementation of the Syngene International Limited - Restricted Stock Unit Long Term Incentive Plan FY2020.
- (b) On 27 April 2022, the Board of Directors of the Company has proposed a final dividend of 10% or Re. 1 per equity share as on the record date for distribution of final dividend (comprising of regular dividend of 5% or Rs.0.5 per equity share and additional special dividend of 5% or Rs.0.5 per equity share). The proposed dividend is subject to the approval of the shareholders in the Annual General Meeting.

43. Prior year's comparatives

Previous year's figures have been regrouped / reclassified, where necessary, to conform to current year's classification.

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration No: 101248W/W-100022

S. Sethuraman
Partner
Membership No. 203491

Bangalore
27 April 2022

for and on behalf of **Board of Directors of Syngene International Limited**

Kiran Mazumdar Shaw
Chairperson
DIN: 00347229

Sibaji Biswas
Chief Financial Officer

Bangalore
27 April 2022

Jonathan Hunt
Managing Director & Chief Executive Officer
DIN: 07774619

Priyadarshini Mahapatra
Company Secretary
ACS Number: 18776

Notice

Notice is hereby given that the 29th Annual General Meeting ("AGM") of Syngene International Limited will be held on Wednesday, July 20, 2022 at 3:30 PM IST through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:

Item No. 1: Adoption of financial statements

To consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon.

Item No. 2: Declaration of Dividend

To declare a final dividend of Re. 1.00 per equity share (Re.0.50 regular dividend and Re. 0.50 additional special dividend) for the Financial Year ended March 31, 2022.

Item No. 3: To approve the appointment of Kiran Mazumdar Shaw (DIN: 00347229) as director liable to retire by rotation.

To appoint a Director in place of Kiran Mazumdar Shaw (DIN: 00347229), Non-Executive Chairperson, who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

Item No. 4: To re-appoint Sharmila Abhay Karve (DIN: 05018751) as an Independent Director of the Company.

To consider, and if thought fit, to pass with or without modification(s) the following as a Special Resolution:

"RESOLVED THAT pursuant to section 149, 152, 160 and other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder (including any statutory modifications or re-enactment(s) thereof, for the time being in force), read with Schedule IV of the Act, Sharmila Abhay Karve (DIN: 05018751), be and is hereby re-appointed as an Independent Director, not liable to retire by rotation, for a second term of five years commencing from the date of this Annual General Meeting of the Company;

RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things which may be necessary for appointment of Sharmila Abhay Karve (DIN: 05018751) as an Independent Director on the Board of the Company."

Item No. 5: To approve amendments to the Syngene Restricted Stock Unit Long Term Incentive Plan FY2020.

To consider and, if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 62(1) (b) and other applicable provisions, if any, of the Companies Act, 2013, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable rules / notifications / guidelines / regulations/ circulars issued in this regard (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, and subject to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the appropriate regulatory authority(ies)/ institution(s) and such conditions and modifications as may be prescribed/imposed by the appropriate regulatory authority(ies)/ institution(s) while granting such approval(s), consent(s), permission(s) and/or sanction(s) and as may be agreed by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board or any other Committee constituted and empowered by the Board for the purpose, hereinafter referred to as 'the Committee'), the consent of the members of the Company be and is hereby accorded to amend/alter the Syngene Restricted Stock Unit Long Term Incentive Plan FY2020 (hereinafter referred to as 'the Plan'), in the manner as set out in the explanatory statement.

RESOLVED FURTHER THAT the revised Syngene Restricted Stock Unit Long Term Incentive Plan FY2020, incorporating the amendments/alterations hereby proposed be and is hereby approved and adopted by the members.

RESOLVED FURTHER THAT it is hereby affirmed that the variation in the terms of vesting and the other terms as applicable pursuant to amendments to the Syngene Restricted Stock Unit Long Term Incentive Plan FY2020 are not prejudicial to the interests of the existing and future grantees of the Restricted Stock Units (RSUs).

RESOLVED FURTHER THAT the Board be and is hereby authorized to implement, administer/superintend including issue and allot securities under the Syngene Restricted Stock Unit Long Term Incentive Plan FY2020 pursuant to the exercise of the RSUs by the eligible employees.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Director(s) or Officer(s) of the Company as may be considered necessary.

RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and are hereby severally authorized to sign applications, execute, submit any documents with Stock Exchange(s) i.e. BSE Limited and National Stock Exchange of India Limited, Securities and Exchange Board of India or any other authority(ies) as may be required, and to deliver on behalf of the Company all deeds, documents, declarations, undertakings, clarification, submissions and other writings, as applicable to any authority and to do all such other acts, deeds, matters and things as may be necessary to give effect to this resolution.”

By Order of the Board of Directors
For Syngene International Limited

Place: Bangalore
Date: 27th April, 2022

Priyadarshini Mahapatra
Company Secretary
(FCS:8786)

Registered Office:

Biocon SEZ, Biocon Park, Plot No. 2 & 3,
Bommasandra Industrial Area, IV Phase,
Jigani Link Road, Bengaluru – 560 099 Karnataka
CIN: L85110KA1993PLC014937
Website: www.syngeneintl.com

NOTES:

1. The Ministry of Corporate Affairs (“MCA”) has vide its Circular No. 2/2022 dated May 05, 2022, Circular No. 21/2021 dated December 14, 2021, Circular No. 02/2021 dated January 13, 2021 read with Circular No. 15/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Shareholders at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM herein after called as “AGM”. Hence, Shareholders can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM is

annexed herewith (Refer serial no. 30) and the same will also be available at the website of the Company at www.syngeneintl.com. The deemed venue for the meeting shall be Biocon Campus, 20th K.M. Hosur Road, Hebbagodi, Bangalore, Karnataka 561229, India.

2. Company has appointed KFin Technologies Limited, Registrars and Share Transfer Agents, to provide VC/OAVM facility for the Annual General Meeting of the Company.
3. The helpline number regarding any query/assistance for participation in the AGM through VC/OAVM is 1800 309 4001 (toll free).
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA and SEBI Circulars through VC / OAVM, physical attendance of Shareholders has been dispensed with. Accordingly, the facility for appointment of proxies by the Shareholders will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. The attendance of the Members (i.e., members login) at the AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Only bona fide members of the Company whose names appear on the Register of Members, will be permitted to attend the meeting through VC/OAVM. The Company reserves its right to take all necessary steps as may be deemed necessary to restrict non-members from attending the meeting.
7. The facility for joining AGM through VC/OVAM will be available for up to 2,000 Members. Members may join on first come first served basis. However, the above restriction shall not be applicable to members holding more than 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel(s), the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutinizers etc. Members can login and join 15 (fifteen) minutes prior to the scheduled time of meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the scheduled time.
8. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of their Board or governing body Resolution/Authorization etc., authorizing their representative to attend the AGM through VC / OAVM

- on their behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through the registered email address of the Institutional / Corporate Shareholders at sree@sreedharancs.com with a copy marked to evoting@kfintech.com and investor@syngeneintl.com. The scanned image of the above-mentioned documents should be in the naming format SYNGENE INTERNATIONAL LIMITED_6667. The documents should reach the Scrutinizer on or before 17:00 hours on 19th July, 2022. Institutional shareholders are encouraged to attend and vote at the AGM.
9. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
 10. The relevant details pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/ re-appointment at this AGM are annexed. The Directors have furnished consent/ declarations for their appointment/re-appointment as required under Act and rules made thereunder.
 11. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act will be available for inspection by the Members in electronic mode during the AGM. Members who wish to inspect, may send their request through an email at investor@syngeneintl.com up to the date of the AGM.
 12. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company/Electronic mode during normal business hours (8:15 am to 5:15 pm) on all working days except Saturdays and Sundays, up to and including the date of the AGM of the Company. Members who wish to inspect, may send their request through an email at investor@syngeneintl.com up to the date of AGM.
 13. The Explanatory Statement pursuant to Section 102(1) of the Act and Regulation 36 (3) of SEBI Listing Regulations is annexed hereto.
 14. The Securities and Exchange Board of India (SEBI) has vide Circular No. SEBI/HO/ MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated November 3, 2021 read with SEBI Circular No. SEBI/HO/ MIRSD/MIRSD_RTAMB/P/ CIR/2021/687 dated December 14, 2021 mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details etc.) and nomination details by holders of physical securities in prescribed forms by March 31, 2023. Effective from January 01, 2022, any service requests or complaints received from the Member, will not be processed by RTA till the aforesaid details/ documents are provided to RTA. Further, SEBI has also mandated linking PAN with Aadhaar by March 31, 2022. In case any of the above cited documents/ details are not available in the Folio(s) before the due date, RTA shall be constrained to freeze such Folio(s). Accordingly, Members are requested to send requests in the prescribed forms to the RTA of the Company for availing of various investor services as per the aforesaid SEBI circulars. Relevant details and forms prescribed by SEBI in this regard are made available under investors section on the website of the Company at www.syngeneintl.com. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the RTA / Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.
 15. Shareholders holding shares in Electronic (demat) form are advised to inform the particulars of their bank account, change of postal address and email address to their respective Depository Participants only. The Company or its Registrar and Share Transfer Agent i.e. KFin Technologies Limited (KFinTech) cannot act on any request received directly from the shareholders holding shares in demat mode for changes in any bank mandates or other particulars.
 16. Shareholders holding shares in physical form are advised to inform the particulars of their bank account, change of postal address and email address to KFin Technologies Limited (Unit: Syngene International Limited), Plot 31-32, Selenium, Tower B, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 or the Secretarial Department of the Company at the registered office address.
 17. Shareholders holding shares in Electronic (demat) form or in physical mode are requested to quote their DPID & Client ID or Folio details respectively in all correspondences, including dividend matters to KFin Technologies Limited (Unit: Syngene International Limited), Plot 31-32, Selenium, Tower B, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 or the Secretarial Department of the Company.

18. Shareholders holding shares in Electronic (demat) form who have not registered their email IDs with the depository participants, are requested to register their email address with their depository participants and those holding shares in physical form, are requested to submit their request with their valid e-mail address to KFinTech at Einward.ris@kfintech.com or to the Company at investor@syngeneintl.com for receiving all the communications including annual report, notices, letters etc., in electronic mode from the Company. For more details, please refer Para B of Step 2 under 'procedure of remote e-voting' section below.
19. Dematerialization of Shareholding: As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can only be transferred in demat form with effect from April 1, 2019. SEBI vide its notification dated January 24, 2022 further notified that transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holding to demat form. Members can contact the Company or our RTA for assistance in this regard.
20. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at www.syngeneintl.com and on the website of the Company's Registrar and Transfer Agents, KFin Technologies Limited at <https://ris.kfintech.com/default.aspx>. It may be noted that any service request can be processed only after the folio is KYC Compliant.
21. Pursuant to Section 101 and Section 136 of the Act, read with relevant provisions of Companies (Management and Administration Rules), 2014, and Regulation 36 of SEBI Listing Regulations, companies can serve Annual Report and other communications through electronic mode to those Members who have registered their e-mail IDs either with the Company or with the Depository Participants.
22. In compliance with the provisions of MCA Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 5, 2020 and Circular No. 02/2021 dated January 13, 2021 and SEBI circular dated May 12, 2020, January 15, 2021 and May 13, 2022, Notice of the AGM along with the Annual Report 2021-22, are being sent only through electronic mode to those Members whose email ids are available with the Company/Depositories/RTA.
23. Members may note that the Notice of the 29th AGM and Annual Report 2021-22 will also be available on the Company's website at www.syngeneintl.com and websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of KFinTech at <https://evoting.kfintech.com/public/Downloads.aspx>.
24. Pursuant to Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide the facility of remote e-voting to all the shareholders as per applicable Regulations relating to e-voting. The complete instructions on the e-voting facility provided by the Company is annexed to this Notice, explaining the process of e-voting with the necessary user ID and password along with procedure for such e-voting. The remote e-voting facility is in addition to voting that will take place at the meeting venue on July 20, 2022.
25. Company has fixed the cut-off date as Wednesday, July 13, 2022 for determining the eligibility of shareholders entitled to vote at the AGM. The remote e-voting shall remain open for a period of 5 days commencing from Friday, July 15 2022 (9:00 hours) to Tuesday, July 19, 2022 (17:00 hours) (both days inclusive). The e-voting module shall be disabled for voting thereafter. Those shareholders, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
26. The Company has appointed V Sreedharan, Practicing Company Secretary, partner of V Sreedharan & Associates, Company Secretaries, Bengaluru (FCS 2347; CP 833) and in his absence Pradeep B Kulkarni, Practicing Company Secretary, Bengaluru (FCS 7260; CP 7835) or Devika Sathyanarayana (FCS 11323; CP 17024), Partners of the same firm as Scrutinizer to scrutinize the e-voting process in fair and transparent manner.

27. As per Section 124(5) of the Act, the dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to the unpaid dividend account, is liable to be transferred by the Company to the "Investor Education Protection Fund" (IEPF) established by the Central Government under the provisions of Section 125 of the Act. Shareholders are requested to note that as per section 124(6) of the Act, all shares in respect of which Dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the IEPF. Pursuant to Investor Education Protection Fund (IEPF) Rules, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on July 21, 2021 (date of last AGM) on the website of the Company at www.syngeneintl.com and also on the website of the Ministry of Corporate Affairs. Shareholders may approach the Company Secretary of the Company for claiming the unclaimed dividend which is yet to be transferred to IEPF by the Company.
28. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
29. The Notice along with Annual Report for FY2021-22 will be sent through e-mail to those members whose name will appear in the register of members received from the depositories as on June 17, 2022.
30. The details of the process and manner for participating in the 29th AGM through VC/OAVM are explained below:
- Members may attend the AGM through video conferencing platform provided by KFin Technologies Limited. Members may access the same at <https://emeetings.kfintech.com> and click on the "video conference" and access members login by using the remote e-voting credentials. The link for AGM will be available in members login where the EVENT and the name of the company can be selected.
 - Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following instructions provided in the "Procedure for Remote e-Voting" mentioned in the Notice
 - Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- Questions and queries :** Members who may want to express their views or ask questions at the AGM may visit <https://emeetings.kfintech.com> and click on the tab "Post Your Queries Here" to write their queries in the window provided, by mentioning their name, demat account number/folio number, email ID and mobile number. The window shall remain active during the remote e-voting period and shall be closed 24 hours before the time fixed for the AGM.
 - Speaker Registration:** Members may register themselves as speakers for the AGM to pose their queries. Accordingly, the Members may visit <https://emeetings.kfintech.com> and click on 'Speaker Registration' during the remote e-voting period. Members shall be provided a 'queue number' before the AGM. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.
 - Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC platform. Members may click on the voting icon ('vote now') on the left side of the screen to cast their votes.

Dividend Related information

- Final dividend for the financial year ended March 31, 2022, as recommended by the Board of Directors, if approved by the members at the AGM, will be paid on or before Monday, August 01, 2022 to those members whose names appear on the Register of Members of the Company or Register of Beneficial Owners maintained by the Depositories as on Friday, 01 July, 2022.
- Members holding shares in electronic form are hereby informed that bank particulars registered with their respective Depository Participants (DPs), with whom they maintain their demat accounts, will be used by the Company for payment of dividend.
- Members holding shares in physical/electronic form are requested to submit their bank account details, if not already registered.
- Shareholders holding shares in dematerialised mode are requested to register complete bank account details with the DPs and shareholders holding shares in physical mode shall send a duly signed request letter in ISR 1 to KFinTech mentioning the name, folio no., bank details, self-attested

PAN card and original cancelled cheque leaf. In case of absence of name of the first Shareholder on the original cancelled cheque or initials on the cheque, bank attested copy of first page of the Bank Passbook/Statement of Account along with the original cancelled cheque shall be provided.

- v. In case the Company is unable to pay the dividend to any Shareholder by the electronic mode, due to non-availability of the details of the bank account, the Company shall dispatch the dividend warrants/demand drafts to such Shareholder by post.
- vi. Pursuant to the amendments made by the Finance Act 2020, dividend paid by a company on or after April 1, 2020 is taxable in the hands of shareholders and the Company is required to deduct tax at source (TDS) / withholding tax from dividend paid to shareholders at the prescribed rates. The shareholders are requested to update their PAN, address, category and residential status with KFin Technologies Limited (in case of shares held in physical mode) and with DPs (in case of shares held in demat mode). SEBI has also mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market.
- vii. A separate email communication was sent to the shareholders on Thursday, June 16, 2022, informing applicable provisions of the Income-tax Act, 1961 regarding deduction of TDS, rate of TDS the relevant procedure to be adopted by them/and format of documents to be submitted by the shareholders to avail the benefit for availing of lower / nil rate of TDS, wherever applicable. The said communication and draft of the exemption forms and other documents/formats are available on the Company's website at <https://www.syngeneintl.com/>. The resident and non-resident shareholders can upload the scanned copies of the requisite applicable documents at <https://ris.kfintech.com/form15/> or email the same to the Company at dividend.tax1@syngeneintl.com on or before Monday, 11 July, 2022 so as to enable the Company to determine applicable amount of TDS/withholding tax.

Procedure for remote e-voting

- i. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Rules, 2015 and as per Regulation 44 of the SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the

Company is providing e-voting facility through KFin Technologies Limited ('KFinTech') on all resolutions set forth in this Notice, from a place other than the venue of the Meeting, to members holding shares as on July 13, 2022, being the cut-off date fixed for determining eligible members to participate in the remote e-voting process. The instructions for e-Voting are given herein below.

- ii. As per the SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, and as part of increasing the efficiency of the voting process, e-voting process has been enabled to all individual shareholders holding securities in demat mode to vote through their demat account maintained with depositories / websites of depositories / depository participants.
- iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby facilitating seamless authentication and ease of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
- iv. The remote e-Voting period shall commence at 9:00 hours on Friday, July 15, 2022 and remain open until 17:00 hours on Tuesday, July 19, 2022.
- v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- vi. Any person holding shares in physical form and non-individual shareholders, who acquire shares of the Company and become a Shareholder of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@Kfintech.com. However, if he / she is already registered with KFinTech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.
- vii. In case of individual shareholders holding securities in demat mode and who acquire shares of the Company and become a shareholder of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned under "Login method for remote e-Voting for Individual shareholders holding securities in demat mode."
- viii. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

Step 1: Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

Individual Shareholders holding securities in demat mode with NSDL	Individual Shareholders holding securities in demat mode with CDSL
<p>1. User already registered for IDeAS facility: Visit URL: https://eservices.nsdl.com Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting” Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</p> <p>2. User not registered for IDeAS e-Services To register click on link : https://eservices.nsdl.com Select “Register Online for IDeAS” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Proceed with completing the required fields. Follow steps given in point 1.</p> <p>3. Alternatively by directly accessing the e-Voting website of NSDL Open URL: https://www.evoting.nsdl.com/ Click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. Post successful authentication, you will be requested to select the name of the Company and the e-Voting Service Provider name, i.e.KFintech. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.</p>	<p>1. Existing user who have opted for Easi / Easiest Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com Click on New System Myeasi Login with your registered user id and password. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal. Click on e-Voting service provider name to cast your vote.</p> <p>2. User not registered for Easi/Easiest Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Proceed with completing the required fields. Follow the steps given in point 1</p> <p>3. Alternatively, by directly accessing the e-Voting website of CDSL Visit URL: www.cdslindia.com Provide your demat Account Number and PAN No. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP, i.e KFintech where the e- Voting is in progress.</p>

Individual Shareholders can login through their demat accounts / Website of Depository Participant

- I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.
- II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.
- III. Click on options available against company name or e-Voting service provider – **Kfintech** and you will be redirected to e-Voting website of **KFintech** for casting your vote during the remote e-Voting period without any further authentication.

Important note:

Members who are unable to retrieve User ID / Password are advised to use “Forgot user ID” and “Forgot Password” option available on the above-mentioned websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

NSDL	CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

Step 2: Login method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

(A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFinTech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- i. Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN 6667, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFinTech for e-voting, you can use your existing User ID and password for casting the vote.
- iii. After entering these details appropriately, click on “LOGIN”.
- iv. You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the “EVEN” i.e., 6667_Syngene International Limited AGM and click on “Submit”.

- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/AGAINST” taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either “FOR” or “AGAINST” it will be treated as abstinence and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstinence.
- x. You may then cast your vote by selecting an appropriate option and click on “Submit”.
- xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Shareholders can login any number of times till they have voted on the Resolution(s).

Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id sree@sreedharancs.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format “Syngene International Limited_6667” The documents should reach the Scrutinizer on or before 17:00 pm on July 19, 2022.

- (B) Shareholders whose email IDs are not registered with the Company/Depository Participant(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:
- i. Shareholders who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFintech, by accessing the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.
 - ii. Alternatively, shareholder may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
 - iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.
- iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
 - iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
 - v. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The 'Vote Now Thumb sign' on the left hand corner of the video screen shall be activated upon instructions of the chairperson during the AGM proceedings. Members shall click on the same to take them to the "Insta-poll" page and Members to click on the "Insta-poll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
 - vi. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

Step 3: Instructions for all the shareholders for attending the AGM of the Company through VC/ OAVM and e-Voting during the meeting.

- i. Shareholders will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Shareholders may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the instructions mentioned in Step 1 above.
- ii. Facility for joining AGM through VC/ OAVM shall open at least 15 minutes before the commencement of the Meeting.

The Company has appointed V Sreedharan, Practicing Company Secretary, partner of V Sreedharan & Associates, Company Secretaries, Bengaluru (FCS 2347; CP 833) and in his absence Pradeep B Kulkarni, Practicing Company Secretary, Bengaluru (FCS 7260; CP 7835) or Devika Sathyanarayana (FCS 11323; CP 17024), Partners of the same firm as Scrutinizer to scrutinize the e-voting process in fair and transparent manner. The scrutinizer shall immediately after the conclusion of voting at the AGM, count the votes and shall submit a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, within a period of not exceeding 48 (forty-eight) hours from the conclusion of the voting to the Chairperson of the Company or a person authorised by her in writing who shall countersign the same. The Chairperson or a person authorised by her in writing shall declare the result of voting forthwith. The results of the e-voting along with the scrutinizer's report shall be communicated immediately to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed and shall be placed on the Company's website www.syngeneintl.com and on the website of KFintech at <https://evoting.kfintech.com> immediately after the result is declared by the Chairperson or any other person authorised by the Chairperson.

OTHER INSTRUCTIONS

- I. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFintech Website) or contact Mr. Suresh Babu, (Unit: Syngene International Limited) of KFIN Technologies Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at evoting@kfintech.com or call KFintech's toll free No. 1-800-309 4-001 for any further clarifications.
- II. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
- III. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, July 13, 2022, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- IV. If a person has become a shareholder of the Company after dispatch of Annual General Meeting Notice but on or before the cut-off date for E-voting i.e., July 13, 2022, he/she may obtain the User ID and Password in the manner outlined below:
 - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL: MYEPWD <SPACE> IN12345612345678

Example for CDSL: MYEPWD <SPACE> 1402345612345678

Example for Physical: MYEPWD <SPACE> XXXX1234567890
 - ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com.

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

Item No. 4: Re-appointment of Sharmila Abhay Karve (DIN: 05018751) as an Independent Director of the Company.

Sharmila Abhay Karve was appointed as an Additional Director in the capacity of Independent Director w.e.f., August 01, 2019. Subsequently, the shareholders at their Annual General Meeting ("AGM") held on July 22, 2020 had approved the appointment of Sharmila Abhay Karve as an Independent Director till the conclusion of 29th AGM of the Company. The tenure of Sharmila Abhay Karve is therefore coming to an end at this AGM.

As per section 149(10) and (11) of the Act and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, an Independent Director shall hold office for a term up to five consecutive years on the Board of the Company, and shall be eligible for reappointment upon passing of a special resolution by the Company and disclosure of this re-appointment in the Board's report.

The Nomination and Remuneration Committee at its Meeting held on April 26, 2022 on the basis of performance evaluation of Independent Directors and taking into account the external business environment, the business knowledge, acumen, experience and the substantial contribution made by Sharmila Abhay Karve during her tenure, has recommended to the Board that continued association of Sharmila Abhay Karve as Independent Director of the Company would be beneficial to the Company. Based on the above and the performance evaluation, the Board recommends the re-appointment of Sharmila Abhay Karve (DIN: 05018751), as Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing from the conclusion of this AGM.

The Company has also received a notice in writing from a Member under section 160(1) of the Act proposing the candidature of Sharmila Abhay Karve for the office of Director.

Sharmila Abhay Karve is not disqualified from being appointed as Director in terms of section 164 of the Act and has given her consent to act as Director. The Company has received declarations from Sharmila Abhay Karve stating that she meets the criteria of independence as prescribed under sub-section (6) of section 149 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). Sharmila Abhay Karve is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI) or any other authority.

In the opinion of the Board, she fulfils the conditions for appointment as Independent Director, as specified in the Act and the SEBI Listing Regulations and is independent of the Management.

The resolution seeks the approval of the shareholders in terms of Section 149 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder and the SEBI Listing Regulations, for re-appointment of Sharmila Abhay Karve as Independent Director of the Company for a second term of five years commencing from the conclusion of this AGM. Sharmila Abhay Karve shall not be liable to retire by rotation.

The profile and specific areas of expertise of Sharmila Abhay Karve is provided in annexure to this notice.

A copy of the draft letter of appointment setting out the terms and conditions of appointment of an Independent Director is available for inspection, without any fee, by the shareholders at the Company's registered office in physical or electronic form during normal hours on working days up to the date of the AGM and is also available on the website of the Company at www.syngeneintl.com. In compliance with the General circular number 20/2020 issued by the MCA, this item is considered unavoidable and forms part of this Notice.

Except Sharmila Abhay Karve and her relatives, none of the Directors, Key Managerial Personnel or their respective relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the resolution set forth in Item No. 4 for approval of the shareholders as special resolution.

Item No. 5: To approve amendments to the Syngene Restricted Stock Unit Long Term Incentive Plan FY2020.

The shareholders, at the 26th AGM of the Company held on July 24, 2019 have approved the "Syngene Restricted Stock Unit (RSU) Long Term Incentive Plan FY2020" (hereinafter referred to as "the RSU Plan") designed to drive performance to achieve the Board approved strategic plan for FY2020-24. The RSU Plan covers key employees who, by virtue of their roles, influence the accomplishment of the Strategic Plan. Vide special resolution passed through postal ballot on August 30, 2020, the shareholders have approved variations to the RSU Plan to streamline the plan with similar plans adopted by group companies to achieve uniformity in the approach to rewarding employees across the group.

The current RSU plan covers employees of the Company as well as its subsidiaries only. The employees of Biocon Limited, the Holding Company are not covered under the Plan. It is proposed to include the employees of Biocon Limited, under the RSU plan. As per the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 any amendment in the RSU plan will require the approval of the shareholders.

Variations to the terms of the Plan and the Rationale therefor:

The Company has been receiving services in key strategic positions from group resources employed in Biocon Limited, the Holding Company. It is therefore proposed to include employees of Biocon Limited under the Plan in order to reward such employees who are instrumental in influencing the accomplishment of the Board approved Strategic Plan of the Company. Based on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on April 27, 2022, has approved and recommended to the shareholders, the following variation to the Plan

Item No.	Existing Provision	Proposed Provision
Clause 3 (xi) Definition of "Employee"	<p>"Employee" means-</p> <p>i. an employee as designated by the Company who is exclusively working in India or outside India; or</p> <p>ii. a director of the company, whether a whole-time director or not , including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent direct or</p> <p>iii. an employee as defined in sub-clauses (i) or (ii) of a group company including subsidiary Company, in India or outside India,</p> <p>but does not include— an employee who is a promoter or a person belonging to the promoter group; or a director who either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the Company;</p>	<p>"Employee" means-</p> <p>i. an employee as designated by the Company who is exclusively working in India or outside India; or</p> <p>ii. a director of the company, whether a whole-time director or not , including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent direct or</p> <p>iii. an employee as defined in sub-clauses (i) or (ii) of a group company including subsidiary Company, in India or outside India, or of holding company of the Company</p> <p>but does not include— an employee who is a promoter or a person belonging to the promoter group; or a director who either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the Company;</p>

The following are the salient features of the Plan to be interpreted in conjunction with the provisions of the Plan and its modifications as applicable:

1. Brief description of the Plan:

The Plan shall be called as Syngene Restricted Stock Unit Long Term Incentive Plan FY2020 ("the Plan") and shall extend its benefits to the present and/or future permanent employees of the Company, its holding company and its present and future Subsidiary Company (ies), in accordance with the applicable laws. The Plan has been formulated keeping in mind delivery around key parameters measured through financial parameters (being revenue and profits), delivery against key business initiatives, shareholder value creation and such other parameters as may be communicated to employees from time to time. The Plan would cover key employees who, by virtue of the roles they play, would be influencing the accomplishment of the Strategic Plan.

2. Total number of RSUs to be granted under the Plan.

The maximum number of RSUs to be granted under the Plan shall not exceed 1.67% of the paid-up equity share capital of the Company at any point of time, convertible into equal number of Equity Shares of the Company.

3. Identification of classes of employees entitled to participate and be beneficiaries in Plan.

- (i) an employee as designated by the Company who is exclusively working in India or outside India; or
- (ii) a director of the company, whether a whole-time director or not , including a non-executive director

who is not a promoter or member of the promoter group, but excluding an independent director

- (iii) an employee as defined in sub-clauses (i) or (ii) of a group company including subsidiary Company, in India or outside India, or holding company of the Company

but does not include—

- an employee who is a promoter or a person belonging to the promoter group; or
- a director who either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the Company;

The existing eligible employees and any other eligible employees who are identified during the period of 5 years of progression of the plan (i.e. new joiners or existing employees) may also participate in the Plan based on their role in achieving the Strategic objectives for the period FY2020-24. However, no employee shall be eligible for any grant under this Plan who joins the Company after March 31, 2023.

(iv) Requirement of Vesting and period of Vesting.

The RSUs granted under Plan shall vest based upon the performance of the Employee, subject to completion of minimum 1 (One) year from the date of Grant and as may be decided by the Committee.

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 number of RSUs eligible for vesting shall be equally distributed over the individual's vesting schedule.

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 & 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 terms set by the Committee and communicated separately to the Grantee.

(v) Maximum period within which the RSUs shall be vested.

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 vesting schedule of the grantee will be clearly defined in their grant letter.

(vi) Exercise Price or Pricing Formula.

Under this Plan, the Exercise price of the Shares will be the face value of the shares as on the date of exercise.

(vii) Exercise period and process of Exercise.

The Exercise period for the vested RSUs will be 3 (three) years from the date of respective vesting or time period as set forth in the Grant Letter (not exceeding 10(ten) years from the date of respective vesting). The grantees can exercise the vested RSUs in full or in part at different intervals of time during the exercise period.

The vested RSUs can be exercised through cash route and/ or cashless route. The mode and manner of the exercise of the RSUs shall be communicated to the grantees individually. On exercise of the RSUs through Cash Route, the grantee shall forthwith pay to the Company the exercise price along with applicable taxes. Under Cashless Route the Trust will sell the requisite number of shares for adjusting the Exercise Price and the Tax Amount in accordance with the exercise application made by the grantee and transfer the balance shares or the net sale proceeds as the case may be. The RSUs shall lapse if not exercised within the specified exercise period.

(viii) Appraisal process for determining the eligibility of the Employees to Plan.

The appraisal process for determining the eligibility of the employees will be in accordance with the Plan and as may be determined by the Committee.

The employees would be granted RSUs under the Plan based on various parameters which may include among others:

- Performance: Employee's performance on the basis of the parameters decided by the management.
- Contribution: The present and potential contribution of the Employee towards achieving common goals and delivering on key parameters measured through increased revenue & profits, delivering on key strategic initiatives and shareholders value creation.

(ix) The Maximum number of RSUs to be granted per employee and in aggregate

The maximum number of RSUs that can be granted under this Plan in aggregate shall not exceed 1.67% of the paid-up capital of the company at any point of time.

The Committee may set a criteria or range within which the quantum of RSUs to be granted to each grantee can be determined.

The maximum number of RSUs that can be granted to any eligible single employee during any one-year shall not be equal to or exceed 1% of the issued capital of the Company at the time of grant of RSUs unless otherwise approved by the shareholders.

(x) The Maximum quantum of benefits to be provided per Employee under the Plan.

The Committee may set a criteria or range within which the quantum of RSUs to be granted to each grantee can be determined. The maximum quantum of benefit that will be provided to every eligible Employee under the Plan will be the difference between the Market value of Company's Share on the Stock Exchange as on the date of exercise of RSUs and the Exercise Price paid by the employee.

(xi) Implementation and administration of the Plan

The Plan shall be implemented by trust route wherein the Company will issue shares to the trust by way of fresh allotment over a period of time.

The Plan will be administered by the Committee of the Company. The Committee shall delegate its power to the Trust to the extent it deems fit for proper administration of the Plan.

(xii) Whether the Plan involves new issue of shares by the company or secondary acquisition by the Trust or both.

The Plan shall be implemented by trust route wherein the Company will allot fresh equity shares to the trust over a period of time which will subsequently be transferred to the Grantees as and when the RSUs are exercised.

(xiii) The amount of loan to be provided for implementation of the Plan by the Company to the trust, its tenure, utilization, repayment terms, etc.

The Company shall provide loan to the trust of such amount as may be required by the Trust from time to time under the Plan. The amount of loan to be provided for implementation of the plan by the Company to the Trust shall not exceed 1.67% of the aggregate paid-up capital and free reserves at any point of time subject to the restriction on the aggregate loan provided to the Trust in accordance with the provisions of Companies Act, 2013 & Rules therein. The tenure of such loan shall be the point where the objects of the Trust are accomplished, or the repayment of loan is made, whichever is earlier. The utilization of such loan shall be for the objects of the Trust as mentioned in the Trust Deed including the implementation of the plan. The Trust shall repay the loan to the company by utilising the proceeds realized from exercise of RSUs by the Employees.

(xiv) The Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the Plan.

Not Applicable

(xv) Disclosure and accounting policies.

The Company shall comply with the accounting policies prescribed in the requirements of guidance note on accounting for employee share-based payments ("Guidance Note") or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein. In case, the existing Guidance Note or Accounting Standards do not prescribe accounting treatment or disclosure requirements, any other Accounting Standard that may be issued by ICAI or any other competent authority shall be adhered to in due compliance with the requirements of SEBI Regulations.

(xvi) The method which the Company shall use to value its RSUs

The Company shall adopt fair value for the valuation of the RSUs granted as prescribed under Guidance Note or under any relevant Accounting Standard notified by appropriate authorities from time to time.

(xvii) Statement with regard to Disclosure in Director's Report.

As the Company is adopting fair value method, presently there is no requirement for disclosure in director's report. However, if in future, the Company opts for expensing of share based employee benefits using the intrinsic value, then the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report.'

In terms of Section 62 of the Act and the provisions of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 the approval of the Shareholders is sought by way of Special Resolution for the variation to the "Syngene Restricted Stock Unit Long Term Incentive Plan FY2020".

Therefore, your Directors recommend the Resolution as set out at Item No. 5 for your approval.

A copy of the draft revised RSU Plan will be available for inspection on all working days except Saturdays, Sundays and National Holidays between 9:00 hours to 17:00 hours for a period of 30 days from the date of this Notice at the registered Office of the Company. In compliance with the General circular number 20/2020 issued by the MCA, this item is considered unavoidable and forms part of this Notice.

None of the Directors, Manager, Key Managerial Personnel of the Company, and their respective relatives are in anyway concerned or interested (financially or otherwise) in the resolution except to the extent of equity shares held by them in the Company or the RSU's to be granted under the Plan.

The Board recommends the Special Resolution as set out in Item No. 5 of the Notice for approval of the members.

Registered Office:
Syngene International Limited
Biocon SEZ, Biocon Park, Plot No. 2 & 3,
Bommasandra Industrial Area,
Phase IV, Jigani Link Road, Bengaluru 560 099,
Karnataka, Phone: 080 – 6891 9191
Email- investor@syngeneintl.com
Website: www.syngeneintl.com;

ANNEXURE – INFORMATION TO SHAREHOLDERS

In pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Details of the directors seeking appointment or re-appointment at the forthcoming AGM

Brief resume of Directors:

Kiran Mazumdar Shaw

Non-Executive Chairperson

Kiran Mazumdar Shaw is a first-generation entrepreneur with over 45 years of experience in the field of biotechnology. She is a recipient of ‘Padma Shri’ and the ‘Padma Bhushan’ awards. She was also conferred with the highest French distinction – Chevalier de l’Ordre national de la Legion d’honneur (Knight of the Legion of Honour) in 2016. She is a recipient of ICMR’s Lifetime Achievement Award for Outstanding Achievement in Healthcare in 2019. She was Honoured with Order of Australia, Australia’s highest civilian award and was named EY World Entrepreneur of the year in 2020. She is also the Chairperson of Biocon Limited, Independent Director on the Board of Infosys, United Breweries Ltd and Narayana Hrudayalaya.

Sharmila Abhay Karve

Independent Director

Sharmila Abhay Karve is a Fellow of the Institute of Chartered Accountants of India. She retired as audit partner from Price Waterhouse in June 2019. During her tenure in Price Waterhouse, she was an engagement partner with several large Indian and multinational clients. She was appointed as the Chief Ethics Officer. In 2009, she was appointed as the Assurance Leader of the firm and was elevated to the role of Assurance Risk & Quality Leader in April 2012. In her last role as Global Diversity Leader since December 2016, Ms. Karve focussed her efforts on bringing more diversity throughout the PwC network. At present, she is a Director on the boards of CSB Bank Limited, EPL Limited, Vanaz Engineers Limited, Aadhar Housing Finance Limited and Thomas Cook (India) Limited in India. At Syngene, she is a member of the Audit Committee and Nomination and Remuneration Committee and Chairperson of the Stakeholders Relationship and ESG Committee.

Name of the Director	Kiran Mazumdar Shaw	Sharmila Abhay Karve
Category	Non-Executive Chairperson	Independent Director
DIN	00347229	05018751
Date of Birth	23/03/1953	08/04/1965
Date of Appointment	18/11/1993	01/08/2019
Tenure of Appointment/Re-appointment	NA	5 years
Nature of expertise in Specific Functional Areas	Refer Corporate Governance report	Refer Corporate Governance report
Disclosure of relationship with Directors inter-se	Related to Prof. Catherine Rosenberg	None
Directorship held in other Listed Companies	Biocon Limited, United Breweries Limited, Narayana Hrudayalaya Limited, Infosys Limited	EPL Limited CSB Bank Limited Thomas Cook India Ltd
Membership of Committee in other Companies, if any	Refer Corporate Governance report	Refer Corporate Governance report
Shareholding as on March 31, 2022	15,276	Nil

Glossary

Definitions

ALCOA - attributable, legible, contemporaneous, original and accurate.

ALCOA+ has four additions: Complete, Consistent, Enduring and Available

Biologics: A biologic drug (biologics) is a product that is produced from living organisms or contain components of living organisms. Biologic drugs include a wide variety of products derived from human, animal, or microorganisms by using biotechnology.

Chromatography: Chromatography is the physical process of separating or analyzing complex mixtures. Chromatography is used in industrial processes to purify materials, test trace amounts of contaminants, isolate chiral compounds and quality control test products.

DNA-encoded chemical libraries (DEL): It is a technology for the synthesis and screening on unprecedented scale of collections of small molecule compounds. The aim of DEL technology is to accelerate the drug discovery process and in particular early phase discovery activities such as target validation and hit identification.

DEREK Nexus: A statistical-based software platform used in toxicity prediction.

Drug metabolism: Biotransformation of pharmaceutical substances in the body so that they can be eliminated more easily.

Electronic Laboratory Notebook (ELN): A computer program designed to replace paper laboratory notebooks. They are used by scientists and technicians to document research, experiments, and procedures performed in a laboratory.

GEMBA walks: Gemba walks denote the action of going to see the actual process, understand the work, ask questions, and learn.

Globally Harmonized System (GHS): GHS defines and classifies the hazards of chemical products and communicates health and safety information on labels. It ensures information on the hazardous properties of chemicals are properly communicated to enhance the protection of human health and the environment during the handling, transport and use of chemicals.

High-throughput screening (HTS): A drug discovery process that allows automated testing of large numbers of chemical and/or biological compounds for a specific biological target.

HTS methods are extensively used in the pharmaceutical industry, leveraging automation to quickly test the biological or biochemical activity of a large number of molecules, usually drugs. They accelerate target analysis, as large-scale compound libraries can quickly be screened in a cost-effective way.

Highly potent active pharmaceutical ingredients (HPAPIs): They are pharmacologically active substances that exhibit biological activity at extremely low concentrations.

In Vivo: *In vivo* refers to when research or work is done with or within an entire, living organism.

In Vitro: *In vitro* refers to a medical study or experiment which is done in the laboratory within the confines of a test tube or laboratory dish.

Kaizen: a Japanese business philosophy of continuous improvement of working practices, personal efficiency

Large molecule: Large molecules are therapeutic proteins. They are also known as biologics.

LEAP: Leveraging Excellence to Ascend and Perform

Mammalian: Relating to mammals.

Monoclonal Antibodies (mAb): These are produced in labs and engineered to bind specific targets such as antigens located on cancer cells.

Oligonucleotides: Oligonucleotides are short DNA or RNA molecules that have a wide range of applications in genetic testing, research, and forensics. Commonly made in the laboratory these small bits of nucleic acids are vital for artificial gene synthesis, polymerase chain reaction (PCR), DNA sequencing, molecular cloning and as molecular probes.

Pharmacology: Pharmacology is the study of how a drug affects a biological system and how the body responds to the drug.

Pharmacokinetics: The branch of pharmacology concerned with the movement of drugs within the body.

Research Informatics: Combination of Bioinformatics and Cheminformatics capabilities.

RT-PCR: The reverse transcription–polymerase chain reaction (RT PCR) is a nuclear-derived method for detecting the presence of specific genetic material in any pathogen, including a virus.

SQDECC – an acronym representing the six elements of operational excellence: safety, quality, delivery, engagement, compliance and cost.

Target validation: Target validation is the first step in discovering a new drug. The process involves the application of a range of techniques that aim to demonstrate that drug effects on the target can provide a therapeutic benefit with an acceptable safety window.

T-cells: T cells are part of the immune system and develop from stem cells in the bone marrow. They help protect the body from infection and may help fight cancer.

Toxicology: Used to characterize the toxicity profile of a drug by identifying its impact on organ structure and / or functionality. This includes assessment of the severity and reversibility of toxicity, as well as dose ranges and their relationship to exposure.

Abbreviations

Active Pharmaceutical Ingredient (API): Any substance or combination of substances used in a finished pharmaceutical product (FPP), intended to furnish pharmacological activity or to otherwise have direct effect in the diagnosis, cure, mitigation, treatment or prevention of disease, or to have direct effect in restoring, correcting or modifying physiological functions in human beings.

Contract Research Organization (CRO): These organizations provide support to the tech, pharmaceutical, biotech and MedTech industries.

Good Clinical Practice (GCP): GCP is an international quality standard for conducting clinical trials that in some countries is provided by ICH, an international body that defines a set of standards, which governments can then transpose into regulations for clinical trials involving human subjects.

Good Laboratory Practice (GLP): Set of rules and criteria for a quality system concerned with the organizational

process and the conditions under which non-clinical health and environmental safety studies are planned, performed, monitored, recorded, reported and archived.

HPLC: High Performance Liquid Chromatography (HPLC) is a form of column chromatography that pumps a sample mixture or analyte in a solvent (known as the mobile phase) at high pressure through a column with chromatographic packing material (stationary phase).

ICH Guidelines: ICH Guidelines were created by The International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use (ICH). ICH aims to provide uniform standards for technical requirements for pharmaceuticals for human use.

ICMR: The Indian Council of Medical Research (ICMR), New Delhi, the apex body in India for the formulation, coordination and promotion of biomedical research, is one of the oldest medical research bodies in the world.

National Accreditation Board for Testing and Calibration Laboratories (NABL): It is a constituent board of quality council of India. The objective of NABL is to provide third party assessment of the quality and technical competence of testing and calibration laboratories. Government of India has authorized NABL as the accreditation body for Testing and Calibration Laboratories.

National GLP Compliance Monitoring Authority (NGCMA): Industries/test/ facilities/laboratories dealing with above chemicals and looking for approval from regulatory authorities before marketing them, may apply to the National GLP Compliance Monitoring Authority for obtaining GLP Certification. It is voluntary by nature.

NDA: New Drug Application (NDA) is the vehicle in the United States through which drug sponsors formally propose that the FDA approve a new pharmaceutical for sale and marketing.

United States Food and Drug Administration (US FDA or FDA): Federal agency of the United States Department of Health and Human Services. FDA is responsible for protecting the public health by assuring the safety, efficacy, and security of human and veterinary drugs, biological products, medical devices, our nation's food supply, cosmetics, and products that emit radiation.



Syngene

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