Syngene

Ref: Syn/CS/SE/AGM/2024-25/Jul/02

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www.syngeneintl.com

July 02, 2024

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 31st Annual General Meeting ("AGM") and Annual Report for FY 2023-24

We wish to inform you that the 31st AGM of the Company will be held on Wednesday, July 24, 2024 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 31st AGM of the Company and the Annual Report for FY 2023-24, which is being circulated to the shareholders through electronic mode.

The Notice of the 31st AGM and the Annual Report for FY 2023-24 are also available on the Company's website at https://www.syngeneintl.com/investors/share-holder-services/.

Further, the Company has fixed Wednesday, July 17, 2024, as the cut-off date for determining the list of members who are eligible to vote through remote e-voting and at the AGM.

Information at a glance:

Particulars	Details
Date and time of AGM	Wednesday, July 24, 2024 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	Wednesday, July 17, 2023
e-Voting start date and time	Friday, July 19, 2024 (09:00 hours) (IST)
e-Voting end date and time	Tuesday July 23, 2024 (17:00 hours) (IST)
e-Voting website	https://evoting.kfintech.com/
Final dividend record date	Friday, June 28, 2024
Final dividend payment date	On or before August 05, 2024

Request you to kindly take this intimation on record.

Thanking You,

Yours faithfully,
For **SYNGENE INTERNATIONAL LIMITED**

PRIYADARSHINI MAHAPATRA

Digitally signed by PRIYADARSHINI MAHAPATRA
DN: c=IN, postalCode=751015, st=ODISHA, street=ODISHA, l=KHORDA, o=Personal, serialNumber=df67e39aa5435d22f718c22d0516d97afb1208536f4f1860285e06c72d0c9992, pseudonym=e816ac07281c470d84b50aab1b7bf795, 2.5.4.20=3b3032863a60d6cf503dc962d0b81de07d5cef26229a00b5f723a1ef57ab0005, email=TOHEY65274@DIXISER.COM, cn=PRIYADARSHINI MAHAPATRA
Date: 2024.07.02 23:08:31 +05'30'

Priyadarshini Mahapatra
Head Legal, Company Secretary & Compliance Officer

Enclosed: Notice of 31st AGM and Annual Report for FY 2023-24.

Syngene

Annual Report 2024

The **Innovation** Effect

FUTURE FOCUSED

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

Contents

Syngene at a Glance

30 years of scientific excellence

Rs 3,489 Cr
(USD 418 Mn)*
Revenue from operations in FY24

Rs 519 Cr#
(USD 62 Mn)*
Profit After Tax in FY24

400+
Active clients

3 campuses
Bangalore, Hyderabad, and Mangalore

400+
Patents held with clients

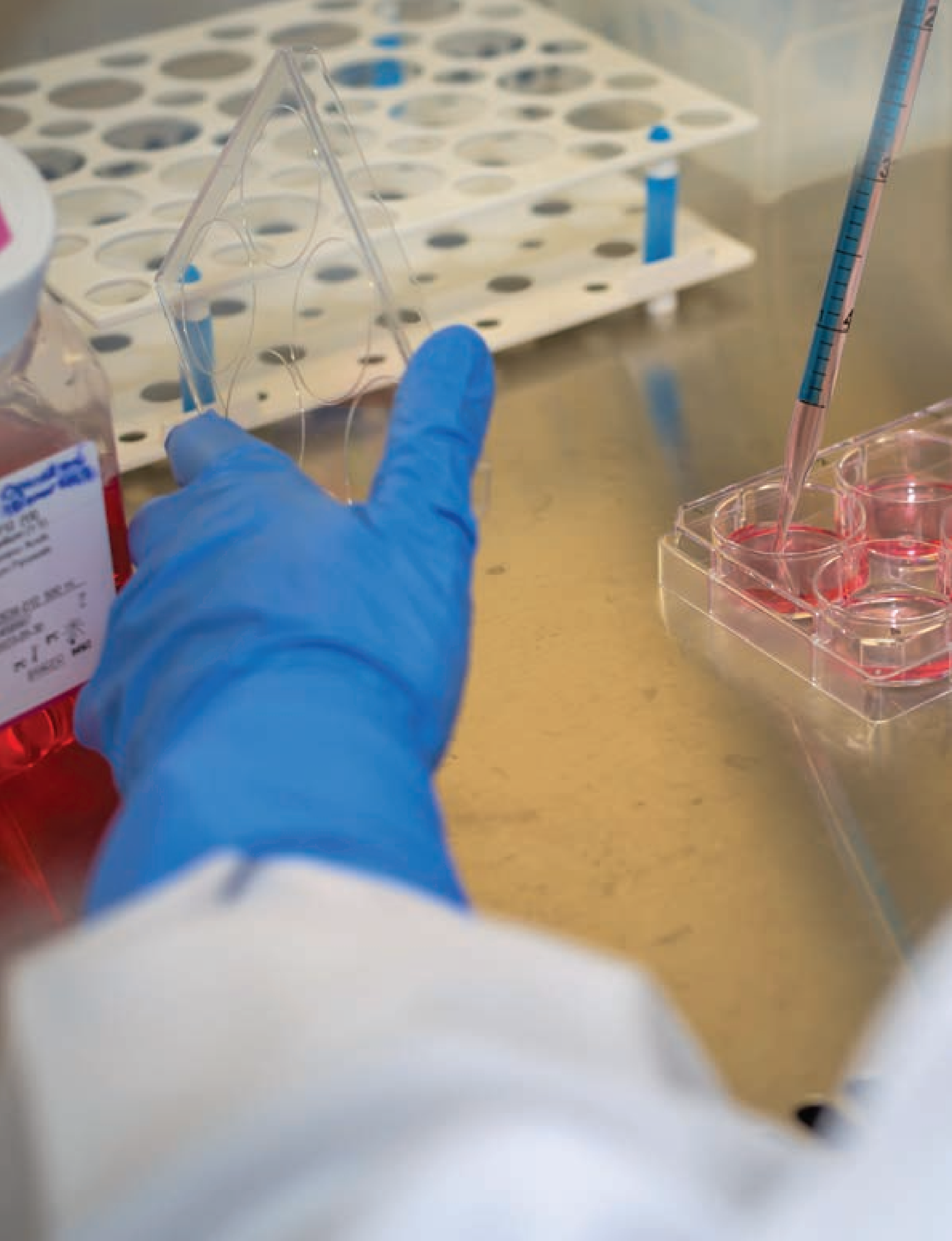
8,146
Workforce (as of March 31, 2024)

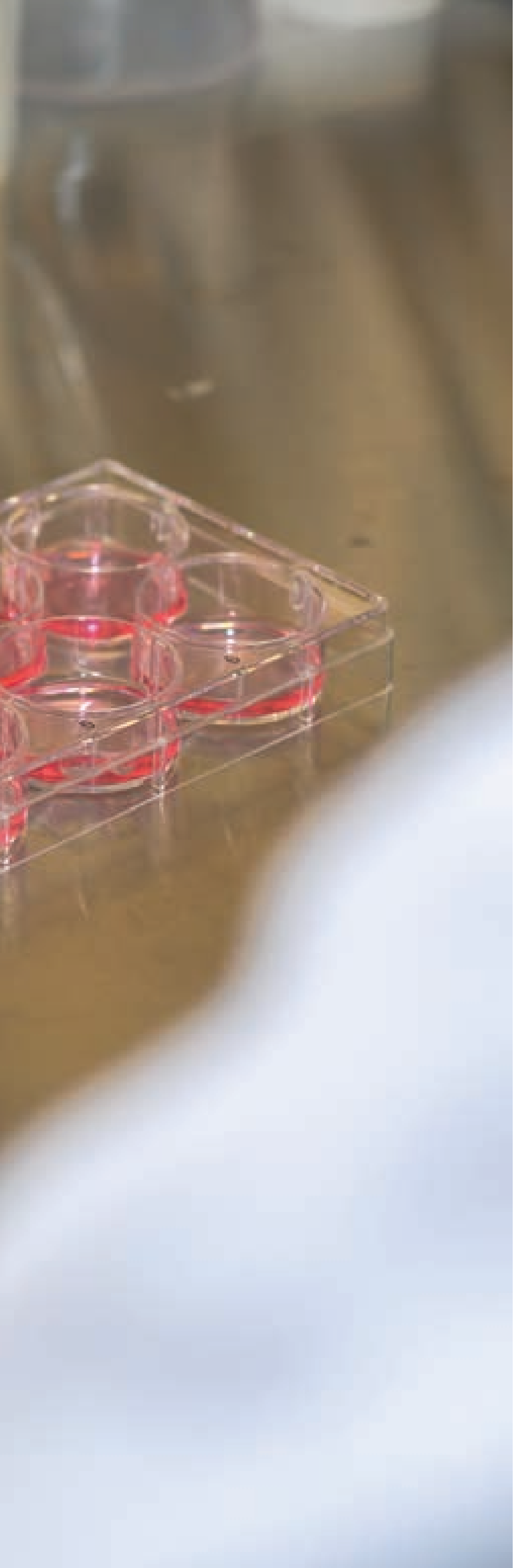
5,656
Scientists

82%
Power from renewable sources

Before exceptional items

*1 USD = Rs 83.43





The **Innovation** Effect

FUTURE FOCUSED

Few things are more important to humanity than living better lives and, as molecular science evolves driven by ever more sophisticated technology, new opportunities to solve previously insoluble problems emerge. Today, the contribution of artificial intelligence and computational science is also extending the boundaries of human thinking while offering speed and efficiency gains. These advances feed an innate human ambition to live longer, healthy lives – including those of our animal companions – taking advantage of everything that technology has to offer. That is the innovation effect.

Many companies build their reputation and future growth on a commitment to innovation. However, achieving a competitive edge through research and development is a highly specialized activity and few teams have all the skills required.

As an integrated research, development and manufacturing service provider, Syngene can fill the gaps or manage the whole journey. Our clients are attracted by our 30-year track record in delivering innovation, the advanced technology and scale that we can offer and our ability to attract and train our scientists in the latest scientific advances.

Our work revolves around problem-solving – our specialism is finding solutions, streamlining processes, improving delivery mechanisms, making the dream of improving lives into an approvable approach that stands up to the scrutiny of a regulator.

Not every molecule achieves the ultimate goal of changing a life. However, for those that do, our manufacturing capabilities cover the last mile, operating to global standards with safety and compliance in mind.

The Innovation Effect – Future Focused

About Syngene

30 years of innovation and excellence

For three decades, Syngene has been dedicated to exploring the boundaries of science. Our focus is on developing solutions that enhance human and animal health and advancing the creation of next-generation materials.

Incorporated in 1993, Syngene is an integrated research, development, and manufacturing organization specializing in both small and large molecules. Our capabilities cater to a broad range of sectors, including global pharmaceuticals, biotechnology, nutrition, animal health, consumer goods, and specialty chemicals.

We offer specialist stand-alone activities and longer-term programs that accelerate the progress of a molecule from discovery to market. Our extensive experience and expertise have made us a trusted partner to global multinationals, small and medium-sized enterprises, non-profit institutions, academic entities, and government organizations.

We recognize our corporate responsibilities and strive to deliver sustainable benefits to society while fulfilling the expectations of clients and regulatory authorities. Our commitment to high environmental, social, and governance (ESG) performance is integral to our business strategy. We focus on minimizing our environmental footprint, enhancing employee safety and well-being and positively impacting the communities where we operate.

Syngene is listed on the Indian stock exchanges.

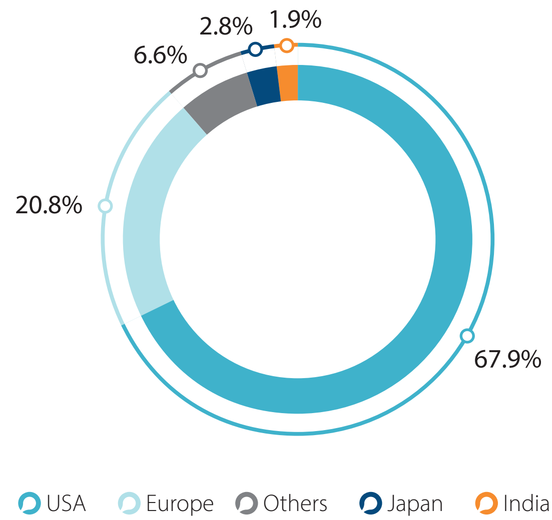
Our workforce

Our workforce, comprising over 8,146 employees and workers (as of March 31, 2024), including more than 5,656 scientists, forms the backbone of our operations. Our team also includes specialists and professionals across various functions who ensure smooth project delivery. We emphasize scientific integrity, compliance, and high performance, aligning our workforce with our core values and objectives.

Our presence

Syngene is headquartered in Bangalore, India, where our main campus serves as the central hub for our research, development and manufacturing operations. We also operate three satellite campuses in Bangalore, which houses essential functions including Human Resources, Legal, and Finance, as well as our Clinical Development facility. To further support our expanding research operations, we have established an additional campus in Hyderabad. Our facility in Mangalore is dedicated to the commercial-scale production of active pharmaceutical ingredients (APIs). Globally, our outreach is extended through Syngene USA Inc., which supports our clients in the United States, and through our commercial teams based locally in the United Kingdom and Europe.

Client base by geography



Our partnerships*

Large & Mid-sized BioPharma: GSK, AMGEN, Bristol Myers Squibb, Johnson&Johnson Innovative Medicine, Boehringer Ingelheim, NOVARTIS, Dr.Reddy's

Animal Health: PURINA, zoetis, Boehringer Ingelheim, MERCK Animal Health, Phibro, Virbac

Emerging BioPharma (EBP): ALEXION, C4 Therapeutics, AMPHISTA, DEERFIELD Advancing Healthcare, equillium, Syndax

AgroChem: FMC, ASCENZA, CORTEVA, Gowan

Consumer Products: Beiersdorf, Unilever

Chemicals/ Polymers: BAUSCH+LOMB, essilor, KRATON

* This is a representative selection of the over 400 customers with whom we work across various industry segments.

Our business divisions

Discovery Services

Our Discovery Services division is responsible for conducting early-stage research, from identifying biological targets relevant to diseases in patient populations to delivering drug candidates for further development. Our capabilities encompass chemistry, biology, safety assessment, and computational and data sciences. We cater to traditional small molecule therapeutics, biologics, and specialty modalities such as peptides, oligonucleotides, antibody-drug conjugates, and targeted degradation/stabilization. Syngene SynVent™, a part of our Discovery Services, is our platform for integrated drug discovery that offers clients complete project delivery capabilities, utilizing our differentiated technologies and scientific expertise.

Development Services

Focusing on small molecules, our Development Services division takes drug candidates and provides a comprehensive range of services from pre-clinical to clinical trials. This includes the development of drug substances and drug products, alongside associated services to demonstrate the safety, tolerability, and efficacy of drugs. Our development capabilities extend to advancing highly potent active pharmaceutical ingredients and oligonucleotides for both therapeutic and diagnostic applications, scaling from laboratory to manufacturing levels. Our expertise also encompasses working with performance chemicals and specialty materials, utilizing synthetic organic chemistry and polymer chemistry. We integrate analytical services throughout the development process, including method development, validation, transfer, and reference standard qualification.

Dedicated R&D Centers

The Dedicated R&D Center division provides a turnkey solution for clients seeking to establish and operate a dedicated research center on a large scale without the need for long-term capital investments. This service enables seamless integration into the client's internal research network while maintaining the flexibility to scale operations up or down as needed. Each R&D Center is staffed by a dedicated, multi-disciplinary team of scientists and support personnel. Currently, this division serves three major clients: Amgen, Baxter, and Bristol Myers Squibb.

Manufacturing Services

The Manufacturing Services division provides commercial-scale manufacturing of both small and large molecules. Our small molecule production is carried out at our US FDA-compliant API manufacturing campus in Mangalore. For large molecules, development and manufacturing services are provided from our biologics facility in Bangalore, approved by the US and European regulatory authorities. We have also recently acquired a multi-modal biologics manufacturing facility, which is expected to become operational in 2024 following facility upgrades and re-validation.

Our collaboration options

Recognizing that each client has unique needs, our collaboration options provide flexibility and customization to meet individual requirements. Clients may choose a single option or a combination of services to best suit their needs.

Fee for Service (FFS)

- Agreed services are delivered within a defined scope
- Flexible, on-demand personnel and research infrastructure are deployed to achieve 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, typically extending for five years or more

Risk / Reward

- A milestone-based model encompassing 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

- A contract based on achievement of a defined outcome and linked to productivity goals

Our value creation model

Our Business

We are an integrated research, development and manufacturing organization providing scientific services from early discovery to commercial supply. We serve a wide range of industrial sectors including pharmaceutical, biotechnology, nutrition, animal health, consumer goods and specialty chemical companies.

- We deliver shared value
- We actively support ~400 customers worldwide
- We aim to offer a great place to work
- We invest in the communities where we operate
- We deliver returns to shareholders
- We comply with national and international regulations for the benefit of people and patients

Our Vision

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

Our Values

- Integrity
- Excellence
- Professionalism

Our Stakeholders

- Clients
- Communities
- Employees
- Industry authorities
- Shareholders

Our Assets

World-class infrastructure

Certified to international standards, offering a breadth of facilities and scale

Responsible environment, social and governance

embedded in our operations

Talented resources

Our focus is on attracting, retaining, and nurturing skilled individuals. We ensure a secure work setting for our diverse **8,146** workforce (as of March 31, 2024) including more than **5,656** scientists.

Strategic sourcing

Effective collaboration with suppliers

who deliver high quality materials and capital projects:

2,800+ suppliers

Robust business model

Delivering dynamic growth, profitability, returns with good governance

Our advantage

Our value proposition

Value creation

One-stop shop

- Discovery, development, and manufacturing services for large and small molecules
- Latest technology and training, 24/7 support
- Strong project management
- Safety first throughout all operations
- ESG strategy and targets reported annually
- Committed to SBTi

- End-to-end scientific solutions across multiple modalities and multiple industries
- Strong track record with major regulators
- Availability of skills and technology not available in-house for clients (especially with emerging biotech)
- Continuous improvement, reliability and ability to deliver at scale
- Understanding of environmental impact, ethical standards and governance

A partner for the long term

- Timely project delivery to clients
- Innovation captured in 400+ patents over thirty years
- Problem-solving on an industrial scale

- Scientific and operational excellence
- Commitment to diversity in the workplace
- An agile and personalized learning culture to enable continuous learning and development
- Leadership development at every tier through a competency framework and targeted development programs
- Strategic succession planning for business-critical roles across the organization, ensuring long-term stability and growth
- Integrating data analytics and data-driven decision-making processes to enhance talent management strategies and operational excellence

A great place to work

- Our collective experience from hundreds of projects enriches client outcomes
- Frequent interactions with clients and the ability to form versatile teams leveraging a wide range of skills available in-house
- A commitment to equal opportunities: 26% of our permanent roles are filled by women, with 12% women in leadership positions; we also ensure inclusivity for differently abled employees

- Opportunities to engage in cutting-edge, global science without the need to relocate from India

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- Sustainable partnerships create a resilient value chain
- USD 220 Mn+ annual spend with suppliers, including capital items
- Dual-sourcing of critical materials

- Ecosystem of suppliers
- Niche sourcing skills to manage complex supply chain
- Proactive partnerships to enforce high standards of business ethics and environmental management

Resilient supply chain

- Development of supplier capabilities in business ethics and environmental standards
- On time delivery to clients
- Availability of key capabilities through experienced suppliers and consultants

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- Investment of Rs 50 Bn (USD 613 Mn) in infrastructure and facilities
- Strong track record of growth with good demand visibility for the future
- Operating EBITDA margins maintained around 29%
- Robust risk management process to address changing business environment

Industry leadership through sustainable growth

- Experienced leadership team
- Strong governance
- Strategy to drive investment and growth
- Absolute focus on efficiency and compliance
- Track record of reliable delivery

- Revenue from operations growth of 9% for FY24
- Earnings per share (basic) of Rs 12.71 in FY24
- Total market cap increase of 350% since listing (to March 2024)

Strategic priorities

Strategy	Progress in FY24	Looking ahead
Research: Discovery services		
Provide end-to-end discovery and preclinical development capabilities, on a contract basis, including differentiating research technologies and platforms, across many disease areas and therapeutic modalities	Discovery Services experienced a challenging environment due to the funding slowdown in the US emerging biopharma segment. This triggered a greater degree of price sensitivity from clients and price aggression from competitors impacting both revenue and margins. This effect was partially offset by our differentiating experience covering a range of advanced modalities and the breadth of services that we offer. Despite the challenging dynamics, the division closed the financial year with successful delivery of client projects, augmented research capabilities and expanded infrastructure to accommodate the next phase of growth. The division expanded its operations in Hyderabad with integrated chemistry and biology services enabling end-to-end service delivery – from discovery to preclinical – offered from the same location. The new automated compound management facility was commissioned to facilitate storage, profiling, and distribution of compounds, thereby improving efficiency and reducing time delays in projects. Syngene also acquired new capabilities such as oligonucleotide synthesis and enhanced its platforms such as SynTACs™ (targeted degradation), SARchitect™ (data analysis and virtual collaboration) and Syn.AI™ (AI-enhanced therapeutic R&D). SynVent™, Syngene's proprietary integrated drug discovery solution, continued to progress with a strong technical team working closely with functional teams.	Discovery Services has long been the mainstay of Syngene and as we celebrate 30 years, it continues to provide a strong foundation for the business and offer potential for sustained further growth. The drug discovery industry faced temporary headwinds this year, but the fundamentals remain strong with positive long-term growth indicators for outsourcing of research innovation. The Discovery Services division is positioned to service the market with the emphasis on digitization, automation to drive efficiency in the core functional areas of chemistry, biology and DMPK. Operations are designed to respond to market value drivers through clear market segmentation, thus strengthening our client value proposition. Operational excellence goes hand-in-hand with workflow design to gain competitive advantage in each client segment. The Company will maintain its investment commitment in differentiated, industry-leading drug discovery capabilities and platforms, leveraging the power of artificial intelligence and machine learning to reduce discovery timelines and costs.
Research – Dedicated centers		
Continue to build our current collaborations with Amgen, Bristol Myers Squibb (BMS), and Baxter through the dedicated facilities that we run on their behalf which provide a sound base for future planning, offering revenue predictability over the medium to long term, and ensuring stable cash flow.	Under the guidance of joint leadership teams, the dedicated centers delivered stable performance throughout the year and continued to play an important role in our clients' research and development strategies. Beyond the dedicated facilities, we have jointly identified additional opportunities to service our client requirements and cross-sell other discovery research services.	Recognizing the value of these partnerships and the potential opportunities ahead, we will leverage our customer-centric mindset to build the partnership. We will continue to invest in robust leadership, exceptional talent and cutting-edge technology to deliver exceptional science and facilitate the ongoing growth and expansion of these relationships.

Strategy	Progress in FY24	Looking ahead
Development and Manufacturing Services – small molecule		
Leverage existing capabilities including chemistry, manufacturing, and controls (CMC) solutions and commercial manufacturing services to provide integrated, end-to-end, development and manufacturing solutions to clients	The Company's integrated approach to CMC development operations (encompassing API development, formulation development and analytical services), clinical supplies and commercial manufacturing aligns our operations with the way our clients think about and outsource their commercial manufacturing requirements. Our small molecule manufacturing facility underwent a successful US FDA inspection this year. This achievement, along with our integrated clinical and manufacturing capabilities with a strong process development function for scale up activities, has positioned us to explore a wide spectrum of API clinical and commercial manufacturing projects. The small molecule Contract Development and Manufacturing Organization (CDMO) has witnessed traction throughout the year and expanded its facilities and capabilities. For drug substance manufacturing, the Company has commissioned an nGMP facility as part of the integrated CMC strategy. It has also launched a small molecule clinical animal health facility thus expanding its scope. The Company has also added a drug product capability with the newly launched injectable fill-finish facility. This provides greater flexibility, speed and end-to-end capabilities for clients to advancing the molecules in their pipeline.	The focus for the year ahead will be on driving operational effectiveness. The intention is to develop long term, enduring strategic partnerships with clients, particularly the large pharma segment. While delivering existing client projects, we expect to see an increase in the number of pilot projects in preparation for longer term contracts. In the medium term, the plant will manufacture key starting materials (KSMs) and regulatory starting materials (RSMs) which serve as foundational elements for APIs, primarily comprising simple chemical substances. Historically, China has been a dominant source for KSM and RSMs, however, with the emerging "China +1" dual sourcing strategy with customers, we intend to offer a second source, given our capability to produce these materials cost-effectively using our existing infrastructure.
Development and Manufacturing Services – large molecule		
Deliver an integrated service including biologics development and manufacturing, creating a one-stop shop with our ability to span from early drug discovery to commercial manufacturing.	Large molecule development and manufacturing services delivered strong growth during the year. The 10-year contract with Zoetis reached full capacity with delivery in line with the execution plan. As a result of this contract, almost all the existing mAbs manufacturing capacity was utilized. In December 2023, Syngene successfully completed the acquisition of a biologics manufacturing facility from Stelis Biopharma Ltd which, once operational, will add 20,000 liters of installed biologics drug substance manufacturing capacity. The acquired facility also includes a commercial scale, high speed, fill-finish unit – an essential capability for drug product manufacturing. Through debottlenecking and improving productivity measures in existing capacity, an increased number of batches were produced for other clients. In the biologics development laboratories, the focus was on piloting high-yielding cell lines.	The outsourced biologics manufacturing market is thriving, providing an opportunity to leverage our advantage in terms of capacity, skills and experience. With the added capacity, our focus will be to grow the base business and build a robust pipeline of customers to utilize the new assets in both human and animal health. The new facilities will be available for business in the second half of FY25. In addition to pursuing capability builds with respect to both technology and people, the Company will continue to build supply chain resilience to reduce costs and increase digitization by adding manufacturing systems and automation within the manufacturing operations.

Operational Excellence

Strategy

Drive operational excellence through improved productivity and efficiency to enhance customer delivery.

Progress in FY24

Over the last year, we have continued to make progress in strengthening our systems and processes and building our capabilities using Lean/Six Sigma, our approach to operational excellence, SQDECC (Safety, Quality, Delivery, Engagement, Cost, and Compliance), the Japanese concept of Kaizen as well as other excellence tools and methodologies.

In Discovery services, we optimized material costs to deliver savings while in small molecule development services, we have achieved global quality standards. The Mangalore manufacturing facility was approved by the US FDA with zero 483s. Separately, as a further milestone, the implementation of electronic lab notebooks for all science-based teams was completed during the year. Electronic lab notebooks increase accuracy, reduce human error and improve traceability for clients.

Within the large molecule CDMO, operational excellence initiatives included: introduction of electronic batch records, inventory management & planning, and automation of manufacturing processes, adding important capabilities for manufacturing.

During the year, operational excellence efforts were recognized by several forums including CII (Confederation of Indian Industry) national competition, QCFI (Quality Circle Forum of India) and ASQ (American Society for Quality).

Looking ahead

Excellence is one of our core values and a daily concern for leaders at all levels. We will continue to educate all new joiners in white belt Six Sigma practices to drive a mindset of efficiency across the Company. Our use of Japanese management techniques such as Kaizen (the sourcing of ideas from employees) and Gemba walks (the practice of reviewing activities by engaging with employees on the front line) ensures that we have a steady flow of insights which can be used to improve efficiency and re-engineer processes. In addition, we will continue to invest in digitization and automation to increase speed, reduce costs and eliminate human error from core processes.

Strategy	Progress in FY24	Looking ahead
People		
Build a high-performance organization based on structured career progression to retain talent while implementing succession planning for all key roles to mitigate the risk associated with skill and experience gaps.	The Company made significant progress towards its strategic objectives of implementing effective succession planning and fostering a high-performance organization. Thorough talent reviews were conducted for all divisions and essential functions. These sessions facilitated the identification of employees with high potential at various levels in the Company providing the basis for personalized development programs to prepare them for future opportunities. The Company is also collaborating with external partners to map talent outside the organization ensuring a broad approach to succession planning drawing on both internal and external candidate pools. With the launch of "My Future Plan", Syngene has transformed its approach to performance management and personal development. This program encourages employees to proactively manage their career paths by facilitating discussions around their goals, performance, and personal aspirations. The annual Employee Experience survey unveiled important insights into employee needs and expectations, serving as the foundation for targeted action plans aimed at enriching the employee experience, enhancing engagement levels, and promoting a culture geared towards high performance.	As we move forward, the Company will implement strategic succession planning that extends beyond leadership roles to include all business-critical positions within the organization. This initiative will include clear career pathways for each individual and a comprehensive mapping of internal and external talent. Underpinning a commitment to refreshing the organizational culture and values to build a stronger sense of inclusion and celebrate diversity, we plan to shape a cultural shift to enrich our workplace, attract top talent and align closely with global partners and clients. To enrich our talent pool and foster innovative collaborations, the Company will strengthen its partnerships with leading universities and business schools. These collaborations will bring fresh perspectives into our research and operational strategies while offering a conduit for the inflow of new talent.
Environmental, Social and Governance		
The Company is committed to operating in a responsible and sustainable manner to underpin its growth ambitions, attract top talent and ensure that our ESG standards are aligned with the expectations of our clients and other stakeholders.	A key element of our ESG roadmap is our commitment to reducing our greenhouse gas emissions to make our contribution towards mitigating climate change. In FY24, we committed to science-based targets (SBTi) which will include identifying mitigation measures to reduce our Scope 1 and 2 greenhouse gas emissions by 50% by 2033. For our Scope 3 targets, we committed to a five-year supplier engagement target to ensure that suppliers representing 67% of emissions generated in the Scope 3 also make a commitment to SBTi targets. During the year, we also set 5-year targets in each of the material topics identified by external stakeholders in the materiality assessment conducted in 2021.	Operating safely and responsibly lies at the heart of Syngene's culture. As Syngene continues to grow and expand into new areas of research, development, and manufacturing services, we remain committed to taking full advantage of new technology and innovative thinking to manage the impact of our operations on the environment and the communities in which we operate. Our SBTi commitment is part of our strategy to secure sustainable growth for the company. The Company will also continue its efforts to ensure equal opportunities for men and women while extending its activities in diversity, equity and inclusion to other groups. We recognize the importance of working with key vendors who are essential to client delivery and we believe that raising their ESG performance will increase the resilience of our supply chain. The standards that we set for suppliers are a key part of our governance activity and we will continue to work closely with these vendors to promote sustainability and ESG best practices.

Our services

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
Biology, DMPK and Pharmacology	**Target ID** - Pathway analysis - Omics - Knock-in / knock-out	**In vitro assays:** - Biochemical - Orthogonal - HTS Formats	**In vitro assays:** - Cellular mechanistic - Cellular functional - Relevant off-target(s) **In vitro ADME assays:** - Protein binding - Metabolism - CYP inhib/induct	**In vivo assays/studies:** - PK (R/NR) - PD, PK/PD - Efficacy	**Later translational:** - PK/PD/efficacy - Refinement of patient selection hypothesis - Biomarkers
	Hypotheses: - Therapeutic - Mechanistic - Target engagement		**Research Operating Plan:** - Assay priority - Key studies - Critical path	**Hypothesis:** - Patient selection	
Synthetic, Medicinal and Analytical Chemistry	**HTS/DEL/fragments/virtual screening** - Library design/synthesis/maintenance - Hit validation, resynthesis - Series qualification, prioritization		**Optimization:** - Biochem/cell potency - Selectivity - Phys/chem properties - In vitro/vivo tool cmpds	**Optimization:** - Tgt optimal h-profile - Candidate selection - Backup strategy	
Safety Assessment			**In vitro Safety:** - hERG - Ion channels	**Tax-suitable Formulation (maximize exposure)**	DRF tox (R/NR) Bioanalysis GLP tox (R/NR) GLP bioanalysis
Computational and Data Sciences Iterative data analysis and interpretation, models, hypothesis generation					

Syngene SYNVENT - FULLY INTEGRATED THERAPEUTIC DISCOVERY

Dedicated R&D Centers

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

- **Amgen**
- **Baxter**
- **Bristol Myers Squibb**

Development and Manufacturing Services

Small Molecules

	Developability assessment	Development phase	Clinical phase (Phase I / Phase II / Phase III)	Registration/process validation	Commercial batches
Safety assessment	Early PK, MTD/DRF studies, exploratory tox	- 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** - NDA enabling studies: sub-chronic and repro-tox studies - Local tolerance study **Phase-III** - Chronic and carcinogenicity study		
Chemical development and manufacturing	- Route scouting - Process safety evaluation - Scalability	- Fit for purpose process dev - Material supply - Impurity identification - Enable and scale - Tox material delivery	- Process development, robustness and safety study - Unit operation studies - Impurity synthesis & characterization - DS clinical batch supply	Process DOE, QBD and scale-up studies - Process risk assessment - FMEA analysis - Registration and process validation batches manufacturing	- Commercial batches manufacturing and packaging
Formulation development and manufacturing	- Pre-formulation - Salt polymorph screening - Excipient compatibility	- Solid oral and injectable dosage forms - Enabling formulation technologies	- Clinical Supplies for all phases - FIH formulation for phase I/IIa - Final dosage form for phase IIb/III and onwards		
Analytical services	- Methods for pre-formulation and bio-analytical	- Methods for intermediate, Final DS, DP - Forced degradation studies - Solid state characterization	- 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 characterization	- Robustness of analytical methods and full validation as per ICH	- Stability study of commercial batches
Stability services	Selection of suitable container closure system & packaging	- Development stability studies	- ICH stability for all phases - Shelf-life estimation - Re-test extension	- Stability study of registration/ process validation batch	- Stability study of commercial batches
Clinical development			- 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 (Phase I / Phase II / Phase III)	Registration/process validation	Commercial batches
Process and analytical development	- Cell line development / selection - Process screening - Process characterization	- Clone to GM - Upstream process optimization - Viral clearance studies	- Process DOE, robustness and safety study - Unit operation studies - Impurity synthesis and characterization - DS clinical batch supply (non-GMP clinical & GMP) - CMC and regulatory support - Method development and testing	- Process risk assessment - FMEA analysis - Tech transfer package	- Commercial batches manufacturing and packaging technical support
Scale-up and QC/QA	- Methods for pre-formulation and bio-analytical	- Methods for intermediate, final DS, DP - Critical to quality parameter identification - Forced degradation studies	- Clinical phase process development and supply - Specifications for DS and DP - In process and finished product analysis - Viral clearance studies - Packaging and ICH storage stability and shelf-life estimation	- Three Lot testing and equipment validation - Cleaning validation studies - Pre-audit preparation	- QC/QA analysis & release of commercial product w/ COA - Stability analysis - Root cause Investigation and CAPA management
Commercial production and supply chain	- Early screening of asset capability and capacity	- Capacity utilization planning	- Late phase clinical supply using manufacturing scale equipment - Supplier identification - Waste management plan - CAPEX requirement identification	- Supplier qualification - Pre-audit preparation - Protocol documentation - Master batch record development - Operation training	- Sales and operations planning - Delivery / logistics - Customer and regulatory audits - Process improvement and Regulatory filing updates

Regulatory support

Operating environment

Understanding market trends and their impact

In 2023, the global human pharmaceuticals market by revenue was valued at USD 1.5 Tn and is forecast to grow at a 6% compound annual growth rate (CAGR) over the next five years, reaching USD 2.0 Tn[1]. The animal drugs market is expected to grow at a similar rate of approximately 6% over the next five years, increasing from USD 48 Bn in 2023 to around USD 65 Bn in 2028[2]. More than 90% of Syngene's revenue is driven by the pharmaceutical segment. As the pharmaceutical market expands, the demand for outsourced research, development and manufacturing to third-party vendors will rise driven by the increasing complexity of therapies and the emergence of small and medium-size biopharmaceutical companies.

The global pharma contract research development and manufacturing organization (CRDMO) industry was pegged at ~USD 107 Bn in 2023. As part of this, the CRO industry was valued at ~USD 25 Bn and the CDMO market (small molecule and biologics) was valued at ~USD 82 Bn. Going forward, the CRO industry is expected to grow at ~13% CAGR, while the CDMO industry growth is expected to accelerate to ~15% CAGR over 2023-28, implying ~15% growth for the overall CRAMS/CRDMO industry over the same period.

In the following section, we analyze the key trends shaping the CRDMO landscape and their impact on our operations.

[1] Frost and Sullivan prescription drugs sales

[2] Zoetis Company website and presentations

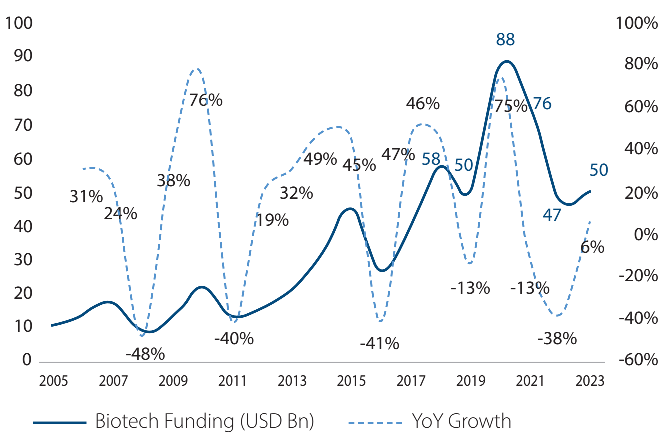
Sustained investments in pharmaceutical R&D

Over the past decade, global pharmaceutical market revenue grew at a CAGR of 4%, while R&D spending surged ahead at a 7% CAGR[3]. Big pharmaceutical companies recorded a 6% CAGR in R&D spending, with nearly a 50% increase over the last 5 years alone from USD 115 Bn in 2018 to USD 168 Bn in 2023[4]. The global R&D landscape remains robust with over 5,500 pharmaceutical companies actively engaged in building R&D pipelines as of 2023, featuring over 21,000 drugs[5]. As research activity continues to rise, the demand for outsourced services remains strong. Moreover, big pharmaceutical companies have increasingly embraced outsourcing in the wake of the pandemic, recognizing the benefits of externalizing their innovation efforts during site lockdowns.

Implications for Syngene

Our advanced scientific capabilities, state-of-the-art infrastructure and world-class quality standards position us as a trusted partner for providing innovative R&D solutions. Our commitment to consistently deliver reliable services to our clients has laid solid groundwork for establishing strategic collaborations. As we continue investing in new technologies and modalities while also driving digitization and automation across our operations, we anticipate benefiting from the ongoing trend of pharmaceutical sponsors seeking to outsource their R&D projects, especially to agile partners. Overall, Syngene services around 400 clients including 14 out of top 20 big pharma companies.

Biotechnology funding levels normalizing from a pandemic-driven high



US Biotech funding trend[6]

The unprecedented funding into the biotechnology sector during the pandemic period (2020/21) significantly boosted outsourcing of research projects. However, changes in the macro-economic environment have prompted a return to normalized levels, leading to a slowdown in outsourcing, particularly for early-stage research services.

This cyclical trend mirror patterns observed over the last two decades, with peaks and troughs around a long-term upward trajectory. Despite this normalization, biotechnology funding remains robust, with 2023 levels comparable to pre-pandemic figures from 2019 and exhibiting a long-term CAGR of 6%. While 2022/23 has been challenging for biotech funding, Jan to March 2024 funding levels were the highest in previous 14 quarters, similar to funding levels in 2020/21. While the sustainability of the recovery in biotech funding remains uncertain, the growth over the long term indicates that biotechnology could be one of the most attractive investment destinations for capital, with a trajectory that has accelerated over the last decade.

Implications for Syngene

The recent slowdown in biotechnology funding dampened the demand for CRO services, impacting our Discovery Business in FY24. While this challenging financing landscape predominantly affects smaller biotechnology companies in the US, major pharmaceutical firms in the US, Europe, and UK remain relatively shielded, ensuring sustained demand from these clients. Despite the short-term downturn, the long-term industry fundamentals for our Discovery Business remain robust. We anticipate stabilization in demand growth from small- and medium-sized biotechnology clients based in the US from second half of FY25, as the funding environment normalizes, the initial signs of recovery are already emerging.

[3] Capital IQ

[4] Capital IQ and company filings

[5] https://www.statista.com/topics/6755/pharmaceutical-research-and-development-randd/#topicOverview

[6] Analyst reports

India's increasing attractiveness as a sourcing destination

The pandemic underscored the fragility of supply chains prompting the pharmaceutical industry to prioritize dual sourcing and supply chain diversification for enhanced resilience. Against this backdrop, India has emerged as a favored outsourcing destination, attributed not only to cost advantages but also supportive government policies. Additionally, India boasts a rapidly expanding network of world-class infrastructure and a robust pool of highly qualified scientists proficient in English, empowering Indian CROs to innovate and deliver value-added services beyond mere cost arbitrage.

Implications for Syngene

As a leading player in the Indian market with extensive partnering capabilities and almost three decades of industry experience, India's increasing attraction as a sourcing destination presents a significant opportunity for our organization. Our ability to efficiently deliver world-class scientific solutions remains central to our value proposition. Moreover, our strategic presence in talent-rich cities like Bangalore and Hyderabad ensures a steady influx of skilled resources to support our growing operations. Our ongoing investments in cutting-edge capabilities and capacity expansion reinforce our commitment to meeting evolving client needs.

Increasing preference for integrated service providers

In today's landscape, sponsor companies are gravitating towards integrated service providers for their research, development, and manufacturing needs, seeking to consolidate their outsourcing efforts rather than engaging multiple vendors. Embracing an end-to-end collaboration model facilitates seamless technology and knowledge transfer, expedites time to market and enables greater control over projects. The collaboration, coupled with the outsourced partner's expertise in navigating regulatory frameworks, minimizes the risk of compliance setbacks.

Implications for Syngene

As an outsourcing partner offering both CRO and CDMO capabilities, we are strategically positioned to capitalize on the growing demand for integrated services. Our continued focus on building expertise across the value chain, from research through to development and manufacturing, is enabling us to provide comprehensive support to clients, facilitating seamless molecule lifecycle management and speed to market. Further, our integrated CRDMO approach aligns closely with the value chain of our clients, fostering synergy and resilience within our business. Additionally, we are leveraging fit-for-phase drug development and manufacturing strategies to shorten the make-test cycles and enhance our position as strategic partners.

Growing demand for biologics CDMO services

The global pharmaceutical market for human health is shifting towards large molecule drugs and expected to grow at a 12% CAGR from 2022 to 2026, contrasting with 2% for small molecules[7]. This shift is driven by the expanding biologics pipeline, evident in the rise of biologics' FDA approvals from 32% in 2021 to 37% in 2023. Consequently, demand for biologics manufacturing capacity is rising at a 9% rate, but only 2% will be met by in-house expansions[8]. Moreover, while emerging biopharmaceutical companies dominate the R&D pipeline, they often lack the infrastructure and in-house capabilities for development and commercialization, leading to a heightened reliance on outsourcing for these services.

Implications for Syngene

Our regulator-approved infrastructure and capabilities position us to meet the growing demand for biologics CDMO services. The recent acquisition of a biologics manufacturing facility, featuring 20,000 liters of installed biologics drug substance manufacturing capacity and a high-speed commercial-scale fill-finish unit, further strengthens our position as a leading biologics CDMO service provider. This facility is scheduled to commence operations in second half of FY25, following completion of facility upgrades and validation.

Impact of the US Inflation Reduction Act (IRA)

Enacted in 2022 and effective from 2026, the IRA aims to curb healthcare costs in the US and including through price negotiations for small molecule drugs within US Medicare. While the implications of this Act are still unclear, the legislation will prompt a shift in R&D portfolio priorities for pharma companies, potentially reallocating budgets towards non-small molecule drugs. The difference in the protected economic return period between small molecule drugs and biologics may drive adjustments in investment strategies within the industry's R&D pipelines. Additionally, the IRA's effect on the economics of small molecule manufacturing may lead to an increase in outsourcing, especially when additional capital investment for small manufacturing by pharma companies is required.

Implications for Syngene

With the implications of the IRA still uncertain, we are closely monitoring the situation. Nonetheless, we have confidence in our twin-engine strategy, which emphasizes both research services and development and manufacturing services, and in our capability of partnering across both small and large molecules. This approach reinforces our standing as a comprehensive partner, providing resilience to navigate potential shifts in client demands and industry dynamics.

[7] Frost and Sullivan prescription drugs sales

[8] Bernstein – Global CDMOs: Biomanufacturing supply-demand estimates

Message from our **Chairperson**

Dear Shareholders,

I am pleased to report that our Company was able to achieve steady growth and material progress on our strategic agenda, despite the headwinds coming from a challenging financing environment within US biotech, as well as the volatility thrown up by geopolitical dynamics. Our broad spectrum of discovery, development and manufacturing capabilities, combined with the strategic investments that we have made in recent years, contributed to our resilience. Across the board, we remained focused on delivering projects reliably to clients while ensuring compliance with the demands of global regulators.

We celebrated the 30th anniversary of the founding of the Company in November 2023. When Syngene was founded with a handful of scientists in Biocon campus, the vision was to build a research and development organization capable of delivering leading edge scientific innovation for global clients. Today, that vision is a reality. Our client list is the envy of the sector including some of the largest and most innovative biotechs and big pharma companies which, in their respective spheres, are leading innovation for people and patients everywhere. We also provide innovative solutions to clients in the animal health, nutrition, consumer goods, and specialty chemical sectors, earning us a reputation for delivering patentable ideas that improve efficacy, efficiency, speed and cost.

Our company's financial performance was resilient for the fiscal year ending March 31, 2024. Revenue from operations was up 9% to Rs 3,489 Cr (USD 418 Mn) resulting in profit after tax, before exceptional items, up 12% to Rs 519 Cr (USD 62 Mn).

A highlight of the year was the acquisition of a biologics manufacturing facility from Stelis Biopharma Ltd giving the Company capacity to grow in an expanding market. The facility, which will be highly automated and benefit from a dedicated onsite quality control facility, will be operational in the second half of the current fiscal year.

I am equally pleased to report a significant milestone in our non-financial performance with our commitment within the ESG strategy to 10-year Science-Based Targets (SBTi) which will involve the reduction of greenhouse gas emissions across all operations and an expectation from our suppliers that they will play their part in reducing their greenhouse gas emissions as well.

We continued to invest in our communities through meaningful Corporate Social Responsibility (CSR) initiatives. This year, the Company contributed to the funding of the construction of the IISc Post Graduate medical school and hospital in Bangalore. We also contributed to the new Bangalore metro which will help alleviate the traffic situation around our Bangalore campus as well as enable many more people to benefit from efficient mass transport. As part of our focus on science education, we significantly extended our science quiz, Synquizitive to mark our 30th anniversary. This year some 7,500 students took part from 150 schools in Bangalore, Mangalore and Hyderabad.

Our company's financial performance was resilient for the fiscal year ending March 31, 2024. Revenue from operations was up 9% to Rs 3,489 Cr (USD 418 Mn) resulting in profit after tax, before exceptional items, up 12% to Rs 519 Cr (USD 62 Mn).

Our employees are at the heart of the work that we do and we continued to invest in their professional growth and overall well-being. Under the leadership of our CHRO, we started updating our employment policies to ensure that they align with the best in the industry and reflect the way our employees want to work today.

In closing, I would like to express my gratitude to all Syngene employees for the contribution they make for our clients and for people, animals and patients everywhere. I would like to recognize the strength of the executive team for achieving important strategic milestones, while managing a complex external environment. As ever, I am indebted to our Board members for their sound counsel and unwavering support throughout the year. Lastly, I extend my gratitude to our clients, shareholders, and all other stakeholders for their trust in Syngene.

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

Kiran Mazumdar-Shaw
Non-Executive Chairperson

Message from our **Managing Director & Chief Executive Officer**

Dear Shareholders,

I am pleased to report another successful year of scientific innovation and share the progress that we have made. In a difficult year for the whole sector, the Company has continued to grow and pursue our strategic goals to sustain future success.

For three decades, our skilled scientists have used the latest technology to push the boundaries of innovation and deliver impactful solutions for clients to enable them to achieve more targeted results, faster, at reduced cost.

Celebrating 30 years of scientific excellence

I was delighted to lead our celebration of three decades of scientific excellence this year. Throughout this journey, we have pushed the boundaries of innovation and delivered impactful solutions to clients from a range of sectors including pharmaceuticals, biotechnology, nutrition, animal health, consumer goods and specialty chemicals.

Over the years, we have built up our campus in Bangalore from our roots in discovery science to include the development and manufacturing services that we have today, while adding two additional campuses in Mangalore and Hyderabad for commercial manufacturing and discovery research respectively. Today, these investments mean that we can offer a broader range of integrated services than most other contract research, development and manufacturing organizations (CRDMOs) gaining valuable time and efficiency for clients.

We have invested widely in technology recognizing its potential to reshape and enhance research and development processes: we have a fully digitized Quality system; and we have completed a program to introduce electronic lab notebooks for all science-led teams across the company. Leveraging advances in computational and data science as well as automation in discovery research, we have enabled clients to achieve more targeted results, faster, thereby reducing project costs. In our laboratories, our adoption of new technologies such as PROTACs, cell and gene therapy, antibody drug conjugates and oligonucleotides has further enhanced our capabilities.

Syngene's client-centric ethos has fostered numerous enduring partnerships, exemplified by the 10-year manufacturing agreement signed with Zoetis in FY22. Furthermore, our Dedicated Centers, have served as the cornerstone for long-term collaborations with Amgen, Bristol Myers Squibb (BMS), and Baxter, underscoring our commitment to cultivating close alliances that transcend conventional project-based models.

Strategic choices: rebalancing our business

We made the decision several years ago to forward integrate into the development and manufacturing segments of the value chain creating a balanced business with two growth engines: contract research services (CRO); and contract development and manufacturing (CDMO) for small and large molecules. This approach enables us to cater for diverse customer requirements and expedite product delivery to market.

Highlights of the year included:

- The acquisition of the biologics manufacturing facility from Stelis Biopharma Ltd offering additional capacity for large molecule drug substance and drug product manufacturing
- Commissioning of a facility for purifying and separating chiral and Highly Potent APIs. By integrating purification and separation in-house, we offer clients a seamless journey from initial synthesis to final purification

- Commissioning of a digitally-enabled quality control laboratory to complement the new biologics manufacturing site. Leveraging advanced technology, this facility will optimize operational efficiency and uphold the highest standards of quality and traceability in our manufacturing processes
- Commissioning of a centralized compound management facility in Hyderabad to serve as a central storage facility for all compounds synthesized by Syngene
- The acquisition of 17 acres of land in Genome Valley, Hyderabad, to accommodate future growth

Maintaining standards

Upholding global quality standards is a key element of our license to operate, so we were pleased to receive US FDA approval for the API manufacturing facility in Mangalore in July 2023 to add to the approvals from the US, European and UK regulatory authorities for our biologics facilities in the previous fiscal year. We also completed 87 onsite client and regulatory audits during the year.

In recognition of our drive for excellence, the Company was identified as one of 'India's Best Managed Companies' by management consultant, Deloitte India.

Future opportunities

Looking ahead, we are encouraged by the positive signals in the global outsourcing markets: the funding for US biotech companies has resumed, having dipped in the period following the pandemic. Many small and medium-size biotechs choose to outsource their research and development so, with their funding in place, we expect to capture our share of their projects in the second half of the current fiscal year.

Among large corporations we are seeing a shift towards de-risking supply chains through dual-sourcing and in some cases, a desire to reduce dependence on China. We believe Syngene will be able to capitalize on this opportunity as India emerges as an attractive supplementary outsourcing destination.

Drawing this review of the year to a close, I would like to thank my Syngene colleagues for their contributions over the past 12 months. I have valued the guidance of our Board and the support of shareholders and stakeholders in ensuring that we stay true to the long-term vision for the company. I believe that the year ahead will mark the start of a new phase of growth for our company and I am confident that we are well positioned to be successful.

Jonathan Hunt
Managing Director & Chief Executive Officer

The commissioning of a digitally-enabled quality control laboratory to complement the new biologics manufacturing site will optimize operational efficiency and uphold the highest standards of quality and traceability in our manufacturing processes.

Inauguration of the land acquired in Genome Valley, Hyderabad

Central Compound Management (CCM) facility in Hyderabad

Message from our **Executive Director and Chief Financial Officer**

Dear Shareholders,

2023/24 was a year of resilience and adaptability for Syngene and for the contract research, development and manufacturing services (CRDMO) sector as a whole. A challenging funding environment for biotech and reprioritization of pipeline projects by some large pharma clients impacted our discovery research division. Nonetheless, the Company navigated through these challenges with flexibility and resilience. Our robust business model, diversified across the Contract Research Organization (CRO) and Contract Development and Manufacturing Organization (CDMO) segments, coupled with a sharp focus on execution, facilitated the achievement of key strategic objectives. The Company reported 9% year-on-year growth in revenue from operations and 12% growth in Profit After Tax, before exceptional Items.

Our robust business model, diversified across the CRO and CDMO segments, coupled with a sharp focus on execution, facilitated the achievement of key strategic objectives.

As we start the new fiscal year, we have seen early indications of recovery in US biotech funding. The industry fundamentals remain strong and there is a growing trend in outsourcing of R&D activities with geopolitical factors influencing client supply chain preferences. Consequently, we remain optimistic about the long-term growth potential. We believe that our integrated business models and available capacity puts us in a strong position to capture our share of the upturn in biotech spending and expanding demand in due course.

In the past year, the growth was primarily driven by a strong development and manufacturing services performance which grew 26% year-on-year. We made good progress on our long-term partnership with Zoetis and achieved the run rate of USD 50 Mn per annum which is the basis for our manufacturing contract for the drug substance for Librela. The dedicated centers delivered a steady performance contributing to a flat result for the Research Services division as compared with the previous year. Overall, the share of development and manufacturing services has increased from 35% in the previous year to approximately 40%.

We continued investments in our capabilities and infrastructure to build a strong base for the future. Notable amongst these was the acquisition of biologics manufacturing facility from Stelis Biopharma Ltd. Anticipating continuing growth in Research Services, we acquired 17 acres of land in Genome Valley, Hyderabad, in proximity to our existing campus.

Overall, we had a strong start to the year which moderated in the third and fourth quarters resulting in a slower second half of the fiscal year. However, we continued to manage costs and investments proactively with Operating EBITDA growing at 9% with a margin of around 29%, approximately the same as the previous year.

Cost and Margin Overview

The cost of raw materials increased by 8% for the full year in line with the growth of the business. The overall material cost-to-revenue ratio now stands at around 27% of revenue from operations (similar to last year). With our CDMO business generating an increasing share of our revenue, our material cost-to-revenue ratio increased. However, as we mature as a CDMO business, we have driven more efficiency and material cost utilization. These factors offset each other and material costs to revenue remain broadly at the same level as the previous year.

Employment costs for the year increased by 8% on account of annual increments. Overall employee cost-to-revenue ratio stands at around 28% of revenue from operations in line with the previous year. During the year, we slowed down our recruitment to take account of the overall slowdown in discovery research and recruited only for the specialist roles. As a consequence, we ended the year with a lower headcount compared to the previous year resulting in lower costs, partially offset by the annual salary increments.

Other direct costs which primarily include power and utility costs reduced by 5%. Throughout the year, the Company reaped the rewards of its investments in renewable energy, which not only positively impacted the cost of energy supply but also contributed significantly to advancing environmental commitments through the reduction of greenhouse gas emissions. In FY24, we generated 82% power from renewable sources against 75% in FY23. Other operating expenses increased by 18% on account of increased repair and maintenance costs, administrative and selling expenses. We invested behind commercial activities in response to increased customer interest. We also continued to invest in digitization, automation and technology advancements which we believe will give us the edge to operate at world-class standards.

Depreciation and amortization expenses for the year increased by 16% reflecting capex additions. Finance costs increased by 4% reflecting higher interest rates in the year as well as the interest component of lease rentals, partially offset by reduced interest expense due to repayment of external commercial borrowings (ECB) debt during the year.

Operating EBITDA grew by 9% with a margin of around 29%, approximately the same as the previous year. Operating EBIT margin came in at 17% versus 18% in the previous year. Other income increased by 28% during the year. This is partly attributed to the Rs 16 Cr interest received from an income tax refund and partially offset by lower interest income as our cash balance reduced due to the Stelis acquisition and repayment of debt.

Reported profit after tax growth before exceptional items was 12%. Adjusted for the two tax-related one-offs: the tax provision reversal in the fourth quarter; and interest income tax refunds, the profit after tax grew by 4%. PAT after the exceptional item relating to the acquisition of the biologics manufacturing site, expenses grew 10% year-on-year.

The effective tax rate for the year was at 17.9% compared to 21.8% in the previous year benefiting from the tax provision reversal of Rs 23 Cr on account of a favorable tax assessment received during the year. Adjusted for that, the underlying tax rate for the year is around 21.5% for the year. Going forward, the tax rate is expected to increase as more units come out of SEZ tax benefits in the coming years.

Navigating currency volatility

The Company serves clients across multiple countries, with the majority of revenue generated in foreign currencies. In addition, the Company faces exposure to foreign exchange risks due to its various operations and transactions. As a result, hedging plays a crucial role in Syngene's strategy to manage the risks stemming from exchange rate fluctuations. The Company implements hedging measures for receivables in accordance with the Board-approved foreign exchange policy.

The year was marked by depreciation of the Rupee against the Dollar. The average USD to Rs conversion rate realized during the year was Rs 82.91 – higher than the hedge rate

Throughout the year, the Company reaped the rewards of its investments in renewable energy, which not only positively impacted the cost of energy supply but also contributed significantly to advancing environmental commitments through the reduction of greenhouse gas emissions. In FY24, we generated 82% power from renewable sources against 75% in FY23.

at Rs 81.56. As a result, the Company booked hedge losses. During the year, the Company registered a foreign exchange loss of Rs 558 Mn as compared to a loss of Rs 418 Mn in the prior year.

Investing in the future

We executed USD 55 Mn of capex during the year, primarily directed towards adding new capabilities and capacity in our research business. Around 60% of this was invested in research services including buying the land in Hyderabad as well as the investment made in an automated compound management facility and the DMPK biology lab for integrated small molecule studies.

Around 30% was invested into development and manufacturing including support infrastructure such as a quality control lab and a testing laboratory for biologics manufacturing and additional capabilities for the small molecule business. The remaining 10% was invested in common infrastructure including digital technological advancements.

Strong balance sheet

A strong balance sheet lies at the core of the Company's financial strategy. As intended, the Company sustained a resilient balance sheet and upheld a solid liquidity position.

Our net cash flow generated from operating activities for the year was strong at Rs 1,042 Cr which fully funded the capex and acquisition of the biologics manufacturing plant whereby our net cash in the business was maintained at about Rs 900 Cr, a similar level to the previous year. This reflects the underlying strength of our business as well as our ability to exert strong financial control.

Future ahead

We expect stronger growth in the new fiscal year from both the research and CDMO segments of the business. The return of US biotech funding along with our investments in capacity and capability will provide the momentum for growth. Moreover, the current macro scenario, increased outsourcing of research & development, shifting geopolitics and strong fundamentals will drive the growth in the long term. Given the nature of the model of dedicated centers, we expect them to deliver at a sustained pace.

In development and manufacturing, we will focus on building pilot projects as these hold the key to future contracts. Overall, we expect revenue growth in fiscal year 2025 with the second half being stronger than the first half. We expect the EBITDA margin to be similar to the level delivered in fiscal year 2024 and PAT growth in single digits.

As demand picks up in the year ahead, we will continue to strategically invest in areas that strengthen our position as a leading integrated provider of research, development and manufacturing services. We will continue to add new niche capabilities that position us as an integrated, differentiated and valued service provider for our clients.

In closing, I want to thank our shareholders for their ongoing support of the Company. We are proud of what we have accomplished and we look forward to continuing to work together to build a successful future.

Sibaji Biswas

Executive Director & Chief Financial Officer

Our net cash flow generated from operating activities for the year was strong at Rs 1,042 Cr which fully funded the capex and acquisition of the biologics manufacturing plant.

Discovery Services

Integrating discovery research

Significant strides were made on our growth and innovation journey with the addition of world-class capabilities and enhanced capacity to support the scale and diversity of our research activities.

The Company celebrated 30 years of scientific excellence in November 2023. Initially founded on synthetic and medicinal chemistry, its scope was steadily broadened to foster integrated innovation across multiple therapeutic areas and modalities. From addressing simple research problems, today the Company partners with some of the world's leading scientists in solving complex challenges and consistently delivering world-class solutions.

Aligned with our clients' requirements for innovation delivered with speed and efficiency, Discovery Services leverages cutting-edge technology and automation to deliver accuracy and traceability to every project. SynVent™, our platform for integrated drug discovery from target validation to preclinical development, encompasses traditional small molecules, biologics and antibody-drug conjugates, and targeted protein degradation. In addition, our AI platform, Syn.AI™, accelerates innovation by analyzing vast datasets, identifying effective means of targeting diseases at the cellular and molecular level and optimizing molecular properties for successful drug development.

We continue to invest in research infrastructure to accommodate growth and additional capabilities. New facilities have been commissioned on our main campus in Bangalore.

Progress in FY24

Despite softer demand for CRO services, we sustained our excellent track record in scientific accomplishments and project delivery to meet of client expectations. After experiencing high levels of funding during the pandemic years, funding declined during the year. In the early months of fiscal year 2025, funding is returning to the biotech sector. Since biotechs often outsource their research and development activities – with funding in place – we expect to capture our share of this activity in the second half of the current fiscal year.

Scientific achievements

Among highlights for the year, the generation of four potential drug candidates in the biologics space demonstrates our agility and expertise in delivering solutions. Additionally, the successful completion of proof-of-concept studies for multiple clients positions Syngene favorably for larger projects in the year ahead.

In the field of animal health, we continued to deliver innovative solutions. Unlike human health, animal health presents a range of species-specific challenges, with variations in protein structures significantly affecting treatment effectiveness. Our animal health workflows in Syn.AI™ enable us to translate human biology to data-driven hypotheses in animal species as part of repurposing of human targets and therapeutics for animals.

Other innovation included projects to apply Syn.AI™ beyond life sciences by delivering effective solutions for rational design of better, sustainable fuels, extending our predictive modeling expertise into the energy sector.

Land purchase in Hyderabad

A 17-acre land parcel was purchased in Genome Valley, Hyderabad, as an extension to our existing research campus. This expansion gives us the headroom to grow over the next decade. Construction of new facilities on the acquired land is scheduled to commence in 2024, following the necessary statutory approvals.

Discovery Chemistry

Interest in small molecule-adjacent modalities like peptides and oligonucleotides is on the rise, driven by a broader industry trend to explore diverse biological targets for therapeutic intervention. We continued to build on our capabilities in this area to meet this growing demand. We also strengthened our expertise in induced proximity with a focus on both targeted degradation and stabilization. With over 500 scientists dedicated to this field alone, we stand out as having one of the largest and most experienced teams in the industry.

Discovery Biology

Aligned with the growth of Discovery Chemistry services in Hyderabad, we initiated specific Discovery Biology services in the same location, including assay biology and drug metabolism and pharmacokinetics (DMPK). This reflects our broader strategy to co-locate essential capabilities for early-stage drug discovery. By providing these services in one place, we not only meet the fundamental needs of the drug discovery process but also address industry demands for speed, cost-efficiency, and quality. With the addition of an automated Central Compound Management facility, these elements position Hyderabad as a center of excellence for small molecule discovery.

- **Commissioning of Automated Central Compound Management Facility:** Syngene's automated central compound management (CCM) facility was created in collaboration with the Hamilton Company[1] (Switzerland) and is a first-of-its-kind in India. This state-of-the-art facility acts as a repository for all compounds synthesized by Syngene. The CCM can store between half to one Mn compounds in controlled environments. The CCM is integrated with the Titian Mosaic[2] software to provide inventory management, compound tracking, and secure web access for our partners. The fully automated CCM facility will increase efficiency, improve sample quality, and decrease project timelines. More importantly,

[1] Hamilton Company specializes in the development, manufacturing and customization of precision measurement devices, automated liquid handling workstations, and sample management systems.

[2] Titian Mosaic is a lab sample management software for tracking and ordering all types of samples with extended automation integration capability.

assay-ready plates for DMPK and assay biology will be prepared in this facility through state-of-the-art automated liquid handling systems, enhancing precision and accuracy of data. All compounds and plates will be barcoded for ease of tracking.

- **DMPK and assay biology automation:** In the highly competitive DMPK services marketplace, our in vitro ADME (absorption, distribution, metabolism and excretion) laboratory in Hyderabad features precision robotics and advanced bioanalytical tools to significantly increase our capacity, improve quality and reduce assay turnaround times. In parallel, the assay biology labs were upgraded to include the latest technology to support biochemical and cell-based assays.
- **Advanced science:** Working at the leading edge of science, discovery teams completed induced pluripotent stem cell-derived assays, 3-D spheroidal cancer assays and multiple in vivo disease models. On the innovation front, our scientists generated a proprietary hERG cell line to look at off-target effects of drugs and created a proprietary llama antibody library for rapid identification of antibodies that bind to specific molecular targets implicated in disease. Other significant discovery work includes the creation of two proprietary bispecific antibody platforms to offer to our clients. We also improved our therapeutic antibody discovery efforts to increase success rates and decrease turnaround time and we successfully discovered and characterized two therapeutic antibodies for our clients which are currently in IND-enabling stages.

Safety Assessment

During the year, a strategic collaboration was established with a leading research organization based in Japan, enabling the execution of critical early-stage toxicology studies for small molecules. More than 20 non-GLP studies were completed utilizing the AMES colony counter and cyto study manager to expedite the delivery of AMES study results in our genetic toxicology laboratory.

Other notable achievements include: securing regulatory approval from the US FDA for preparatory work in advance of a clinical trial related to the marketing authorization of a biosimilar; development of a novel method for perineural injection, leading to the acquisition of new projects; and conducting the first-ever repeat dose intrathecal injection study for a novel oligonucleotide.

Computational and Data Sciences

SARchitect™, Syn.AI™ and SynTIPS™ are important platforms and development work included the incorporation of feedback from pilot studies to enhance subsequent generations.

Syn.AI™ was expanded for mechanistic identification of targets. This enhancement will enable us to offer target identification and validation packages, further strengthening our integrated drug discovery offerings.

During the year, our molecule design capabilities were extended beyond life sciences to develop physics-based and AI workflows applicable to the energy and cosmetic sectors.

Early target safety assessment services were launched to assist organizations in evaluating target-associated safety concerns at the outset of a program in order to formulate a mitigation strategy. This approach helps to decrease the incidence of unexpected late-stage target-related safety issues.

Dedicated R&D Centers

Strategic alliances advancing future healthcare

Driven by a shared vision of improving patient health, our dedicated research centers consistently earn recognition from clients for their role in advancing innovation.

In 2007, we established the first dedicated research center, marking the beginning of a unique, long-term partnership model with BMS. Currently, we serve three clients: Amgen, Baxter, and Bristol Myers Squibb. Each strategic alliance has its own trajectory: some have broadened in scope and scale over time; others have also ventured into new scientific domains. Our deep commitment to the success of the alliance ensures flexibility and focus as required. Today, each center boasts ring-fenced infrastructure and is staffed by an exclusive team of multidisciplinary scientists and support personnel, functioning seamlessly as an extension of the client's internal R&D division. These facilities not only meet regulatory standards but also align with our clients' internal norms and reflect their practices and culture.

The success of the dedicated centers is underpinned by our commitment to trust and transparency, reinforced by a robust governance model and operational excellence. Our ability to scale scientific talent and enhance our capabilities – both in infrastructure and technology – has been central to meeting our clients' evolving needs, thereby sustaining these multi-year collaborations.

Syngene Amgen Research & Development Center (SARC)

SARC, a multidisciplinary drug discovery and development center dedicated to Amgen, was established in Bangalore in 2016, building on a relationship that started in 2012. This facility delivers integrated solutions in discovery chemistry and biology, peptide chemistry, antibody and protein reagents, pharmacokinetics and drug metabolism, and pharmaceutical development.

During the year, we strengthened our collaboration by inaugurating a dedicated kilo lab as an extension of the existing center. This addition helps accelerate early development projects which ultimately results in products reaching patients faster.

Baxter Global Research Center (BGRC)

Established in 2013, BGRC marked a decade of innovation and excellence in FY24, celebrating its contributions to Baxter's mission of saving and sustaining lives. Starting with a team of 70, BGRC now has over 200 dedicated professionals. Our scientists work closely with Baxter on diverse R&D activities, focusing on product and analytical development, as well as pre-clinical evaluations in parenteral nutrition and renal therapy. The expansion in team size and project scope over the years underscores the strategic depth of this collaboration and our ability to provide broad-based, integrated development services.

During the year, BGRC successfully completed several complex projects, ensuring timely global regulatory registrations. The center also demonstrated its expertise in development, validation, and routine testing, particularly in nitrosamine testing, which led to additional investments to further expand these capabilities. Innovation remains a cornerstone of our operations at BGRC, with new projects initiated in oncology.

Biocon Bristol Myers Squibb Research & Development Center (BBRC)

The BBRC collaboration, having celebrated its 25^{th} anniversary, continued to deliver against research and development targets for BMS. During the year, there was further growth in the number of scientific FTEs supporting research and early development projects, and added laboratory infrastructure. The team also consolidated its capabilities in translational medicine by incorporating good clinical practices in their laboratories.

In fiscal year 2024, it gave us great pleasure to receive BMS leaders, Dr Robert Plenge, Executive Vice President, Chief Research Officer and Head of Research and Karin Shanahan, Executive Vice President of Global Product Development and Supply as visitors on our Bangalore and Mangalore campuses.

"For nearly three decades, our partnership with Syngene has provided key support to our R&D pipeline and has laid the groundwork for Bristol Myers Squibb to expand our global R&D efforts in India, a country with a rich talent pool aligned with our areas of focus. We look forward to our continued successful collaboration, as we grow our local R&D engine and accelerate our pipeline."

Michael Ellis

Senior Vice President, Head,
Small Molecule Drug Discovery, Bristol Myers Squibb

Development Services

Technical and scientific innovation drives simplicity and efficiency

Managing the progress of small molecule lead candidates from the discovery phase through early development and clinical scale manufacturing, Syngene offers a wide range of services, including API and drug product development, pilot-scale manufacturing, and GMP production. Our focus on a range of modalities with state-of-the-art oligonucleotide and High Potent API GMP manufacturing facilities further sets us apart as a preferred development partner for therapeutic categories in small molecules.

Over the years, Development Services has continually enhanced its capabilities to keep pace with evolving science and technology. Today, our extensive range and expertise enable clients to access cutting-edge innovation, optimize processes, shorten clinical trial timelines, and adopt environmentally sustainable methods. Our GMP facilities are approved by regulatory agencies like the US FDA, EMA and PMDA.

Our comprehensive CMC services make us a one-stop shop, streamlining the outsourcing needs of our clients ensuring a seamless and well-documented CMC review, facilitating the transition of compounds into clinical phases, a key regulatory requirement.

We also cater to customer requirements on polymeric materials synthesizing and enhancing the properties of compounds in areas such as biopolymers, specialty polymers, highly active monomers, and performance chemicals by delivering customized solutions from just a few grams to tons.

Progress in FY24

During the year, we focused on integration of our services, strengthening our position as a CMC service provider. Development Services performance was underpinned by high operating standards which drove repeat orders. Our scientific excellence led to enhanced yields, resolution of complex issues, successful crystallization and delivery of complex dosage forms for multiple clients.

Capability expansion

- **Non-GMP Facility:**
  A new non-GMP facility for API synthesis was commissioned offering agile and cost-efficient services for early-phase development and scale-up. This allows for more competitive pricing and faster project completion, providing a quicker route to market without the extra costs associated with GMP compliance. This facility also provides us with flexibility to backward integrate APIs to starting materials building a cost competitive and resilient supply chain.
- **Dedicated Animal Health Facility:**
  A dedicated cGMP (Current Good Manufacturing Practices) API manufacturing facility for animal health clients was operationalized, positioning the Company as an end-to-end supplier for animal health discovery, development and manufacturing services.
- **Process Research and Development Laboratory:**
  A fully integrated facility bringing together a process safety laboratory, an analytical laboratory, and a kilo laboratory was opened. This multi-dimensional design streamlines the development process, enabling faster progression from early-stage research to viable drug candidate production.
- **Stabilized operations in injectable fill finish facility:**
  The operation of the clinical scale fill finish facility, opened in FY23, were streamlined including successful delivery of clinical batches for the US market. The product is now progressing into phase II following a successful phase I and IND submission with drugs supplied from the fill finish facility.
- **Supercritical Fluid Chromatography (SFC):**
  The Company operationalized an SFC capability to enable delivery of Highly Potent API end-to-end from development to manufacturing, including chiral purification and separation.

Stretching the boundaries of innovation

Every development project is unique, requiring knowledge and flexibility to meet the diverse needs of stakeholders. Our expertise in formulation, analytics, clinical, chemical development, and safety materials allows us to assemble multidisciplinary teams capable of addressing complex challenges. We aim to lead in quality, speed, and cost efficiency in small molecule development with modern infrastructure ensuring competitive pricing.

Advancing sustainable practices

We prioritize environmentally-conscious solutions in our projects, exemplifying our commitment to green chemistry principles. For instance, in a recent oncology compound project, we not only achieved a 10% yield increase but also significantly reduced methanol and acetonitrile consumption, resulting in an 87% waste reduction and considerable cost savings.

Innovative synthetic approaches

In a project involving synthesis of triblock copolymers for marine coatings, RAFT (reversible addition–fragmentation chain-transfer) polymerization was used to streamline the synthetic process, ensuring precise monomer integration and addressing biofouling concerns.

Enhancing chemical quality and addressing raw material challenges

We tackled the scarcity and quality issues of critical reagents like 2-Fluoroaniline in API manufacturing. Through customized distillation processes, we enhanced quality, increased recovery rates, and eliminated process-related impurities, meeting both regulatory and customer demands.

Pioneering purity standards

In our pursuit of excellence, we achieved exceptional purity levels in synthesizing complex compounds by adopting alternative reagents and solvent substitution strategies, alongside innovative purification methods, surpassing client expectations.

Innovations in material science

Our Performance and Safety Materials team developed functional materials for electric vehicles offering solutions to enhance battery safety and efficiency, thus contributing to the advancement of electric vehicle technology.

Breakthroughs in biomedical materials

Successful synthesis of lipid-conjugated polyvinyl alcohol opens doors for various biomedical applications including water-soluble films and pharmaceutical formulations, facilitating the delivery of advanced RNA-based treatments that contribute to the advancement of healthcare solutions.

Innovative drug delivery solutions

The Formulation team delivered a breakthrough in stable nasal formulations for mucolytic drugs by addressing solubility and pH stability challenges, advancing treatment options and patient comfort.

The Performance and Specialty Material team developed a novel biodegradable polymer and nanoparticle-based intravitreal injection which incapsulates the surface modified polymer (PLGA-PEG).

These accomplishments underscore our relentless pursuit of excellence and innovation across diverse domains, driving positive impacts in healthcare and sustainability.

Analytical development

We offer a wide range of analytical development capabilities for complex generics, animal health, oligonucleotides, nitrosamine and NDSRI's testing, and stability studies. Our one-stop solution allows us to handle analytical requirements from development to commercialization.

During the year, we commissioned a new laboratory with advanced capabilities such as particle size characterization, inductively coupled plasma mass spectrometry, and gas chromatography, which adhere to regulatory requirements. We also offer a straightforward approach to impurity isolation and purification through the prep-HPLC system. Our laboratory features high-scale capabilities in Supercritical Fluid Chromatography that offer superior speed, safety, wide applicability, and significant solvent cost savings.

Manufacturing Services

Applying innovation for efficiency in large-scale production

Our state-of-the-art manufacturing services seamlessly integrate scale with bespoke solutions, prioritizing quality at every step of the way.

The biologics and API/intermediate plants in Bangalore and Mangalore respectively are compliant with leading regulatory standards and equipped with advanced technology to meet a full range of client requirements. Our fully integrated bio-manufacturing plant handles mammalian, microbial, yeast, and other expression systems. The API manufacturing facility has been designed to address complex chemical needs, working hand-in-hand with Development Services.

Our consistent investments in capability and capacity expansion enable us to offer faster, simpler, cleaner, and cost-effective manufacturing solutions complemented by quality assurance and quality control. We can play the role of partner for early-stage product launches, where speed to market is crucial, as well as being a commercial manufacturing partner for late-stage programs. For the latter, we leverage our expertise and technology to lower costs and optimize yields, addressing growing drug pricing pressures.

Progress in FY24

Biologics - performance review

We delivered strong operational results in biologics, especially fulfilling global animal health company, Zoetis, contractual requirements for Librela®, an injectable monoclonal antibody that alleviates pain in canines with osteoarthritis.

In biologics development, we work on complex molecules for first-in-human use. Notably, we produced the first recombinant human plasminogen through significant process innovation, positioning us for a process patent. We also achieved a protein conjugation project milestone and demonstrated our capability for producing all required plasmids for lentiviral vector applications. Our mRNA production in GMP affirms our ability to expand into multiple therapeutic modalities.

The acquisition of Biofusion in fiscal year 2023 expanded our process development capabilities and led to valuable business expansion.

Biologics manufacturing facility acquisition

A significant development for the year was the acquisition of a biologics manufacturing facility adding 20,000 liters of installed biologics capacity and a commercial-scale fill-finish unit. The facility will be operational towards the end of 2024 after equipment upgrades and re-validation.

The 10-year manufacturing contract with Zoetis, signed in FY23, and other client contracts, quickly brought us close to full utilization of our existing biologics capacity. This acquisition replaces our internal plan for organic growth and provides capacity for future growth.

Small molecules – performance review

With the regulatory approval of our commercial API manufacturing facility from the US FDA, the facility in Mangalore now offers state-of-the-art manufacturing capacity for commercial manufacturing. It also obtained GMP certification in 2021.

The facility is automated, leveraging digital technology in GMP manufacturing, testing, and quality systems. It complies with CFR 21 Part 111 for data integrity and confidentiality. Furthermore, the facility demonstrates excellence in environmental stewardship with zero-liquid discharge, zero waste to landfill and recycling of all waste water at its offsite effluent treatment plant. Additionally, 66% of the energy consumption at the Mangalore campus is sourced from renewable sources.

Our workforce

30 Years of careers in science

Recognizing the value of our employees, we continuously invest in their professional growth and overall well-being, underpinned by our commitment to excellence in our employee-related processes and practices.

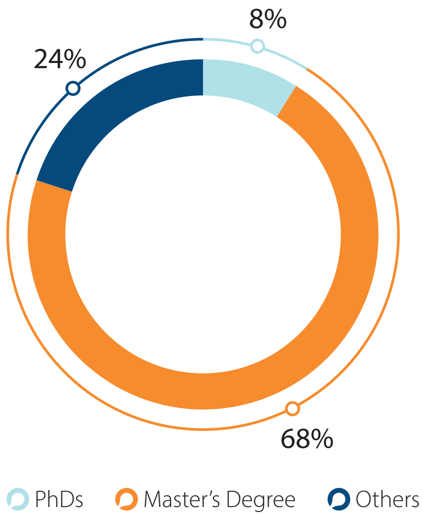
8,146
Total Workforce

5,656
Scientists

530
PhD Scientists

1,047
New Joinees

331,130
Hours of mandatory and technical training

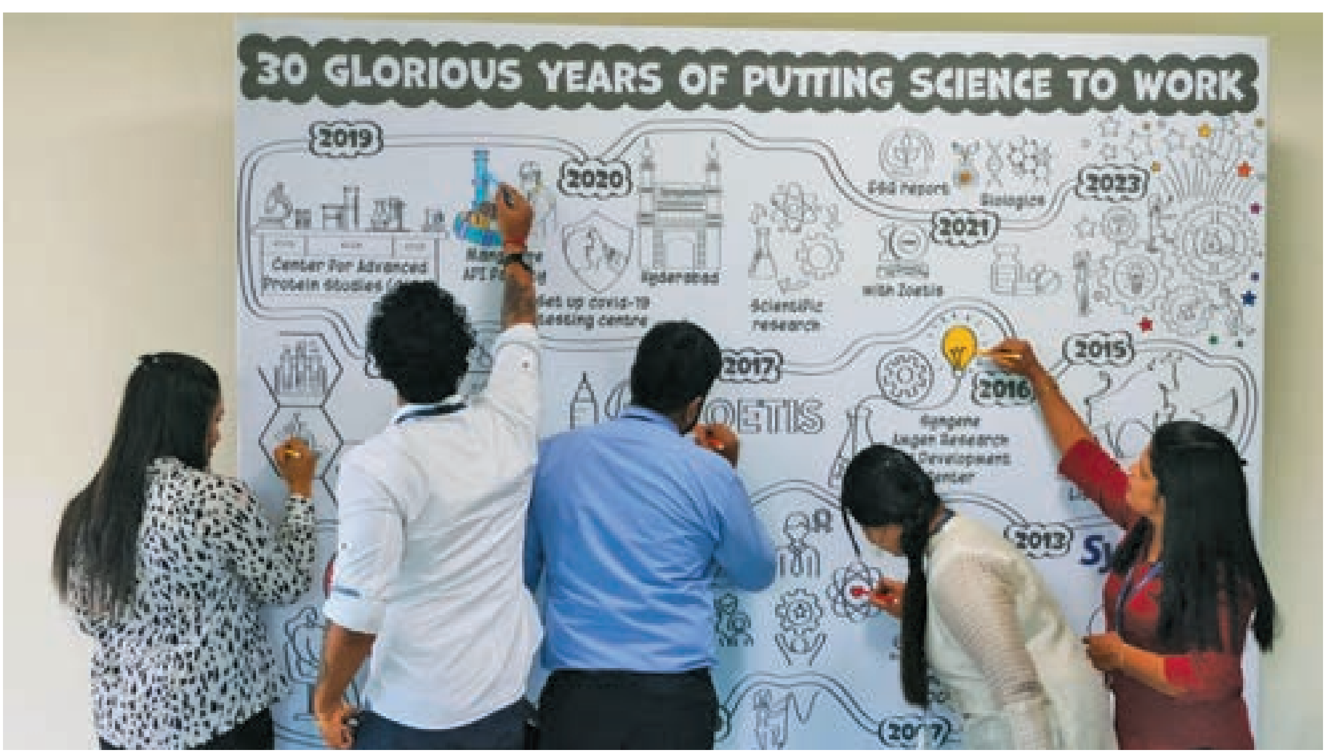


All figures are as on March 31, 2024

Fostering an enabling environment

At Syngene, ensuring that our employees feel supported, motivated, and empowered to perform at their best is a key priority. Our comprehensive people strategy addresses every aspect of an employee's journey, from an engaging induction for our new team members to providing numerous learning opportunities, nurturing leadership skills, and implementing a transparent performance management system focused on career progression. Additionally, we prioritize the candidate experience from the very first interaction, ensuring that potential team members encounter a seamless and respectful process that reflects our organizational values and commitment to excellence. This holistic approach not only enhances the onboarding experience but also solidifies the foundation for long-term engagement and success within our company.

To enhance the comfort and value felt by new hires in their workplace, we revamped our induction process. This new approach provides a warm welcome to each new joiner, offering them the opportunity to interact with leaders within the organization. The induction serves as a vital platform for instilling the company's values, culture, and priorities, fostering a tradition of high operational standards and performance excellence. This direct engagement with leadership not only enriches the onboarding experience but also integrates new employees into our dynamic corporate culture from day one.



Aligned with our vision to promote open communication and build a shared sense of purpose, townhall meetings are organized with senior leaders across all campuses. These meetings provide a forum for addressing various questions from employees and covering multiple topics of interest.

Our commitment to continuously improving the employee experience is underscored by our annual employee experience survey, which in FY24 achieved a participation rate of 91%. The insights gathered from this survey, which reflected an engagement score of 88%, are meticulously analyzed to formulate action plans that address key findings and enhance overall workplace satisfaction. This systematic approach ensures that we are responsive to our team's needs and are consistently working towards creating an enriching and fulfilling work environment. Through these efforts, we demonstrate our dedication to maintaining a supportive and engaging workplace that meets the evolving needs of our employees.

Our commitment extends beyond merely aiming for employee satisfaction; we focus on all aspects of the employee experience - learning and development, opportunities for higher education, effective performance management, fostering a sense of community, and active participation in our corporate social responsibility (CSR) activities. We establish clear objectives and key performance metrics for every employee, supported by a robust system of appraisal, feedback, and rewards. This ensures outcomes that are fair and equitable, while also promoting personal and professional growth. By creating opportunities for ongoing education and community engagement, we empower our employees to not only enhance their skills but also to contribute positively to societal and environmental causes, reinforcing a culture of holistic development and shared values.

Prioritizing employee development

We understand that our employees' growth is critical to our overall success as well as allowing them to achieve their personal development goals.

We offer a wide range of learning opportunities designed to meet the diverse needs of our workforce, reflecting our strong commitment to enhancing job-specific and soft skills, preparing employees for future challenges and leadership roles.

Furthermore, our Synpro Academy offers intensive project management training, preparing participants for the globally recognized 'Certified Associate in Project Management' (CAPM) certification issued by PMI, USA, equipping them with crucial project management skills.

These strategic educational initiatives ensure that our team remains competitive and well-prepared to advance in their careers, showcasing our unwavering commitment to employee development and growth.

Higher education and certification support: Understanding the importance of continuous education, we provide support for eligible employees seeking higher educational qualifications and professional certifications. This includes financial assistance, flexible working arrangements, and study leave (as defined in our policy), enabling our staff to pursue their academic and professional goals without compromising their work responsibilities.

My Future Plan: We introduced "My Future Plan" as part of our commitment to nurturing a performance-driven culture. This approach replaces traditional performance evaluations with a forward-looking and holistic conversation that reviews an employee's achievements and sets the groundwork for future success within our organization. "My Future Plan" not only supports effective performance management and a high-performance culture but also ensures clarity about the leadership competencies that underpin successful leadership in the Company.

Career paths and succession planning: At our company, we actively assist employees in charting their career paths within the organization. By identifying potential career trajectories and providing the necessary tools and training, we help employees to envision and achieve their long-term career goals.

Continuing education for our scientists: Our Science Certification Program successfully completed its pilot batch last year, allowing participants to broaden their skills by learning about and experiencing new areas of science. We expanded this initiative across the organization, launching an enhanced version 2.0 of the program, offering six distinct tracks tailored to eligible employees' specialized areas of science. Since August 2023, we have organized 58 engaging sessions in Bangalore and Hyderabad, totaling 166.5 hours of learning. The program had 590 participants, with 290 earning their certification after completing the program. This initiative demonstrates our dedication to scientific excellence and client value creation.

Diversity, equity and inclusion

At our company, we prioritize fostering a workplace culture that embraces diversity, ensures equity, and promotes inclusion, a commitment that is fundamental to our identity and success. Our diversity initiatives focus on actively recruiting a diverse range of talent, valuing unique perspectives and contributions. We are dedicated to fairness and impartiality in all our policies and practices, providing equal opportunities for all employees to advance and thrive. Our inclusivity programs encourage collaboration, respect, and acceptance at all levels, with training sessions, feedback mechanisms, and inclusive leadership practices. These efforts drive better business results, creating a sustainable and supportive environment where every employee can succeed.

Nurturing future leaders

Developing effective leadership is crucial for driving innovation, inspiration, and guiding our company through change and growth. To fuel our commitment to building leadership capability across the organization, we launched a three-month First Time Manager Accelerate program. This program focuses on developing self, building effective teams, and stakeholder management to prepare new managers to build their leadership competencies and efficiently deal with internal and external stakeholders. Our Managerial Development Program empowers first and second-line managers to effectively engage and mentor employees by emphasizing skill-building.

> Syngene was recognized as one of **'India's Best Managed Companies'** by the management consultant, Deloitte India.

Proactive employee engagement

Recognizing that an engaged workforce is essential for high performance, throughout the year, we conducted a range of engagement initiatives to promote a sense of belonging, camaraderie, and motivation among our employees.

1. We organized 'SciFest 3.0,' a five-day science festival that emphasized the importance of science to humanity and featured quiz competitions, skit performances, and presentations. We also celebrated National Science Day with debates, science quizzes, and thought-provoking sessions that sparked intellectual stimulation and interaction among participants.
2. In June 2023, we hosted our first-ever family day event, 'Samaroh,' at our Hyderabad office, welcoming 200 participants from 55 families, including children who participated in a painting competition and a talent show, showcasing their impressive skills and creativity.
3. We used sports to unwind and strengthen bonds among employees, organizing tournaments in chess, carrom, and foosball in Hyderabad, with over 200 employees demonstrating excellent teamwork and sportsmanship.
4. We launched 'Synquizitive,' the second edition of our Interschool Science Quiz, to ignite a passion for science among young minds across the regions. Over 320+ volunteers contributed to the event's success, demonstrating our collective capability to inspire and educate the next generation. This initiative exemplifies our commitment to community engagement and the promotion of educational pursuits.

Quality management

Fostering trust through quality excellence

Our determination to meet global quality standards in every aspect of our operations is a core requirement to being a trusted partner. This commitment lies at the heart of our service delivery and we are tireless in maintaining our track record.

Central to our quality ethos is a focus on simplifying systems to ensure our standards and controls are tailored to each phase of a project, enhancing flexibility, readiness and efficiency to meet client needs and regulatory requirements throughout the product lifecycle.

Our quality management system is largely digital which facilitates tracking and improves accuracy. The metrics are used as the basis for a data-driven approach to quality and compliance, with benchmarking against world-class standards further underlining our quality commitment.

FY24 Audit and regulatory approvals

This year our facilities underwent 87 client and regulatory audits. A notable achievement was securing the US FDA approval for our API facility in Mangalore.

Other audits/inspections include:

- GCP
  - Inspection from Austrian Federal office for safety in health care (AGES)
  - CAP certification (College of American Pathologists) (Central Laboratory)
  - NABL certification (ISO 15189) (Central Laboratory)
- GLP
  - NGCMA inspection
- Certification surveillance audit/renewals
  - ISO 9001, ISO 13485 (formulation), ISO 1EC 17025 (NABL) for Safety Assessment facility
  - ISO 1EC 17025 (NABL) (Large Molecule facility)

Digital transformation

We continued to implement digital and automation tools to complement our quality system, especially in the quality control laboratories where we have transitioned to majority paperless operations. This shift not only reduces the potential for human error and data integrity issues but also enhances traceability and compliance. Moreover, reducing our paper usage supports our environmental sustainability efforts while lowering operational costs.

Implementation of other quality-related systems included:

- Electronic Batch Manufacturing Records
- SAP-PM & AMS (Automation in preventive maintenance and the annual maintenance plan)
- Paperless laboratory operations: LIMS (Laboratory Information Management System), EDMS (Electronic Document Management System), LMS (Learning Management System), electronic forms, and other system interfaces
- Extension of the electronic Quality Management System (TrackWise) to the newly acquired biologics manufacturing facility

Our move towards paperless systems for all qualifications and validations represents a major leap towards digital efficiency which is expected to reduce the review and approval cycle significantly. This transformation not only saves time but also eliminates the need for physical archives, further enhancing our eco-friendly practices.

During the year, we embarked on a pilot project using artificial intelligence and machine learning to expedite the review of investigation reports through natural language processing (NLP). This pilot, conducted with the Biologics team has been designed to reduce the investigation report review cycles, thereby enhancing efficiency and responsiveness.

Capability additions

We commissioned a new state-of-the-art Biologics Quality Control and Microbiology Laboratory, meeting world-class quality standards and equipped with an interconnected digital infrastructure and the latest augmented reality technology. The existing biologics quality control laboratory expanded its capabilities with the addition of sterility testing.

Technology additions:

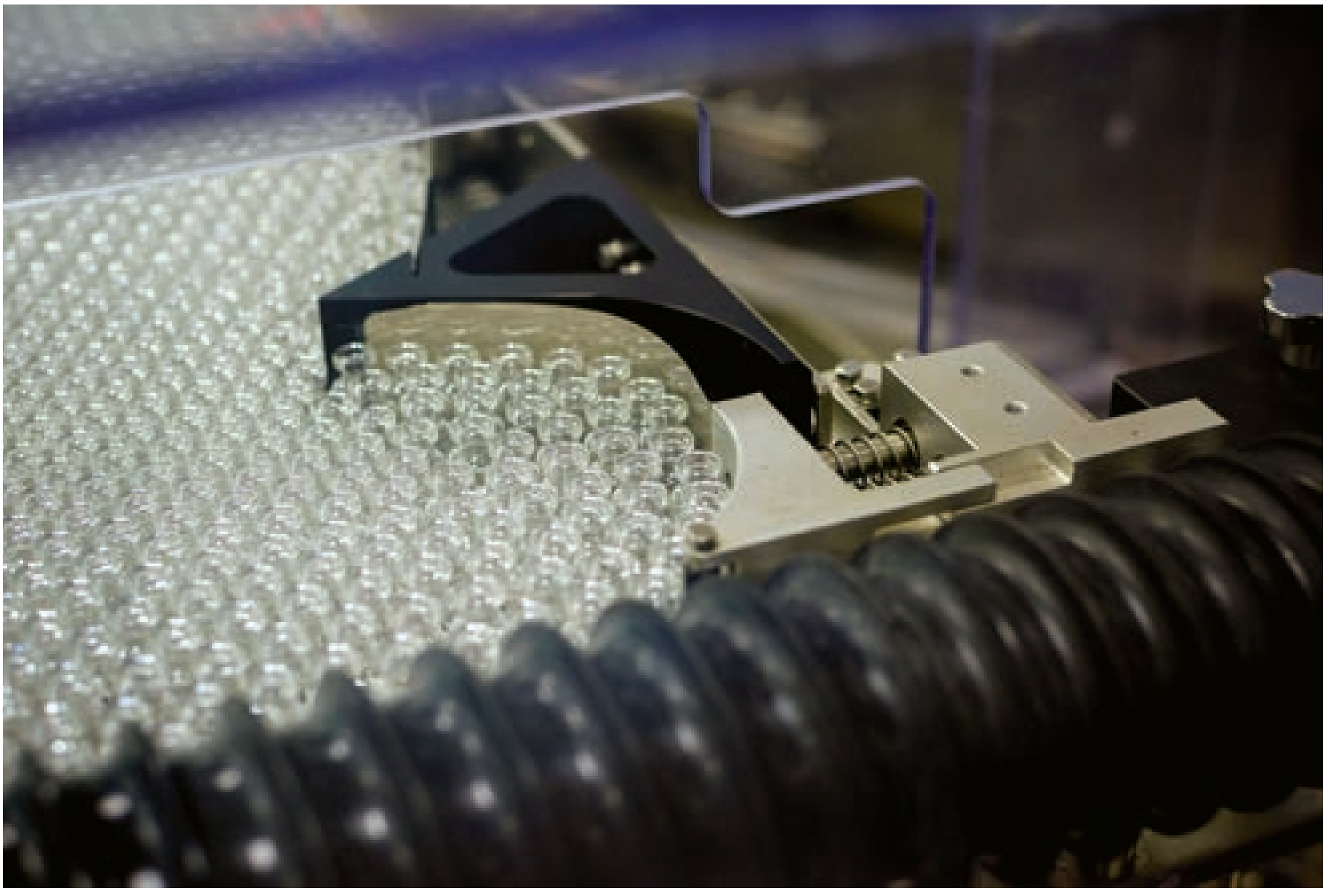
- A QDa detector equipped with a multi-attribute method facilitating peptide mapping and intact mass analysis in a single run
- A robotic liquid handling system designed for complex ELISA and plate-based methods
- Augmented reality glasses to enable virtual collaboration, remote inspections, and method transfers

The Small Molecule QC laboratory enhanced its capabilities by digitizing forms, checklists, instrument usage logbooks, and integrating them into the Electronic Lab Notebook/LIMS.

Syngene secured the first runner-up position in the 'Large-scale Model TQM company category' at the Confederation of Indian Industries (CII) Total Quality Management Awards (TQM) 2023-24.

Information technology

Advancing innovation with technological excellence



Our continued investment in best-in-class technology is a key driver of our success. This strategic focus sharpens our edge in innovation, enhances efficiency, and strengthens data security, reinforcing our position as a preferred partner.

To elevate our scientific and manufacturing capabilities and better serve our global clientele, we have developed a robust IT infrastructure. This digital transformation encompasses the adoption of paperless labs and Industry 4.0 principles. By integrating advanced digital technologies and automation, we enhance our research, development, and manufacturing processes, improve data accuracy, and boost overall efficiency.

We have implemented several key initiatives across the business to digitize and automate operations, thereby ensuring quality, compliance, and improved productivity. Some of these initiatives include:

Key initiatives across the business

Digitization of Operations through ELNs and eBMR:

- We have extended our digital documentation capabilities to all designated users by completing the rollout of Electronic Lab Notebooks (ELNs) across Development and Manufacturing services, following its successful deployment in Discovery Services. This enables real-time documentation, facilitates audits, and strengthens compliance with Good Research Practices (GRP), Good Manufacturing Practices (GMP), and ALCOA+ principles

- The eBMR solution for Biologics and Small Molecule Manufacturing Phase-1 was launched, digitizing Batch Management Records (BMR). Phase-2 aims to further streamline and optimize operations

Streamlining inventory management:

- The sales inventory and operations process was improved by implementing a Material Requirement Planning (MRP) system. This has enabled efficient inventory planning, reducing working capital requirements and costs
- Efficiency in the Chemical Development warehouse was enhanced by transitioning to a real-time system using QR codes and handheld devices, reducing discrepancies and streamlining material storage with the "Single Label" concept
- Our 'Synventory solution' was recognized and awarded Gold by the Quality Circle Forum of India (QCFI) for enhancing chemical inventory management. These initiatives further helped optimize inventory levels.
- A fully automated state-of-the-art compound management system was installed to manage compounds and support screening. The system, with a storage capacity of 70,000 compounds and over 300,000 tubes, integrates with the Titian Mosaic application, providing a secure web-based interface for fast-tracking compounds to relevant projects
- The Xybion histology module launched in the Safety Assessment unit, digitally transforms animal study management, minimizing data integrity risks and shortening study timelines
- Multiple proofs of concept for generative AI have been completed for various use cases, including legal contracts, Quality SOPs, equipment validation documents and a Gen AI-based lead generation tool. Some applications were implemented while others are in progress

Enterprise-wide digital initiatives

- A project to reengineer and transform our end-to-end processes from lead identification to revenue collection was initiated to enhance decision-making and visibility for all stakeholders.
- As part of our HR transformation journey, we moved to SAP SuccessFactors Employee Central to enhance the employee experience and provide a more efficient, user-friendly platform for our HR processes
- The Emergency Headcount Management System was enhanced to enable real-time tracking of all employees within the campus and an SOS feature that enables employees to trigger alerts in case of emergencies
- The "Lisyning" platform for efficient customer complaint management was launched

Strengthening our security

Given the nature of our work, protecting our clients' data by adhering to globally recognized security standards such as ISO 27001 and the NIST framework is imperative. Our Security Operations Center (SOC) monitors the Syngene environment 24/7 for any security threats. We have implemented multiple measures to enhance our overall security:

- Upgraded email and internet security gateways detect and prevent suspicious connections, successfully intercepting nearly all potential phishing emails
- End devices, such as laptops and desktops, are secured by endpoint detection systems utilizing behavior analytics
- A Data Leak Prevention solution monitors and prevents unauthorized transfer of sensitive information through emails, USB, and the internet
- Micro-segmentation is implemented to contain ransomware, dividing the network into smaller sections to limit the spread of an attack

To increase employee awareness, mandatory security training and regular phishing simulation exercises educate users about phishing attacks. We have developed SOPs and playbooks on incident response, defining actions to take in case of a ransomware attack. Additionally, business cyber playbooks outline how to maintain operations during a cyber-attack.

We have also partnered with a firm for incident response (IR) and forensic services, which assists us in isolating, eradicating, and recovering from cyber incidents.

Strategic sourcing

Building resilience with strategic sourcing

Our supply chain is designed for efficiency to ensure timely and accurate deliveries as specified. Partnering with suppliers who share our values and work to the standards of safety, compliance, and environmental protection that we apply in our own operations, we recognize that the resilience of our supply chain is a fundamental building block of our long-term competitiveness.

Supply chain resilience and building dual sourcing capabilities are at the core of Syngene's strategy for sustainable growth and creating a strong CRDMO platform. Increasingly, this is becoming an important theme among our clients who seek to derisk and diversify their supply sources amid geopolitical challenges. Since 2023, over 60% of our request for proposal (RFP) submissions have included dual-source options, allowing customers to choose based on their sourcing priorities.

We are focused on building a robust local supply ecosystem and improving supply assurance through strengthening relationships with global suppliers and building category management capabilities for strategic decision-making in sourcing.

Syngene currently manages over 2,800 suppliers across 30+ countries ensuring timely delivery and strict adherence to quality and regulatory compliance across a wide range of requirements, ranging from chemicals to electronic and capital equipment.

Building a sustainable supply ecosystem

During the year in Discovery Services, Syngene partnered with international suppliers to establish supply points in India and increase stock availability for raw materials with low volume requirements. For Development Services, Syngene continued with the process of establishing reliable supplier partner network for niche chemistry requirements within India. This partner network for key starting materials and intermediates, form the cornerstone of our local supply ecosystem, reducing dependency on external supply chains.

Efforts within Manufacturing Services are directed towards optimizing raw material delivery schedules, bolstering cost competitiveness, and strengthening cGMP compliance. Our supplier quality assurance function focuses on nurturing robust cGMP and safety standards amongst the strategic suppliers while also reinforcing compliance with Syngene's procurement practices.

Streamlined logistics

To make our inbound and outbound deliveries fast and efficient, Syngene has long-term relationships with global freight forwarders and AEO (Authorized Economic Operator) Tier 3 accreditation that enables in simplifying the clearance processes.

Supplier relationship management

This year, we took further steps to integrate ESG principles in our procurement process and strengthen the relationships with strategic suppliers. Critical suppliers are now subject to ESG assessment, business performance reviews and tailored upskilling sessions to match Syngene's expectations on safety, quality, and sustainability standards. Our annual supplier summit in November 2023 saw active participation from leadership teams of over 50 strategic suppliers. The primary agenda of the summit was to communicate Syngene's expectations from its supply partners such as commitment to decarbonization (aligned to our SBTi goals see page 13) and to recognize the leaders from the supplier community who have demonstrated excellence in various business dimensions, including sustainability. Syngene also received a statement of verification for implementing ISO 20400 (sustainable procurement) principles in its supply chain in April 2024.

Syngene won the 'Supply Chain Champion in the Pharmaceutical Sector' award at the Institute of Supply Chain and Management (ISCM) Supply Chain Rankings 2023. This award, presented by ISCM Forums, recognizes our well organized system that ensures seamless procurement, logistics, and raw material handling on behalf of our clients.

Supplier Summit & Awards 2023, Bangalore

Operational excellence

Daily pursuit of efficiency and error-free operations

Continuous improvement is embedded in our operations yielding both customer-centric benefits and cost savings.

Adopting a structured approach to continuous improvement, we leverage global methodologies such as Lean and Six Sigma, as well as Japanese management techniques, such as Gemba[9] walks and Kaizens[10] and other methodologies like 5S[11]. Our focus on harnessing digital technology and driving process automation continues to transform our operations.

We routinely monitor six performance parameters: safety, quality, delivery, engagement, compliance and cost, while equipping employees with the appropriate frameworks and tools for the early identification and resolution of issues. Visual dashboards, strategically placed in every department, offer real-time insights into the relevant metrics which form the basis for a daily stand up meeting to resolve issues promptly and efficiently.

Kaizen portal revamp

To further promote a culture of continuous improvement and enhance employee engagement, we upgraded iConnect – our idea management portal – with new features:

- Tracks Kaizen ideas from start to finish within the portal
- Sends status updates via email notifications
- Streamlines the assessment of ideas directly through the portal
- Aids in selecting implementers and forming cross-functional teams
- Clarifies each team member's specific duties

Lean and Six Sigma capability

We continue to improve quality and efficiency through Lean and Six Sigma training programs. Training includes White Belt for new hires and advances to Yellow, Green, and Black Belt. The trainees identify and implement operational efficiencies through projects as part of their training.

FY24 Lean Six Sigma

2,500+	81	121	32
White Belts	Yellow Belts	Green Belts	Black Belts

[9] Gemba is a concept which involves seeing where the work happens and engaging the front line workers in finding the solution.

[10] Kaizen is a Japanese term for finding improvements through association with Lean methodology and principles.

[11] 5S is a methodology that focuses on Sort, Set in order, Shine, Standardize and Sustain for creating an organized and efficient work environment.

Kaizen league

We introduced 'Syngene Kaizen League' to involve all employees in continuous improvement. It's a month-long competition for sharing operational excellence ideas. Over 5,000 Kaizen ideas were submitted by employees in FY24, around 2.5 times more than the previous year.

Operational Excellence Expo FY24

We hosted the 'Operational Excellence Expo FY24' to showcase our continuous improvement journey. The expo displayed over 150 Lean Six Sigma projects and Kaizens, enabling cross-learning and insights into diverse business projects.

New why-why portal

Why-Why analysis is a vital tool for root cause identification, extensively used in our SQDECC boards and for routine problem resolution. We have introduced a new Why-Why portal to further improve this process, Key features include: enhanced cross-learning and knowledge-sharing by providing access to previous relevant Why-Why analyses; and improved ease of analysis through improved user guidance.

5S program

The 5S concept is a core pillar of our operational excellence framework. During the year, we upgraded the approach to reflect our increasing maturity in using this tool.

Awards and recognition

Our commitment to operational excellence was recognized at various external forums during the year including 21 awards in National and South Asia level competitions. All four teams at the National Competition of Six Sigma 2023 received 'Platinum' awards, with one awarded 'Best Project' in 'Improvement Projects in Manufacturing/Operations' and another securing second position in 'New Product/ Process Development'.

CII National Competition of Six Sigma - 2023

4 Six Sigma projects were recognized with Platinum awards and 1 of them came out as a category winner

QCFI - the 7th Conclave on Pokayoke, Jidoka & Smed

3 POKAYOKE (Mistake proofing) Kaizen won Gold awards

14th CII National Poka Yoke Competition

Syngene won 1 Gold award and 3 Silver awards

ASQ - South Asia Team Excellence Award - 2023

2 of our Six Sigma project participated in the South Asia Team Excellence Award – 2023 organized by American Society of Quality and both the project recognized with Bronze Awards

Environment, Health, Safety and Sustainability

Celebrating 30 years of safety and sustainability

As a responsible Company, safety and sustainability are the backbone of our operations. We prioritize safety awareness, training, monitoring and measurement in every corner of our campuses and every aspect of our work. Similarly, we introduce environmentally friendly business practices wherever possible as part of our commitment to continuous improvement.

36,224
Person/hours of EHSS training by qualified trainers

96%
of total hazardous and non-hazardous waste recycled

82%
of power consumed from renewable sources

3% YoY
reduction in energy usage

2,255 MT
equivalent CO_2 savings from energy conservation

62,672 MT
equivalent CO_2 reduction in GHG emissions

42% YoY
freshwater savings achieved

80,365 KL
fresh water saved from recycling, reusing and rainwater harvesting

2,140 KL
rainwater harvested

Energy management

Focused energy conservation initiatives contributed to 3% reduction in energy consumption during the year while 82% of our power consumed from renewable energy sources: enabling 61,601 Metric Tons (MT) reduction in green house gas (GHG) emissions.

The Company encourages a responsible approach to energy conservation including a program of targeted activities to minimize energy consumption, promote efficient use of energy and integrate renewable energy sources into the energy framework.

An energy index covers all operating units to enable tracking through our energy management system. We review our energy conservation program every fortnight to incorporate new energy-saving ideas to enhance efficiency. During the year, the Mangalore team won the prize for 'Best Energy Efficiency' in a national-level competition organized by The Confederation of Indian Industry (CII).

The energy-efficiency measures taken by Syngene during the year include:

- Replacement of chilled water circulation pumps with energy-efficient IE3 motors in four buildings
- Replacement of centrifugal air handling unit (AHU) fans with energy-efficient axial fans for laboratory fresh air and optimization of frequency after office hours/weekends in Biocon Park and the Hyderabad campus
- Variable frequency drives (VFD) were deployed to optimize the performance of vacuum pumps and hot water pumps and auto adjust frequency based on load demand in API manufacturing in Bangalore
- Air conditioning units in offices were connected to a smart controller to optimize power consumption in several buildings in Bangalore
- Motion sensors installed for LED lighting in corridors in one building
- Optimized AHU operations after office hours through auto timer with reduced frequency of the motor in S2, S12 & S20A blocks
- Converted variable refrigerant volume (VRV) multi-split air conditioners to chilled water flow-based chillers to optimize the power consumption of chiller units in the Mangalore warehouse

Cooling towers at Biocon Park, Bangalore

Water management

78,225 Kiloliters of water were saved as a result of multiple initiatives taken in our facilities to reduce, reuse and recycle this precious resource.

The Company has adopted a water-management program to optimize water efficiency by reducing freshwater consumption through recycling and reuse while supplementing supplies through rainwater harvesting. Wastewater is treated using conventional effluent treatment plants and reverse osmosis units at the Mangalore and Bangalore facilities and pre-treated in an effluent treatment plant managed by an authorized third party at the Hyderabad campus.

Waste management

During the year, 96% of total hazardous and non-hazardous waste generated from operations was recycled and we have maintained zero waste to landfill at all our facilities

The Company prioritizes sustainable waste management and follows clear procedures for segregation and handling of different categories of waste. A Six Sigma 'green belt' project at the Mangalore site was used to achieve 100% segregation, collection, and recycling of plastic waste, resulting in the proper disposal of 1.62 metric tons of plastic waste and a reduction in carbon dioxide emissions. The company has been recognized for its environmental leadership and commitment to sustainability, including eliminating single-use plastic cups from the workplace. We are dedicated to achieving zero waste to landfill and reducing incinerable waste thus eliminating 825 metric tons of waste in FY24, accounting for 19.5% of our total waste generated from operations.

Syngene was recognized for its environmental leadership and commitment to sustainability at the 'Workplace Excellence Conference & Awards'. The event was organized by INFHRA (The Infrastructure, Facility, Human Resource & Realty Association) to celebrate excellence in workplace management and sustainable performance.

Safety at work

During the year, 6,410 employees and 847 workers underwent 36,224 person/hours of safety training to learn various job-specific topics.

Operating with the philosophy that every incident is preventable, the Company considers primary responsibility for safety sits with the leaders of each division, department and team based on a framework developed by the International Association for Chemical Safety. A central team of professionals provides specialist advice and oversight including: risk assessments, emergency preparedness, health programs, compliance with regulations, and safety-focused ergonomics. The company is accredited with ISO 45001:2018 for Occupational Health and Safety.

To increase safety awareness, safety campaigns and training sessions are conducted regularly. During the year, we significantly increased the number of laboratory hazard assessments undertaken. We also increased project safety reviews and the number of permits-to-work issued to ensure that clear instructions on hazard identification and safety protocols were communicated to employees and contractors.

To raise awareness about safety, we conducted 30 campaigns during the year, including World Environment Day, World No Tobacco Day and Chemical Disaster Prevention Day. Our employees are introduced to safety on site during their induction and receive further specialist training which is relevant to the equipment that they use and the environment they work in. We also conduct an Environment, Health and Safety induction for all our contractors using our in-house kiosks and organize weekly safety meetings and skit programs to enhance their safety knowledge.

Process Safety Management initiatives have been implemented for equipment handling and maintenance and targeted initiatives have been set up to counter potential fire and explosion risks.

Waste segregation system at Biocon Park, Bangalore

Employee health and well-being

The Occupational Health Center (OHC) located on each campus provides round-the-clock care and first aid for injuries. In addition, the Company offers annual health check-ups and health insurance to ensure access to healthcare for employees.

Our employees participated in several health and fitness activities during the year, including a month-long Stepathon challenge in Hyderabad where 13 teams with 130 participants collectively walked 420 Mn steps to celebrate National Walking Day. A week-long SANKALP initiative was organized to create awareness about health and hygiene through various events and activities. A poster art competition was conducted to emphasize the importance of daily health routines and a positive work environment. To promote menstrual health and well-being, an OHC doctor led an awareness session for all female employees and support staff.

Awards

Best Overall Sustainable Performance Award

We received the prestigious 'Best Overall Sustainable Performance' award in the pharmaceutical sector at the India Sustainability Conclave & Awards-2023, in recognition of our commitment to sustainability.

Syngene was conferred the Confederation of India Industry award for 'Best Energy Efficient Case Study' and declared the second runners up in 'Best Application & Uses of Renewable Energy'

Silver award for Environmental Excellence

Syngene was awarded 'Silver Award in the Environmental Excellence' category at the seventh annual HSE Strategy Summit and Awards-2024, organized by Inventicon. This recognition underscores our dedication to prioritizing environmental responsibility and making meaningful contributions towards building a more sustainable future.

Corporate Social Responsibility

Empowering our communities

Our efforts remain focused on facilitating progress for underserved communities and enabling sustainable improvement in the lives of the communities where we live and work. Our CSR program targets four areas: science education, community healthcare, environmental sustainability, women and child welfare. Most of our CSR programs are managed by the Biocon Foundation, the charitable arm of the Company.

Science education

We leverage our deep commitment to science to provide women and children from marginalized communities with science-based education. By doing so, we aim to create sustainable employment opportunities and enhance their overall quality of life

IISc PG Medical School & Hospital

We are contributing to the funding of the Indian Institute of Science (IISc) postgraduate medical school and non-profit hospital in Bangalore, India, with the aim of cultivating the next generation of physician-scientists. The construction of the 147-bed Biocon-Syngene general medicine wing is underway with a view to being fully operational by 2025. IISc launched an innovative MBBS/MPH Internship program aimed at fostering interdisciplinary research, which has successfully enrolled 37 students.

Promoting science in schools

To introduce science topics to students from underprivileged communities ages 10-16 years, several experiential learning initiatives were undertaken in government schools. Including:

- Mobile Science Laboratories
- Lab-on-a-bike
- Synquizitive

Mobile science laboratory – impact assessment

A third-party impact assessment was conducted for government school students in Anekal, Bangalore, India.

The objectives:

- To conduct an evaluation of the program's overall impact and effectiveness in promoting science education and associated outcomes
- To assess the influence of the program on the scientific knowledge, interest in science, and academic performance of students
- To examine the impact of the program on the pedagogical practices of teachers and their ability to engage students in scientific learning through interactive classes
- To provide evidence-based insights and recommendations to enhance the effectiveness of the program and maximize its positive impact on science education

Framework & methodology

The IRECS[12] framework, which is based on five pillars, namely Inclusiveness, Relevance, Expectation, Convergence and Service Delivery, was employed to gauge the impact of the program. The assessment generated valuable insights including identifying on-the-ground challenges, extracting valuable lessons and formulating recommendations for program implementation.

The study used a mixed methodology incorporating both quantitative and qualitative approaches and employed various research methods to capture the program's deeper impact.

A comparative analysis was undertaken to assess the learning outcomes achieved by students exposed to Mobile Science Laboratory (MSL) and evaluate its overall effectiveness. The analysis involved comparing the level of retained knowledge between students attending the MSL sessions (referred to as the 'Treatment Group') with students from the neighboring government schools who did not participate in the MSL sessions (referred to as the 'Control Group').

The outcome

The results showed a significant difference in scores across four indicators: *scientific knowledge; scientific thinking; scientific attitude;* and proactiveness.

- 84% of students mentioned that the MSL teacher's instructions were easy to comprehend
- 66% of students highlighted MSL sessions strengthened their understanding of science concepts
- 95% of students have asked doubts to MSL Instructors, highlighting inquisitiveness among students
- 89% of students feel motivated to ask doubts in the MSL sessions, fostering a culture of active questioning
- 98% of students rated Instructor's approachability and responsiveness as 'Outstanding'

Results by scholastic level indicated the biggest impact for 9^{th}-grade students who had benefited from continuous MSL sessions over three years, starting from grade 6^{th}.

- The table highlights the grade-wise average percentage marks achieved by students learning outcome assessment test in treatment and control schools. Remarkably, 9^{th} grade students demonstrated enhanced academic performance compared to other grades. This underscores the importance of long-term exposures which yield improved learning outcomes

Grades	Control Schools	Treatment Schools
Grade 7	38%	40%
Grade 8	33%	36%
Grade 9	40%	54%

The impact assessment validated our long-term investment strategy of promoting experiential science learning in government schools.

Read complete report: https://www.bioconfoundation.org/reports/Science%20on%20Wheels_Third-Party%20Impact%20Assessment%20Report.pdf

[12] IRECS framework: Inclusiveness; Relevance; Expectation; Convergence; Service delivery

The **Mobile Science Laboratory** provides hands-on learning experience to students provided by scientific laboratories equipped with more than 200 scientific models. In addition to routine school visits, the program included summer/winter workshops during vacation periods and 10 science fairs to encourage participants to apply scientific knowledge in real-world settings. The program benefited 6,700 students in 46 government schools in Karnataka through about 55,000 science experiences in more than 1,400 learning sessions. Furthermore, 10 science fairs were organized for government schools.

The **Lab-on-a-Bike** initiative - a compact, more agile model of the Mobile Science Laboratory allowed us to fund science learning experiences for students in Hyderabad. The program benefited about 1,700 students in 7 government schools in Hyderabad.

- 12,000+ learning experiences delivered in more than 300 sessions
- 5 science fairs organized in government schools

Synquizitive, an inter-school science quiz competition, was conducted to identify young science champions

- Participants included about 7,500 students from 150 government schools, most of whom were part of the Mobile Science Laboratory and Lab-on-a-bike programs
- Winning schools were awarded smart Ed-Tech-enabled classrooms with supporting infrastructure for enriched learning

STEM scholarships and mentorship for women

The Company funded a program in Hyderabad to facilitate women from low-income groups, belonging to Tier 2 and Tier 3 cities, to pursue their interest in science, technology, engineering, and mathematics (STEM) studies and build the necessary skills for future employment. The program is a collaboration with the Research & Innovation Circle of Hyderabad (RICH).

- A total of 10 PG and 11 UG freshly graduated and meritorious women from tier-2 and tier-2 cities received scholarships and completed internships in the spheres of Pharmaceuticals, Biotechnology, Chemistry and Applied Biology. Mentors from Syngene provided guidance on technical and soft skills to make them industry ready
- In the second cohort, 30 deserving women students have been awarded scholarships
- Women mapped for internships with reputed research centers and industries, part of the Hyderabad Science & Technology Cluster
- Individual mentoring was provided by scientists at the Syngene's Hyderabad campus

'Synquizitive' Interschool Science Quiz, Bangalore

Learning support in rural areas

Our commitment to education includes improving the educational facilities for children living in small towns and villages.

- 11 classrooms in 8 government schools in Karnataka were constructed during the year. The classrooms will provide 500+ children with equal opportunities for learning and development every year

The Company also funded the construction of a children's park in Jokatte, Karnataka which will benefit more than 350 families displaced due to the development of the Mangalore campus.

Community healthcare

Our tech-enabled community healthcare program contributes towards providing primary healthcare services to underserved communities.

eLAJ smart clinics

The eLAJ clinics provide easy access to primary healthcare in remote, tribal and underserved areas of Karnataka. The clinics leverage technology to capture and communicate critical patient data in real-time to facilitate effective clinical consultations and enable timely diagnostics and screening for non-communicable diseases (NCDs).

During the year, 11 eLAJ centers in 7 districts of Karnataka recorded over 65,000 patient visits and more than 35,000 lab investigations were undertaken. The Company-funded 3 new eLAJ centers in tribal communities were inaugurated in collaboration with local NGOs further expanding the reach of primary healthcare services to underserved communities.

Specialist clinics

Our specialist clinics are designed to focus on specific areas of healthcare, including maternal and child health, elderly health, oral health, and chronic diseases. Our health workers provide counseling to patients and provide awareness sessions in order to improve health-seeking behavior.

During the year, our specialist clinics recorded over 3,600 patient visits covering: NCDs, geriatrics, well baby, well woman, opthalmology, and mental health. The clinics offer specialized care to patients ensuring that they receive the attention and treatment they require to address their unique healthcare needs.

11
eLAJ clinics in 7 districts of Karnataka

65,000+
patient visits recorded in eLAJ clinics

41,000+
diagnostic tests conducted

3,600+
consultations in specialist clinics

>22,000
people benefited from community outreach activities

Community outreach

To improve the health of the communities we live and work in, the Company funded various community outreach programs:

- **Cancer screening**
  - Screened high-risk individuals for oral potentially malignant disorders
  - Trained frontline health workers equipped with mobile health-tech
  - 3,700+ people screened: precancerous lesions detected in ~8% of patients
- **Screening at doorstep**
  - A community-based baseline data collection program using a digital application was used to survey 6,400+ individuals
  - Launched standardized medical kits for screening for NCDs (diabetes, hypertension & cancers) on the doorstep
- **Child Health Activists Mentoring and Promoting health in Society (CHAMPS)** – To promote good health and cultivate a healthy lifestyle among adults, high-school students from government schools were trained to screen for high blood pressure in their local communities to identify early hypertension and heart disease.
- **Student health check-ups** – The Company funded an initiative to create health records of children to enable improved surveillance of school health as well as preventing diseases and promoting healthier lifestyle choices amongst children.
  - **1,700+ students** at 13 government schools underwent health check-ups and health cards were created
- **Women's health and awareness camps** –2,300+ women were screened for breast cancer: ~4% were referred for post-clinical breast examination. Information about other women's health issues such as NCDs, menstrual and personal hygiene, and good nutrition practices was also provided.

Boosting mental health

In partnership with NIMHANS, the Company funds programs to manage and improve mental health and wellbeing.

- **Bangalore Urban Mental Health Initiative (BUMHI)** – The initiative promotes mental self-care and informal care in the community through training of individual, groups and organizations. 1,700+ individuals were trained in 84 workshops during the year.
- **Technology addiction in students** – Awareness sessions were conducted in 11 schools for 2,000+ students on technology addiction and healthy use of technology.
- **Women's mental well-being** – Marginalized women in rural India face lack of basic mental health check-up during pregnancy and post-delivery. Our peripartum project aims to address this issue by screening peripartum women for mental health conditions, in partnership with St. John's Research Institute (SJRI). Of the 320 women screened, 19% were diagnosed for depression, anxiety and other mental health conditions and provided psychiatric and counseling services.

AMR tracker

Antimicrobial resistance is a leading public health challenge to mitigate this, the Company is funding the development of an AI-enabled m-Health application, compliant with the Ayushman Bharat Digital Mission (ABDM) guidelines, addressing the challenges in the Indian context in partnership with the Indraprastha Institute of Information Technology, Delhi.

COVID wastewater surveillance

In collaboration with St. John's Research Institute (SJRI) and the Indian Institute of Science, the Company is funding water-based monitoring for SARS-CoV-2 and its variants at hospitals and institutions in Bangalore. This initiative will provide early warning signs of virus outbreaks and identify hotspots while offering inexpensive and non-invasive mass surveillance.

Grant in relief

In response to a request from the Government of India, the Company sponsored 1,200 home medicine kits for villages located in three districts of Jammu & Kashmir. These villages situated at the zero-line international border face challenges in healthcare accessibility owing to geographic distance, difficult terrain, lack of adequate transportation, security disruptions and harsh weather conditions.

Women and child welfare through Parihar

The Company continued to work with Parihar, an initiative by the Bangalore City Police to protect and rescue women and children in distress. Police support, counseling, short-stay facilities, medical aid, legal services, and rehabilitation are also provided to the victims, helping them to feel safe and recuperate well.

1,900+

New cases registered under Parihar during the year

90%

of them were successfully resolved

Pier wall painting at the Biocon-Hebbagodi Metro station

Environmental sustainability – Bangalore metro

The Company has contributed towards funding the construction of Biocon-Hebbagodi Metro Station which has reached an advanced stage of completion. The station is the closest metro stop to the main campus in Bangalore. The metro is expected to be open to the public by the end of 2024. The project also includes the pier wall painting of the metro corridor between Biocon-Hebbagodi and Huskur Gate stations. This unique public art project showcases in fourty-four art designs that celebrate the unsung heroes of everyday life. Additionally, the project entails the development of median gardens to create urban green spaces.

Employee volunteering programs

During the year, employees from all campuses volunteered to take part in CSR initiatives undertaken by the Company.

400 employees volunteered for programs organized through the Biocon Foundation

656 employees participated in blood donation drive across Bangalore, Mangalore and Hyderabad.

Biocon Academy

Biocon Academy, a CSR initiative of the Biocon Group Companies, trains students for the life sciences sector. The Syngene program, in partnership with MS Ramaiah College, offers a 16-week course focusing on sterilization practices for Pharmacy, Microbiology, Biotechnology, and Biochemistry graduates. It emphasizes industry practices, unit operations, and regulatory requirements, aiming to prepare participants for jobs in parenteral medicines manufacturing with minimal additional training.

Board of Directors

Standing from left to right

Dr Vijay Kuchroo
Mr Sibaji Biswas
Ms Sharmila Abhay Karve
Dr Kush Parmar
Ms Vinita Bali
Mr Nilanjan Roy
Prof Catherine Rosenberg

Sitting from left to right

Mr Jonathan Hunt
Ms Kiran Mazumdar-Shaw
Mr Paul Blackburn

Ms Kiran Mazumdar-Shaw

Non-Executive Chairperson

Ms Kiran Mazumdar-Shaw is a pioneering biotech entrepreneur, a healthcare visionary, and a passionate philanthropist. As a leading woman in science, she is a role model to millions. She is steadfast in her pursuit of innovative technologies that enable affordable access to healthcare, and is committed to making a difference to billions of lives globally. She is a pioneer of India's biotech industry and founder of Biocon, an innovation-led global biotechnology enterprise.

Her visionary journey has earned her several coveted titles and awards, both national and international, including India's top civilian awards, Padma Shri (1989) and Padma Bhushan (2005), as well as, the highest French distinction, Knight of the Legion of Honour (2016), Australia's Highest Civilian Honour the Order of Australia (2020) and EY World Entrepreneur of the Year (2020). A well-regarded global influencer, she has been named among TIME magazine's '100 Most Influential People in the World'.

She serves on the Board of United Breweries Limited, Syngene International Limited, Narayana Hrudayalaya Limited and Trent Limited.

Ms Mazumdar-Shaw holds a bachelor's degree in science (Zoology Hons.) from Bangalore University and has earned a master's degree in malting and brewing from Ballarat College, Melbourne University. She has been awarded with several honorary degrees from Ballarat (2004), University of Abertay (2007), University of Glasgow (2008), Heriot-Watt University (2008), National University of Ireland (2012) and Trinity College, Dublin (2012) for her pre-eminent contributions in the field of biotechnology.

Mr Jonathan Hunt

Managing Director and
Chief Executive Officer

Mr Jonathan Hunt has over 30 years of experience in the global life sciences and biopharmaceutical industry. At Syngene, he is responsible for strategy, strategy execution, leading the executive team and the Company's business operations and steering its investment decisions.

Prior to joining Syngene, he held leadership positions at AstraZeneca for over a decade, including President and Director of AstraZeneca, Austria, and President, AstraZeneca, India. He has been a member of the Board of Directors of Syngene since 2016, Managing Director since 2020 and is a member of the Stakeholders Relationship & ESG Committee, the Risk Management Committee, and the Science & Technology Committee.

He completed his BA in Business Studies & Economics from the University of Sheffield and holds an MBA from Durham University, United Kingdom.

Mr Sibaji Biswas

Executive Director and Chief Financial Officer

Effective April 01, 2024, Mr Sibaji Biswas has been elevated to the position of Executive Director and Chief Financial Officer. Mr Biswas is a certified Chartered Financial Analyst (CFA) from ICFAI and holds a B.Tech from IIT-Kharagpur. With an MBA from University of Calcutta, he has also completed Management Development Programs at Indian Institute of Management (IIM), Ahmedabad and London Business School. He has over 25 years of extensive experience in finance and related functions. His prior experience includes working with Vodafone (Romania), Vodafone (India), Hutchison Essar Limited, Fascel Limited, and the ABP Group. Prior to joining Syngene, he was the CFO and a member of the Board at Vodafone (Romania). He was appointed as the CFO of Syngene in December 2019 and is a member of the Executive Committee. He oversees the finance, supply chain, legal, secretarial and IT functions and plays an important role in driving strategy, improving profitability, identifying new opportunities, improving cash generation and enabling organizational growth.

Prof Catherine Rosenberg

Non-Executive Director

Professor Catherine Rosenberg holds the Canada Research Chair in the Future Internet and the Cisco Research Chair in 5G Systems, alongside her role as a professor in electrical and computer engineering at the University of Waterloo, Canada. She is a Fellow of both the Institute of Electrical and Electronics Engineers and the Canadian Academy of Engineering.

At Syngene, she is the Chairperson of the Corporate Social Responsibility Committee, and a member of the Nomination & Remuneration Committee, the Stakeholders Relationship & ESG Committee and the Science & Technology Committee.

Mr Paul Blackburn

Independent Director

Mr Paul 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 October 1, 2020.

As of March 31, 2024, Mr Blackburn serves as the Chairman of both the Audit and Risk Management Committees. Additionally, his membership in the Stakeholders Relationship & ESG Committee underscores his commitment to addressing broader issues of sustainability and corporate governance.

Dr Vijay Kuchroo

Independent Director

Dr Vijay Kuchroo holds a doctorate in Pathology from the University of Queensland, Australia. He currently holds the prestigious position of Samuel L. Wasserstrom Professor of Neurology at Harvard Medical School, where he also serves as a Senior Scientist at Brigham and Women's Hospital. He is the founding Director of the Gene Lay Institute of Immunology and Inflammation at Brigham and Women's Hospital, Mass General Hospital and Harvard Medical School. Additionally, he is an Institute Member at the Broad Institute of MIT and Harvard, all located in the United States.

Dr Kuchroo is renowned for his groundbreaking discoveries in Cancer immunotherapy and autoimmunity. Notably, he discovered TIM-3 'checkpoint' molecules for cancer immunotherapy and elucidated the role of Th17 cells in the induction of autoimmunity. His contributions have earned him numerous awards and accolades. With over 50 patents and more than 400 research papers in immunology, Dr Kuchroo is a prominent figure in the field. He serves on the scientific advisory boards of leading pharmaceutical companies such as Pfizer, Novartis, Sanofi, and GSK. Furthermore, he has founded eight biotech companies, including CoStim Pharmaceuticals and Tempero Pharmaceuticals, and serves as a founding/scientific advisory member of Tizona Therapeutics and Celsius Therapeutics.

At Syngene, Dr Kuchroo holds the position of Chairman of the Science & Technology Committee and is a member of both the Nomination & Remuneration Committee and the Corporate Social Responsibility Committee.

Ms Vinita Bali

Lead Independent Director

Ms Vinita Bali is a distinguished global business executive with a wealth of experience in leading and transforming large organizations, both in India and internationally. She was the Chief Executive Officer & MD at Britannia Industries Ltd. from 2005 to 2014. Prior to that, she held various leadership roles at The Coca-Cola Company and Cadbury Schweppes Plc across the UK, Nigeria, South Africa, USA, and Chile, encompassing Marketing, General Management, and Chief Executive Officer responsibilities.

Currently, Ms Bali serves as a Non-Executive Director on the global boards of SATS Ltd and Cognizant Technology Solutions and is a Trustee of The Shell Foundation. In India, she is a board member of Bajaj Auto Limited. At Syngene, she chairs the Nomination & Remuneration Committee and is a member of the Audit Committee and the Corporate Social Responsibility Committee.

Dr Kush Parmar

Independent Director

Dr Kush 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 and Boston. Dr Parmar is a respected member of the advisory boards of prestigious institutions such as Harvard Medical School, Penn Medicine, Princeton University's Department of Molecular Biology, and the Grace Science Foundation. During his tenure at Princeton University, Dr Parmar collaborated on developmental genetics research with Nobel Laureate Eric F. Wieschaus. Additionally, Dr Parmar holds positions on the boards of various companies, including Ensoma, Entrada Therapeutics, Cage Therapeutics Rubix Therapeutics, GlycoEra, Precede, and Rallybio. At Syngene, Dr Parmar serves as a member of the Risk Management Committee and the Science & Technology Committee.

Mr Nilanjan Roy

Independent Director

Effective April 1, 2024, Mr Nilanjan Roy has been appointed as an Independent Director on the Board. Mr Roy is a noted figure in the realm of finance with a comprehensive background cultivated across various geographies, including India, Europe, and the United States. His distinguished 33-year career encompasses significant roles such as Chief Financial Officer at Infosys Limited, Global Chief Financial Officer at Bharti Airtel Limited, and senior positions at Unilever, which demonstrate his leadership prowess and adaptability across different business landscapes.

With a deep understanding of finance intricacies, Mr Roy's expertise spans a wide array of domains, encompassing shareholder value creation, Environmental, Social, and Governance (ESG), corporate governance, risk management, treasury, mergers and acquisitions, investor relations, taxation, financial accounting, and reporting. He has rich industry experience including technology, telecommunications, and consumer products. He holds a Bachelor of Commerce (Hons.) degree from Delhi University and is a Chartered Accountant.

Currently at Syngene, Mr Roy is a member of the Audit Committee, Risk Management Committee, and the Stakeholders Relationship & ESG Committee.

Ms Sharmila Abhay Karve

Independent Director

Ms Sharmila Abhay Karve is a Fellow of the Institute of Chartered Accountants of India. She retired as an audit partner from Price Waterhouse in June 2019, where she held various significant roles throughout her tenure. Ms Karve served as an engagement partner with numerous large Indian and multinational clients and was appointed as the Chief Ethics Officer. In 2009, she assumed the position of Assurance Leader and was later promoted to Assurance Risk & Quality Leader in April 2012. In her final role as Global Diversity Leader starting from December 2016, Ms Karve dedicated her efforts to fostering diversity across the PwC network. Currently, Ms Karve serves as a Director on the boards of several esteemed companies in India, including CSB Bank Limited, EPL Limited, Vanaz Engineers Limited, Aadhar Housing Finance Limited, and Thomas Cook (India) Limited. Her overseas directorships encompass Fairfax India Holdings Corporation, EPL Packaging (Guangzhou) Ltd., EPL America LLC, and Lamitube Technology Ltd, Mauritius.

At Syngene, she is the Chairperson of the Stakeholders Relationship & ESG Committee and a member of the Audit Committee and Nomination & Remuneration Committee.

Executive Committee

Standing from left to right
Dr Kenneth Barr
Mr Jonathan Hunt
Ms Caroline Hempstead
Mr Alex Del Priore
Mr Andrew Webster

Sitting from left to right
Mr Sibaji Biswas
Mr Alok Mehrotra

Mr Jonathan Hunt

Managing Director
and Chief Executive Officer

Mr Jonathan Hunt has over 30 years of experience in the global life sciences and biopharmaceuticals industry. At Syngene, he is responsible for strategy, strategy execution, leading the executive team and the Company's business operations and steering its investment decisions. Prior to joining Syngene, he held leadership positions at AstraZeneca for over a decade, including President and Director of AstraZeneca, Austria, and President, AstraZeneca, India. He has been a member of the Board of Directors of Syngene since 2016, Managing Director since 2020 and is a member of the Stakeholders Relationship & ESG Committee, the Risk Management Committee and the Science & Technology Committee. He completed his BA in Business Studies & Economics from the University of Sheffield and holds an MBA from Durham University, United Kingdom.

Mr Sibaji Biswas

Executive Director & Chief Financial Officer

Mr Sibaji Biswas is a certified Chartered Financial Analyst from ICFAI, holding 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, Fascel Limited and the ABP Group. Prior to joining Syngene, he was the CFO and a member of the Board at Vodafone (Romania). At Syngene, he oversees the finance, supply chain, legal, secretarial and IT functions and as a member of the Executive Committee, he plays an important role in driving strategy and planning, improving profitability, identifying new opportunities, improving cash generation and enabling organizational growth.

Mr Biswas has been elevated to the position of Executive Director and Chief Financial Officer with effect from April 01, 2024.

Mr Andrew Webster
Chief Human Resources Officer

Mr Andrew Webster holds a Higher National Diploma in Business Studies from Blackburn College of Technology, UK, and a professional qualification from the Institute of Personnel Management awarded by Salford Technical College, UK. His experience in the Human Resources function includes management of mergers and acquisitions; driving culture change; building a leadership and talent pipeline; and delivering a diversity agenda. Mr Webster joined Syngene in December 2022 from management consultancy, Teneo, Hong Kong. Prior to joining Teneo, he was CHRO for global retail group, DFS and held HR leadership roles at global biopharmaceutical company, AstraZeneca PLC. He started his career as an HR professional in the UK retail groups House of Fraser and Marks and Spencer PLC. Mr Webster is a member of the Executive Committee where he leads on talent management strategy and building employee value proposition, in addition to steering all Human Resources operations. Mr Webster succeeded Sanjeev Sukumaran as CHRO on December 1, 2022.

Mr Alok Mehrotra
Chief Quality Officer

Mr Alok 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.

Dr Kenneth Barr
Senior Vice President – Discovery Services

Dr Kenneth Barr completed his Ph.D. in Synthetic Organic/ Organometallic Chemistry under the direction of Professor Stephen Buchwald at the Massachusetts Institute of Technology and pursued his postdoctoral study in natural product synthesis under the direction of Professor Steven Martin at the University of Texas at Austin. 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 and providing alliance management for key pharma and CRO relationships. As a member of the Executive Committee, he is responsible for the strategy and operations of the Discovery Services Division.

Mr Alex Del Priore
Senior Vice President – Manufacturing Services

Mr Alex 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. Prior to joining Syngene, he was Vice President Operations and Health COO at Johnson Matthey in the UK 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.

Ms Caroline Hempstead
Head of Corporate Affairs

Ms Caroline Hempstead has a degree in French studies from Manchester University, UK. She has more than 30 years of experience in Corporate Affairs roles in multinationals in sectors ranging from financial services and oil & gas to pharmaceuticals. She joined Syngene in 2019 as Head of Corporate Affairs. Prior to joining Syngene, she held similar roles at AstraZeneca plc and LafargeHolcim (now Holcim), preceded by leadership roles in corporate communications at Royal Dutch Shell, Inchcape plc and the London Stock Exchange. As a member of the Executive Committee and the ESG Council, her responsibilities encompass corporate communications and Environment, Social and Governance activity.

CASE STUDY

Forging a deep partnership: Syngene and Zoetis

Osteoarthritis in dogs is a degenerative joint disorder that leads to permanent deterioration of the cartilage providing cushioning for the joints. This painful condition is estimated to affect as many as 90% of dogs over 5 years of age in the United States (1). Syngene and Zoetis have joined forces to manufacture the drug substance for Librela® (bedinvetmab), a first-in-class monoclonal antibody used to treat this condition. The product, which was initially launched in the European Union (EU), won 'Best new companion animal product' by IHS Markit Connect in 2021 for its transformational impact on pain relief for canines.

Jonathan speaking at the Zoetis town hall in Belgium

Building a partnership

Building on a long-standing relationship, Zoetis and Syngene have formed a 10-year partnership to manufacture the drug substance, leveraging Syngene's specialist biologics manufacturing skills and facilities on the Bangalore campus.

Getting started

To initiate the partnership, Zoetis and Syngene developed the process to manufacture the drug substance for the EU. In the scale-up and manufacturing phase, the first requirement was to get the batches right first time with seamless planning and batch execution. Syngene scaled up the process from 10L scale to 500L scale according to the Veterinary International Conference on Harmonization (VICH) guidance documents for batch material supply. Thereafter, process performance qualification (PPQ) runs were carried out on a 500L scale for registration of Librela in the EU. The product was successfully filed in the EU and approved by the EU in January 2023.

As preparations for entering the US market started, the US FDA requested additional controls around the specifications for the drug substance. In response, the Syngene team, in consultation with the Zoetis team, designed and executed additional Design of Experiments[1] studies in AMBR[2] and 10L bioreactors and performed Multivariate Data Analysis (MVDA) modeling to

[1] (DOE) is a systematic, efficient method that enables scientists and engineers to study the relationship between several input variables and critical output variables.

[2] The AMBR® 250 system is a high throughput, automated bioreactor system for process development with fully featured single-use 100 to 250 mL mini bioreactors.

arrive at optimized process conditions that could consistently achieve the product quality set by the US FDA, while keeping the titer unchanged. This process was then scaled up to 500L and 2000L for commercial manufacturing and process performance qualification batches were produced for the launch of Librela®. It was approved by the US FDA on May 5, 2023 and Librela® was launched in the US in November. Following approval, Syngene embarked on commercial manufacturing.

Getting it right first time

Several factors contributed to the success of the manufacturing program: precision emerged as a key requirement involving the delivery of batches that were accurate from the first attempt. Another crucial step was the successful completion of a US FDA inspection of our biologics manufacturing facilities, which was completed without any 483 observations. This commitment to excellence and efficiency paved the way for an early product launch, eliminating the need for improvements mandated by the US FDA.

Rooted in the latest science and technology, the Syngene/Zoetis partnership is going from strength to strength. With a shared commitment to operational excellence, compliance and global quality standards, this partnership has demonstrated the power of working closely together to achieve a common goal. In a complex process, the team has solved problems together and delivered innovation at every turn. As a result, the US FDA and EMA approvals were achieved in record time and commercial supply of the drug substance was assured.

Teams that work well together also celebrate together and the Zoetis/Syngene team joined forces across sites in Belgium, the US and India in November 2023 to celebrate a job well done.

Zoetis leaders at Syngene, Bangalore

References

(1) Physical activity patterns of free living dogs diagnosed with osteoarthritis

CASE STUDY

Building a process for a microbiome-based dermatology drug

The customer's request

A biotech client dedicated to advancing human health through microbiome-based drugs – a medicine made with microorganisms, approached Syngene to design a development and scale-up solution for its product. The therapy was based on ammonia-oxidizing bacteria (AOB), belonging to the Nitrosomonas genus, originally isolated from soil samples and a part of the human skin microbiome. These were once found in sweat but are no longer present on the skin due to modern hygiene practices. These bacteria have the therapeutic potential for treating various skin health-related diseases.

The task

The growth of the Nitrosomonas as a soil-based bacterium, in the lab, presented unique challenges. These nitrifying bacteria are notoriously difficult to cultivate in the laboratory[1]. While there is existing research on the biology and biochemistry of this microorganism, information on large-scale manufacturing as a microbiome is scarce.

[1] Chemostat is a culture system for bacteria. The culture conditions are maintained such that there is a dynamic equilibrium in terms of cell concentration to optimized manufacturing of certain products.

Building the process

Syngene tackled this challenge by methodical and detailed investigations that resulted in implementing controls such as stringent cleaning procedures, filter sterilization and process controls in terms of media preparation and aseptic procedures. This transformed the growth trajectory from 'no growth' to 'steady growth'. Currently, the emphasis is on replicating the growth in the Good Manufacturing Practices (GMP) scale by addressing variability in cell growth and maintaining the chemostat(1).

The manufacturing process of Nitrosomonas has been successfully scaled up in a 200L fermenter, marking a significant milestone. With the client gearing up for late-stage clinical trials, the focus has now shifted to optimizing the GMP manufacturing process.

Reducing inflammatory reactions to restore skin health

AOB is known for its involvement in environmental nitrification processes, specifically oxidizing ammonia (NH^3) to nitric oxide (NO) and nitrite (NO2-). The local and systemic nitric oxide levels it produces have both anti-inflammatory and anti-infective effects on humans. Combined with their non-pathogenic nature, these bacteria have become an attractive option for the topical delivery of nitric oxide and nitrite. The application of this therapy causes the downregulation of specific interleukins[2] (IL-4, IL-5, IL-13, and IL-31) involved in the inflammatory pathway of the body and restores the skin.

Positive Results

The client announced positive Phase IIb results in The Lancet's eClinical Medicine for the treatment of mild-to-moderate atopic dermatitis and moderate-to-severe pruritus. These study results support the advancement of the microbiome-based drug to Phase III. Currently, the investigational therapy is under regulatory review in the U.S.

References

(1) Improved methods for the cultivation of the chemolithoautotrophic bacterium Nitrosomonas europaea

[2] Interleukins are a group of cytokines that act as chemical signals between white blood cells. They stimulate immune responses, such as inflammation.

CASE STUDY

Cocktail formulations for monoclonal antibodies using hybridoma cell lines

Monoclonal Antibodies (mAbs)[1] derived from hybridoma cell lines are integral to therapeutic applications and are also used to prepare reagent kits. Hybridoma technology is one of the platforms used to produce monoclonal antibodies (mAbs) against a specific antigen.

Hybridoma cell lines differ from the routine Chinese hamster ovary and Human embryonic kidney cell lines. They possess inherent challenges such as hybridoma instability, lower antibody yields, heterogeneity in antibody production, scale-up challenges, downstream processing issues, and regulatory compliance requirements. Addressing these challenges often requires a multidisciplinary approach involving collaboration with scientists from cell biology, process development, manufacturing operations, quality control and regulatory affairs experts.

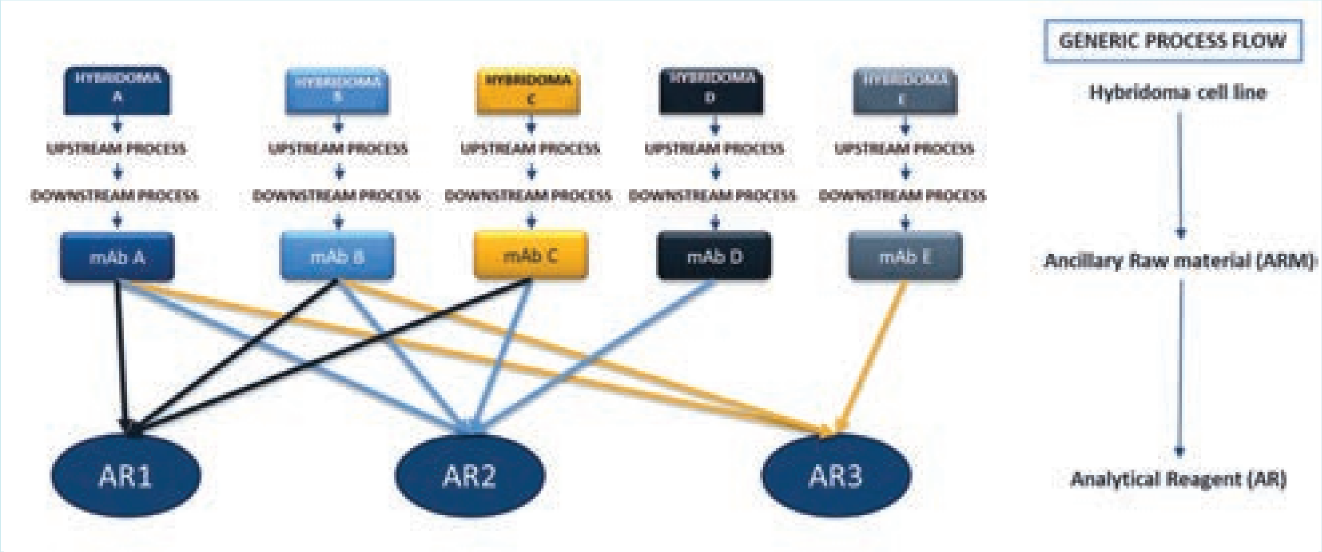
Client-specific Requirement

In response to a specific client's needs, Syngene Biologics team undertook the challenge of developing a platform technology capable of utilizing hybridoma cell lines to manufacture multiple mAbs.

Process flow

The development of this unique platform involved a meticulous process flow, ensuring the successful integration of hybridoma cell lines into ancillary raw materials (ARM). The three ancillary reagents are formulated using five mAbs in defined combinations at specified concentrations. The Syngene Biologics team curated the technology to produce 5 ARMs and it was scaled up at a manufacturing scale using single-use platform technology. These ARMs were then employed in innovative cocktail formulations to create Analytical Reagents (ARs) for the preparation of reagent kits essential in cell and gene therapy. The kit is designed to activate and expand human T cells for immunotherapy in patients.

[1] An antibody is a large, Y-shaped protein used by the immune system to identify and neutralize foreign objects such as pathogenic bacteria and viruses



Manufacturing of Ancillary Raw Material (ARMs) and their cocktail formulations to produce Analytical Reagents (ARs)

Key Achievements

Stable cell line preparation: Successful preparation of Master Cell Banks (MCB) and Working Cell Banks (WCB) ensured the stability and reliability of the hybridoma cell lines, addressing inherent challenges.

Strategic scale-up at manufacturing scale: The biologics scientists devised a strategic approach to scale up the production process to meet manufacturing demands, overcoming challenges associated with hybridoma cell lines.

Process consistency and uniformity across mAbs: Ensuring consistency and uniformity across the production of monoclonal antibodies (ARMs) to meet client specifications and global regulatory standards.

Robust platform for cocktail formulations at manufacturing scale: The development of a robust platform enabled the effective handling of complex cocktail formulations at the manufacturing scale, ensuring consistency and efficiency.

CASE STUDY

Detection of impurities and properties of hydrocarbon mixtures using Artificial Intelligence (AI)

Hydrocarbons are the principal components of fuels and are analyzed using gas or liquid chromatography-mass spectrometry (GC-MS, LC-MS)[1]. Though these techniques are effectively used for separation, detection and identification of impurities in intricate mixtures, applying them to long-chain hydrocarbons is not straight-forward:

- Characterizing impurities present in a sample is challenging in the absence of a reference mass spectral library essential for identifying each component present in a mixture of long-chain hydrocarbons
- This impedes the prediction of relevant properties for these mixtures. Multiple experiments are required for analysis, leading to a cumbersome process

To address these challenges, a client sought the assistance of our scientists to develop an AI-based approach to identify the various components present in a mixture of hydrocarbons, overcoming the limitations associated with traditional analytical methods.

Unique research

Syngene scientists used a combination of cheminformatics and deep learning to:

- Predict the mass spectrum of long-chain hydrocarbons
- Create a reference library for mass spectra analysis
- Predict possible impurities or contaminants generated during the synthesis of long chain hydrocarbons using the mass spectra data of the sample
- Predict physical properties of the compounds, such as temperature-dependent viscosity and density

Methodology

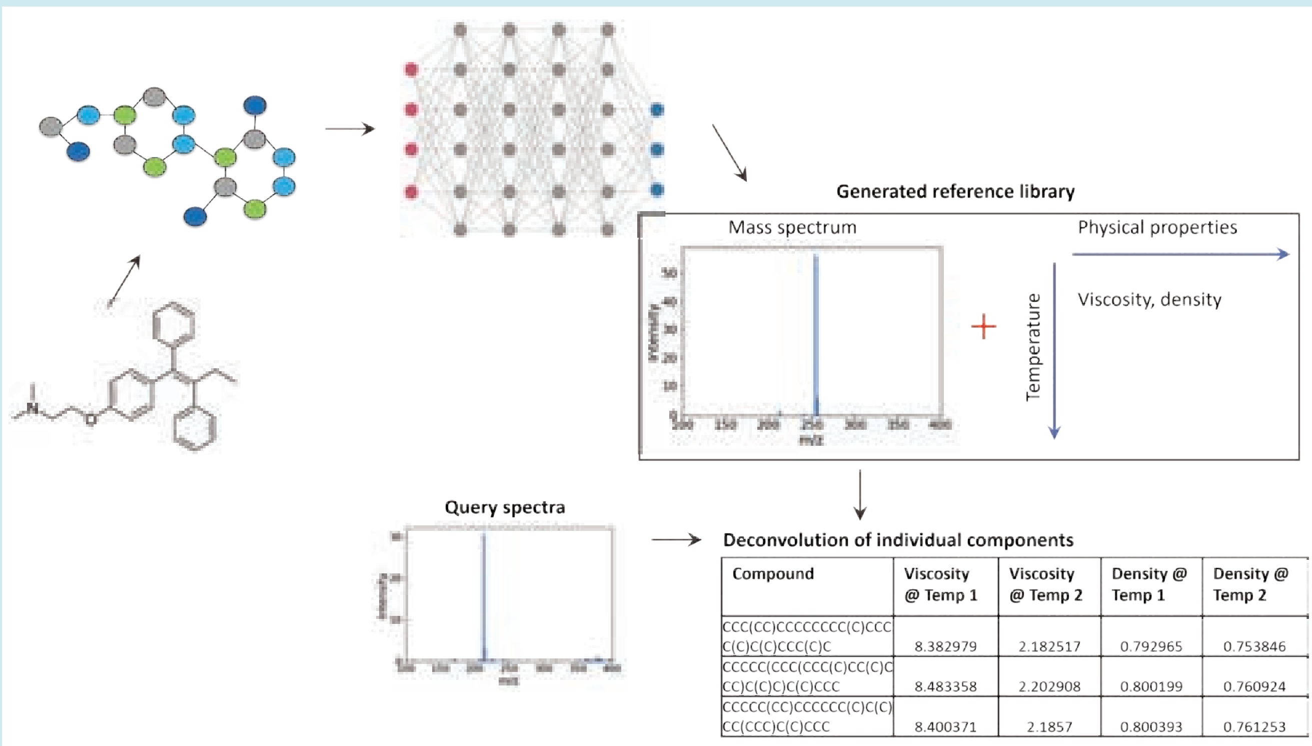
Traditional AI/ML (Machine Learning) models to predict properties are ineffective for impurities generated during the synthesis of long chain hydrocarbons that differ from the parent product by a few carbons or side chain positions. The fingerprint-based representation of compounds fails to decode the minor differences in the chemical structure.

Syngene used graph embedding model, accompanied with experimental conditions like ionization energy and precursor type to train a deep learning model that is effective in predicting spectra with reasonable accuracy (see the figure). The model was used to create a reference mass spectra library for long chain hydrocarbons which can be used to deconvolute[2] sample mixtures. This was combined with models that can predict physical properties including density and viscosity over a wide temperature range to characterize the sample.

[1] Mass spectrometer is used to detect unknown compounds through molecular weight determination, to measure known compounds and to determine structure and chemical properties of molecules.

Summary

The developed method reliably predicts the mixture of long-chain hydrocarbons present in a sample, as well as their physical properties. This helps scientists to identify the compounds present in the sample and the associated physical properties and assists in decisions on the usage of these compounds in various product formulations. The reference library of spectra is helping analytical scientists make mass spectrometry more effective for long-chain hydrocarbons. This work was enabled by a customized Syn.AI™ workflow.



Compound	Viscosity @ Temp 1	Viscosity @ Temp 2	Density @ Temp 1	Density @ Temp 2
CCC(CC)CCCCCCCC(C)CCCC(C)C(C)CCC(C)C	8.382979	2.182517	0.792965	0.753846
CCCCC(CCC(CCC(C)CC(C)CCC)C(C)C)C(C)CCC	8.483358	2.202908	0.800199	0.760924
CCCCC(CC)CCCCCC(C)C(C)CC(CCC)C(C)CCC	8.400371	2.1857	0.800393	0.761253

Figure: Detection of impurities and properties of hydrocarbon mixtures using Artificial Intelligence. From left to right: Chemical structure, Graph embedding model, Neural network, predicted mass spectra

[2] Deconvolution in mass spectrometry is the process of computationally separating co-eluting components and creating a pure spectrum for each component.

CASE STUDY

Generation of Induced Pluripotent Stem Cells (iPSCs) for concept validation and potential cell therapy

Induced pluripotent[1] stem cells (iPSCs) are a new type of pluripotent cells that can be obtained by reprogramming any animal or human differentiated cells. They are useful for several reasons: iPSCs bridge the gap between animal models of disease and human clinical trials; they offer an attractive alternative for high throughput screening of novel compounds and can potentially help pharmaceutical companies shortlist lead molecules faster and more reliably; iPSCs are anticipated to create a tremendous impact on modern drug discovery as they enable accurate modeling of human diseases without the ethical concerns associated with extensive animal testing; iPSCs are also extremely useful in the production of allogenic (cells from healthy donors) CAR-T cell[2] therapies and address the unmet need for off-the-shelf therapy for patients. Moreover, iPSC-based model systems are beneficial for studying diseases and screening novel drugs where the availability of patient cells is highly limited such as neurological diseases or rare blood disorders.

Unique research

Syngene scientists have established an in-house capability for generating high quality iPSCs and optimized differentiation protocols to convert them into neural and cardiac cells Figure 1.

Methodology

iPSCs were derived from peripheral blood mononuclear cell samples of healthy volunteers. These iPSCs were tested for their pluripotency, sterility and absence of viral remnants. Further, these iPSC cells were differentiated either into beating cardiomyocytes or neural stem cells that were further converted into neurons.

Summary

Syngene has successfully generated in-house iPSCs Figure 2, ensuring they are not proprietary to any specific client and well-established Standard Operating Procedures (SOPs) ensure the consistent production of high-quality iPSCs. The iPSCs were generated using Good Manufacturing Processes (GMP)-like procedures, to further ensure their quality. Nine-parameter quality control criteria were instigated to ensure high quality. The differentiation protocols were optimized to reprogram iPSCs into various cell lineages, such as immune cells (T cells), cardiomyocytes, neural stem cells, and neurons. This positions Syngene to offer proprietary technology including advantages such as end-to-end service in iPSCs development from design to generation to drug discovery all within a single facility.

[1] Pluripotent stem cells have the ability to undergo self-renewal and to give rise to all cells of the tissues of the body.

[2] Chimeric antigen receptor (CAR) T-cell therapy is a way to get immune cells called T cells (a type of white blood cell) to fight cancer by changing them in the lab so they can find and destroy cancer cells effectively.

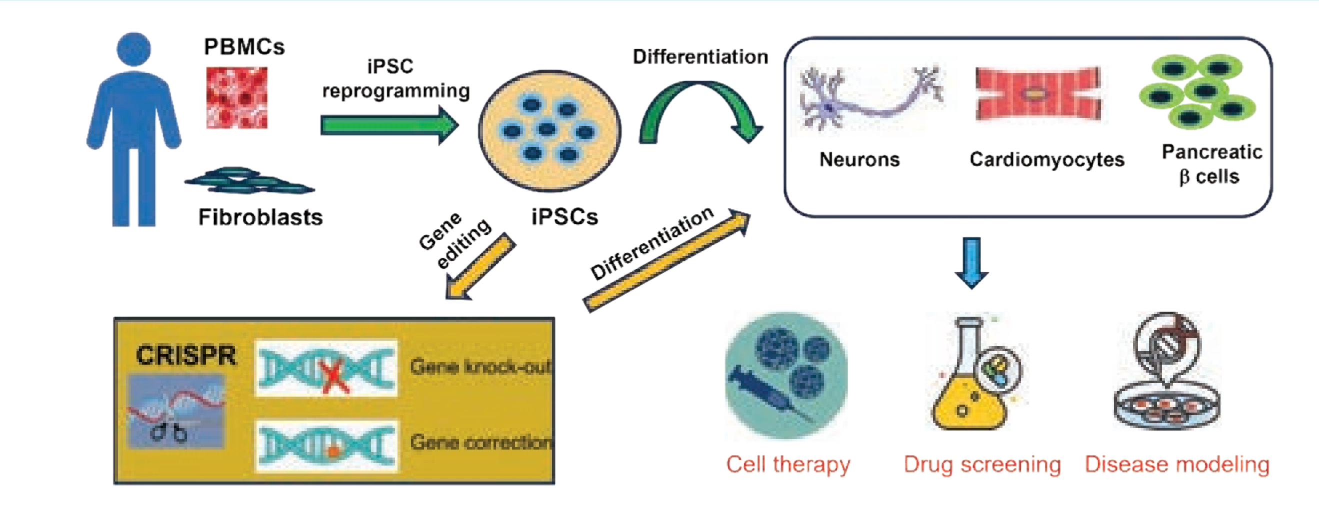


Figure1: Schematic showing the overview of iPSC generation from blood cells and differentiating iPSCs into various cell lineages like neurons, cardiomyocytes etc. iPSCs once generated can be gene edited using CRISPR to correct genetic defects or to make then allogenic for off the shelf therapy. Specific cell types generated from iPSCs can be used for various downstream applications like cell therapy, drug screening and disease modeling.

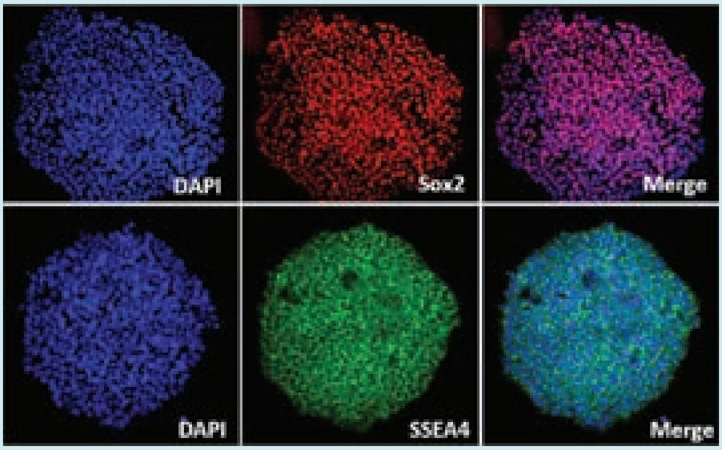


Figure2: Representative images of induced pluripotent stem cells (iPSCs) generated at Syngene and stained with pluripotency markers Sox2 (top panel) and SSEA4 (lower panel) for their characterization.

References

- Rim, Y.A., et al.; J. Vis. Exp. (118), e54650, doi: 10.3791/54650 (2016)
- Kadari, A et al.; Stem Cell Rev and Rep (2015) 11:560–569
- CytoTune -iPS 2.0 Sendai Reprogramming Kit (USER GUIDE): INVITROGEN
- Differentiating Neural Stem Cells into Neurons and Glial Cells: PROTOCOLS, Thermo fisher Scientific

CASE STUDY

Syngene reduces the number of synthesis steps for a drug compound

The team collaborated with a client to synthesize a drug substance (DS) for a human dermal application. The client's existing process consisted of twelve time-consuming steps with a lower yield and less chiral purity[1] of the DS. During the process of familiarization with the client to produce 25 grams of the compound, our scientists realized that technical improvements in certain steps of the synthetic scheme would benefit the client in terms of cost and duration of the entire process.

Enhanced chirality and yield optimization

The original tech-pack developed by the client involved 12 synthetic steps. Synthesizing compounds with high enantiomeric excess (ee) – a measurement of purity used for chiral substances, is crucial. Low ee may significantly impact the biological activity of drugs. Unfortunately, one of the asymmetric reduction reactions of the client yielded a low chiral pure compound with 70% purity. A diastereomeric resolution approach was adopted to enrich the ee to >98%.

The tech-pack process yielded a clean reaction for step-5 of the process, but the reaction yield was <50%. The contaminants in the reaction contributed to the major impurities of about 25-30%. The team optimized a reaction condition to obtain <3% reaction impurities, resulting in a product with 68% yield for step-5 while maintaining >98% chiral purity as per the client's process.

[1] Chirality happens when a mirror image of a chemical structure of DS cannot be superimposed. These are termed as chiral impurities and may have toxic effects on patients.

In one of the steps, the tech-pack condition required purification of the compound through the crystallization method using acetonitrile (ACN) as a solvent over four to five cycles to get a product with 98% purity. One cycle is time-consuming and takes approximately 15-16 hours and during the process familiarization project, this operation took one week. The time-consuming and labor-intensive crystallization was eliminated with an optimized reaction condition, resulting in a precise and efficient purification method essential for scale-up operations.

Key Achievements

Feature	Client	Syngene's process
Number of steps	12 synthetic steps	10 synthetic steps
Final ee%	98% ee over three steps	98% ee over single steps
Crystallization time for step-5	4-5 cycle (80hrs)	Eliminated
Overal Cost (USD/kg of DS) improvement	--	40% reduction
Overall yield	2%	4.2%

As a result of these optimization studies, the team significantly enhanced the drug compound synthesis process by reducing the number of steps to ten from twelve. This boosted the overall yield to 4.2%, more than double the initial yield. These enhancements signify a substantial cost reduction for the client, exceeding 40%, alongside reduced production time, thereby empowering them to enter the market sooner.

CASE STUDY

Novel bispecific antibodies as therapeutics – from discovery to efficacy

The goal of the research was to generate novel, therapeutic bispecific antibodies against solid tumors. In cancer patients, the immune system's ability to eradicate the tumor is suppressed. Antibodies are proteins produced by the immune system to combat disease, and they can be manipulated and engineered in the lab to target specific proteins and cell types. Bispecific antibodies are those that have dual targeting arms in the same molecule. In the context of cancer, bispecific antibodies can address the shortcomings of the immune system in its task of recognizing and eliminating cancer cells.

Syngene enabled a client strategy to discover and design novel, bispecific antibodies. In this approach, one arm identifies and binds the tumor-specific antigen and the second arm recruits and activates specific immune cells (T-cells) within the tumor with the intent of killing it Refer Figure 1.

Unique research

Syngene scientists have enabled a unique bispecific platform for a client. Syngene was involved in all aspects of discovery including design, execution and candidate molecule selection. Within the exceptionally short timeframe of 1.5 years for this collaboration, scientists discovered and engineered four lead bispecific antibodies against different solid tumors, all of which are being taken forward for pre-clinical Investigational New Drug (IND) enabling studies.

Methodology

The overall workflow for this research program involved design and production of target cancer antigens, immunization of mice, antibody discovery by hybridoma technology, screening for novel binders, sequencing of the variable regions (the biologically active end of the molecule), engineering the sequences into a bispecific format, production, stability testing, and functional studies in cell lines and in animal models. The antibodies that pass all the criteria of potency, stability, and efficacy are progressed to preclinical safety assessment and subsequent IND filing.

In the initial stage, Syngene scientists focused on identifying the antibody sequence crucial for targeting the tumor. Using tumor antigens, the sequence of one arm of the antibody was determined. The sequence for the second arm is derived to target a specific type of immune cell through a similar process. Once both the sequences are obtained, the antibodies are manufactured and then evaluated for potency, stability, and efficacy. Those meeting the criteria advance to preclinical safety assessment and subsequent filing for Investigational New Drug (IND) approval.

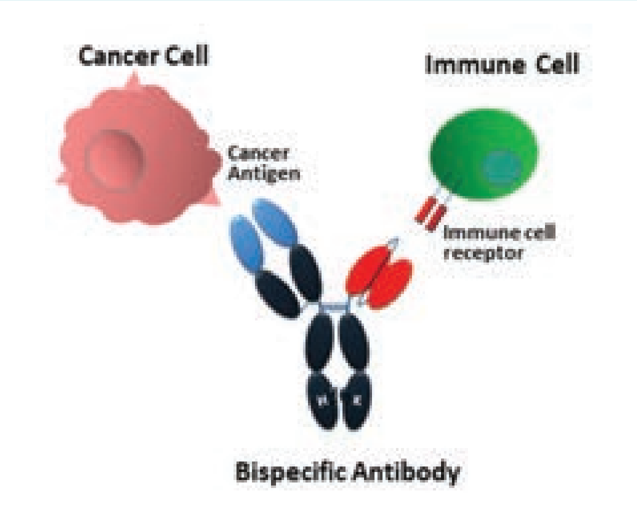


Figure 1: Cartoon representing a bispecific antibody approach used by Syngene scientists for targeted immune cell activation against cancer cell.

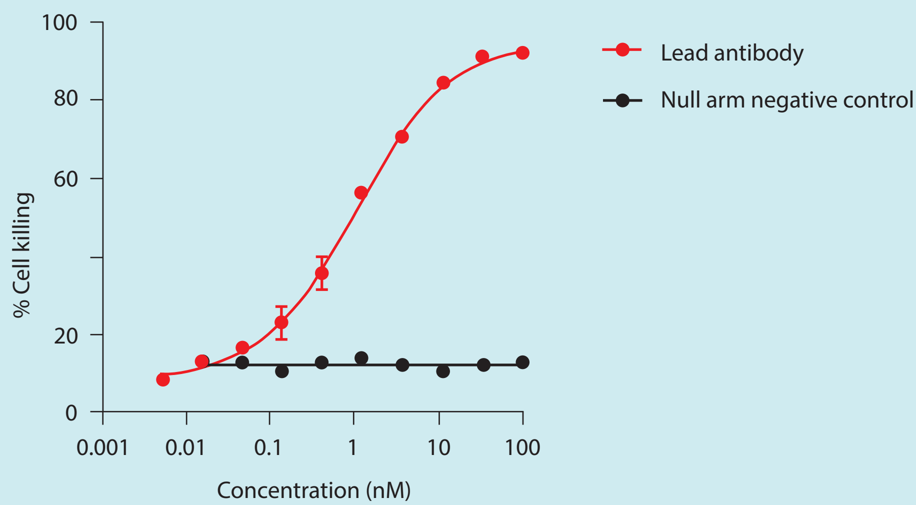


Figure 2: Data showing effective cancer cell killing by lead bispecific antibody compared to null arm (tumor binding arm is absent) negative control.

Summary

Bispecific antibodies are an emerging platform of biotherapeutics with six approved drugs and hundreds in clinical trials. Syngene scientists discovered several lead bispecific antibody molecules in a short period of time against four discrete tumor types by designing and executing experiments to evaluate potency, stability and functional efficacy in the preclinical setting. These molecules are being further evaluated for suitability for advancement into Phase I human clinical trials. Discovery of this nature requires a seamless partnership between several functions including the protein sciences, antibody discovery, assay biology, and in vivo pharmacology teams within Syngene along with client's tech team.

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- Brinkmann U, Kontermann RE.; MAbs. 2017 Feb/Mar;9(2):182-212. PMID: 28071970.
- Bispecific Antibodies: An Area of Research and Clinical Applications; August 02, 2023; FDA report in News and Events for human drug.

CASE STUDY

Synthesis of a natural product

Licochalcone A, a potent flavonoid derived from the roots of Glycyrrhiza (a small perennial herb), is well-known for its therapeutic properties, such as anti-inflammatory and antiviral effects, particularly against viral neuraminidase (1). This plant is endangered and close to extinction (2), Syngene along with a client is helping in the restoration of this plant, by conducting chemical synthesis in the lab. Extracting multi-tons of compounds from plants is commercially infeasible due to the substantial volume of solvents required for product extraction, which also makes it environment unfriendly. Additionally, in plants, bioactive compounds exist in low quantities (nanogram to picogram), preventing the pharmaceutical industry from using them in bulk.

Recognizing Syngene's expertise in synthetic chemistry, a prominent personal care brand specializing in skin and body care approached us to synthetically produce Licochalcone A for incorporation into their skincare products. Syngene's chemical development unit played a crucial role in enabling the production of natural compounds in substantial quantities (milligram-kilogram) in the laboratory.

Client challenge

Initially, the client engaged a contract research organization (CRO) for the synthesis of the compound but encountered a low yield of 1.6% under harsh process conditions. Subsequently, Syngene was approached to optimize the process and establish a scalable and gentle synthesis method. The task was to prepare a 100g proof-of-concept (PoC) sample.

Process improvements delivered

The synthesis process included five steps. The overall yield significantly improved from the initial yield of 1.6% to 9% using the optimized Syngene process. Yield improvements were observed in each synthesis step with no loss of purity (similar to client purity) in all five steps. Step 4 showed a double yield as compared to the client process.

The scientists eliminated the use of column chromatography in the process, which consumed significant amounts of solvents. In addition, the Claisen rearrangement reaction was performed at lower temperatures (120-130°C), avoiding the use of sealed tube conditions (180-200°C) and autoclave (>120-150°C), making the entire process more environmentally friendly.

Key Achievements

Proof of Concept delivery

Utilizing the modified process, Syngene successfully shipped a PoC sample of 100g to the client.

Scalability demonstrated

Syngene achieved and demonstrated a scalable synthesis process, extending up to a kilogram scale.

Improved yield

The improved yields resulted in higher productivity and made the process more efficient.

Sustainable process

The process at Syngene will reduce impact on the planet due to diminished solvent consumption in the process and less energy consumed by equipment.

Cost savings

The modified process utilized less expensive solvents and chemicals (methanol and sodium hydroxide) which improved the cost of goods. Also, a significant reduction of more than 50% was achieved in the cost of 100 Kg manufacturing of the flavonoid. The process is capable of 50% reduction in cost of manufacturing as compared to the process which was provided by client.

References

(1) Traditional Uses, Bioactive Chemical Constituents, and Pharmacological and Toxicological Activities of Glycyrrhiza glabra L. (Fabaceae)

(2) Perspectives of Licorice Production in Harsh Environments of the Aral Sea Regions

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Priyadarshini Mahapatra

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Secretarial Auditors

V. Sreedharan & Associates
Company Secretaries
No. 291, 1^{st} Floor, 10^{th} Main Road
Jayanagar 3^{rd} Block,
Bangalore - 560 011, Karnataka, India

Board Report

Dear Members,

Your Directors are pleased to present the 31st Annual Report of your Company, along with the Audited Financial Statements and Auditor's Report for the Financial Year ended 31st March, 2024. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

Financial review

Your Company's standalone performance during FY24, compared to the previous year is summarized below.

(Rs. in Million)

Particulars	March 31, 2024	March 31, 2023
Total revenue	32,911	32,644
Total expenditure	27,227	26,635
Profit before depreciation, finance costs, exceptional items and tax expense	9,668	10,052
Less: Depreciation & interest	**3,984**	**4,043**
Profit before exceptional items and tax expense	5,684	6,009
Add: Exceptional items	**(111)**	-
Profit before tax expense	5,573	6,009
Less: Tax expenses	908	1,279
Profit for the year	**4,665**	**4,730**
Other comprehensive income	1,431	(972)
Total comprehensive income	**6,096**	**3,758**
Profit for the year excluding exceptional item	**4,776**	**4,730**

Key highlights of the Company's financial performance during FY24 are as follows:

- Revenue increased by 0.82% (from Rs. 32,644 Mn to Rs. 32,911 Mn)
- Earnings before interest, tax, depreciation and amortisation (EBITDA) decreased by 3.82% (from Rs. 10,052 Mn to Rs. 9,668 Mn)
- Profit after tax decreased by 1.39% (from Rs. 4,730 Mn to Rs. 4,665 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 Ltd. (BSE: 539268, NSE: SYNGENE, ISIN: INE398R01022) is an integrated research, development, and manufacturing services company serving the global pharmaceutical, biotechnology, nutrition, animal health, consumer goods, and specialty chemical sectors. Syngene has more than 5600 scientists who offer both skills and the capacity to deliver great science, robust data security, and quality manufacturing, at speed, to improve time-to-market and lower the cost of innovation. With a combination of dedicated research facilities for Amgen, Baxter, and Bristol-Myers Squibb as well as 2.2 Mn sq. ft of specialist discovery research, development and manufacturing facilities, Syngene works with biotech companies pursuing leading-edge science as well as multinationals, including GSK, Zoetis and Merck KGaA. For more details, visit www.syngeneintl.com. For the Company's latest Environmental, Social, and Governance (ESG)report, visit https://esgreport.syngeneintl.com/

Discovery Services

Syngene's performance in Discovery Services was impacted by the slowdown of funding in the US biotech ecosystem. In the current financial year, there are early signs of biotech funding stabilizing and industry fundamentals for pharma outsourcing remain positive for the medium-to-long term.

During the financial year, Syngene purchased a 17-acre land parcel in Genome Valley, Hyderabad, adjacent to the existing campus, to expand research operations. Construction of new research facilities will begin in FY25 after securing necessary approvals. The Company also added a biologics assay capability at the Hyderabad campus to complement the existing Drug Metabolism & Pharmacokinetics (DMPK) and Compound Management facilities.

Development Services

In Development Services, Syngene commissioned a non-GMP facility in Bangalore, which added the capability to do early-phase development projects in an agile and cost-effective manner.

Manufacturing Services

The Manufacturing Services division showed good growth and demand during the year. The highlight was conclusion of the acquisition of the biologics manufacturing facility from Stelis Biopharma Ltd. The facility is expected to be ready for operations in the second half of fiscal year 2025, subject to regulatory approvals. Once operational, it will add to Syngene's large molecule drug substance and drug product capabilities.

The Company also made good progress in the 10-year biologics manufacturing agreement with Zoetis and commissioned a state-of-the-art, digitally-enabled Quality Control laboratory to support the growing biologics operations. In the year, the commercial manufacturing facility in Mangalore received regulatory approval from the US Food and Drug Administration (US FDA) and received ISO: 50001 certification for driving sustainability in energy conservation.

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.

Subsidiary companies, associates and joint ventures

Syngene has three wholly owned subsidiaries namely Syngene USA Inc, Syngene Scientific Solutions Limited and Syngene Manufacturing Solutions Limited. The Company has no associate companies and has not formed any joint ventures.

Syngene USA Inc: Established in FY 2018, Syngene USA Inc serves as a strategic arm to expand Syngene's presence in the US market. It contributes to the Company's revenue stream with USD 7.33 Mn in revenue during FY24, accompanied by a profit before tax of USD 0.66 Mn.

Syngene Scientific Solutions Limited (SSSL): Incorporated in India in August 2022, SSSL focuses on providing contract research and clinical research services. It has emerged as an innovative player in the pharmaceutical and biotechnology sectors, offering a range of services including clinical research, R&D, and software development. SSSL recorded a revenue of INR 3,546 MN during FY24, with a profit before tax of INR 580 Mn.

Syngene Manufacturing Solutions Limited (SMSL): Also established in India in August 2022, SMSL is dedicated to the manufacturing of pharmaceutical, biopharmaceutical, and biological products. During FY24, SMSL posted a revenue of INR 0.07 Mn and reported a loss (before tax) of INR 0.38 Mn. SMSL is yet to commence operations.

A report on the performance and financial position of each subsidiary 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. The Consolidated Financial Statements presented in this Annual Report include the financial results of the subsidiaries.

In accordance with Section 136 of the Act, the audited financial statements and related information of the Company and its subsidiaries, wherever applicable, are available on the Company's website: www.syngeneintl.com. These are also available for inspection during regular business hours at our registered office in Bangalore, India and/or in electronic mode. Any member wanting to inspect such documents is requested to contact the Company by sending an email to investor@syngeneintl.com.

The Company has formulated a policy determining material subsidiaries. This is available on the Company's website at https://www.syngeneintl.com/investors/corporate-governance/governance-reports-policies/. The Company has no material subsidiary.

Transfer to reserves

The Company has not proposed to transfer any amount to the general reserve for the year ended March 31, 2024.

Dividend

The Board has recommended a final dividend @ Rs.1.25 per share for FY24. This dividend declaration will entail a payout of Rs. 503.17 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 June 28, 2024, and the dividend pay-out date will be on or before August 05, 2024.

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 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. 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: at 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.

Change in the nature of business

There has been no change in the Company's nature of business. Further, there was no significant change in the nature of business carried on by its subsidiaries. Your Company continues to be one of the largest and fastest growing, internationally reputed, Contract Research and Manufacturing Organizations and a 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 financial year, your Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013 ("Act"). Accordingly, there is no disclosure or reporting required in respect of details relating to deposits.

Credit rating

During the financial year, CRISIL Ratings Limited ("CRISIL") vide its letter dated November 28, 2023, had reaffirmed the long-term rating at "CRISIL AA+/Stable" and the short-term rating at "CRISIL A1+". ICRA Limited ("ICRA") vide its letter dated August 04, 2023, has removed from rating watch with developing implications, assigned a Stable outlook for the long-term rating, and has reaffirmed the rating at "[ICRA]AA+." The short-term rating has been reaffirmed at "[ICRA]A1+". ICRA and CRISIL have monitored the material event of the acquisition of Unit 3 from Stelis Biopharma during the year. The ratings have not been impacted and remain unchanged.

Paid-up capital

During the financial year, the paid-up share capital of the Company was increased by allotment of 5,80,500 Equity shares of Rs. 10 each to Syngene Employee Welfare Trust to enable the implementation of the Syngene Long Term Incentive Restricted Stock Units (RSU) Plan, 2020. The paid-up share capital as on March 31, 2024 stood at Rs. 4,020,150,000.

Material changes and commitments

On April 24, 2024, the Company's Board of Directors approved the allotment of 521,981 equity shares, to the Syngene Employee Welfare Trust at face value of Rs. 10 each. This action was in accordance with the shareholder endorsement received at the Annual General Meeting held on July 24, 2019, allowing the allotment of fresh equity shares up to 1.67% of the paid-up equity capital of the Company in tranches. To facilitate the implementation of the Syngene International Limited - Restricted Stock Unit Long Term Incentive Plan 2020. Following this allotment, the Company's paid-up equity share capital now stands at Rs. 4,025,369,810.

Human Resources

Syngene's multidisciplinary workforce is committed to operating safely and to world class quality standards. Talent and culture are among the key building blocks in shaping the Company into a resilient and sustainable organization. Syngene continues to focus on defined strategic areas in order to leverage the potential of the human capital, consistent with its values of excellence, integrity and professionalism. The headcount for year ending FY24 was 6510 permanent employees (including subsidiaries).

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 4.

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/Performance stock units plan

Syngene Employee Stock Option Plan 2011

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 December 14, 2011 and further ratified by the members subsequent to the Initial Public Offering ("IPO") on December 05, 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 FY24, no options were granted to eligible employees under the ESOP Plan. However, 538,162 equity shares were transferred to eligible employees by the Syngene Employee Welfare Trust on exercise of stock options. The ESOP Plan complies with SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021.

The Company has discontinued granting ESOPs under the above Plan and does not intend to issue any further grants under the Plan in future. The Trust has surplus shares under this Plan due to the lapse of options granted to the employees over the years. These surplus shares may further increase due to a lapse of options in the future. In order to use the cash and surplus shares lying with the Syngene Employee Welfare Trust on account of the ESOP Plan, the Shareholders vide special resolution passed by Postal Ballot on April 23, 2023 approved the termination of the ESOP Plan, and the transfer of the cash and surplus shares to the other share benefit schemes/ plans (existing or future) implemented or to be implemented by the Company, after meeting all the obligations under the ESOP Plan.

Syngene Restricted Stock Unit ("RSU") Long Term Incentive Plan FY 2020

The shareholders, at the 26th Annual General Meeting ("AGM") of the Company held on July 24, 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 August 30, 2020, the shareholders had 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. At the Annual General Meeting held on July 20, 2022, the shareholders approved the amendment to the RSU plan by extending the scope of the RSU plan to include the employees of holding company, Biocon Limited. 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 (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. During the financial year, there was no change to the RSU Plan.

The Company has granted 38,032 RSUs during FY24 under the RSU Plan. 641,587 equity shares were transferred to eligible employees by the Syngene Employee Welfare Trust on exercise of stock options.

Syngene Long Term Incentive Performance Share Plan 2023 and Syngene Long Term Incentive Outperformance Share Plan 2023

The shareholders have vide special resolutions passed by postal ballot on April 23, 2023 approved Syngene Long Term Incentive Performance Share Plan 2023 ("PSP") and Syngene Long Term Incentive Outperformance Share Plan 2023 ("OSP") for grant of performance share units (PSUs) to eligible employees of the Company, subsidiary(ies) including future subsidiary(ies). The Company has granted 392,606 PSUs during FY24 under the PSP. This plan will be implemented by the Trust. The Company hasnt yet made any grants to employees under the OSP.

The details of ESOP Plan, RSU Plan and PSP 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 the plans have been implemented in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) 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 March 31, 2024 concerning both the plans are available on the website of the Company at https://www.syngeneintl.com/investors/share-holder-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 stakeholder trust, attracting and retaining financial and human capital and meeting societal expectations.

The Company's report on corporate governance for the financial year ended March 31, 2024 as per regulation 34(3) read with Schedule V of the SEBI Listing Regulations forms part of the Annual Report.

Auditor's 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 FY24 does not contain any qualification, reservation or adverse remarks.

Directors

The Company continues to fulfil the requirement of Board constitution as required under the Companies Act 2013 and SEBI Listing Regulations. Kiran Mazumdar Shaw 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. Her brief resume seeking re-appointment at the ensuing AGM, in pursuance of Regulation 36(3) of SEBI Listing Regulations, is annexed to the AGM Notice.

Further, during the year, Dr. Carl Decicco resigned as a Non-Executive Director of the Company with effect from the closing hours of October 25, 2023. The Board placed on record its appreciation towards the contribution by Dr. Carl Decicco as a Director

It may be noted that, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has made the following appointments effective April 01, 2024:

Sibaji Biswas (DIN: 06959449) has been appointed as an Additional Director and designated as Executive Director and Chief Financial Officer, for a period of five years effective from April 1, 2024. This appointment is subject to the approval of the shareholders within a period of three months from the date of appointment.

The Nomination and Remuneration Committee (NRC) at its Meeting held on April 23, 2024 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 Dr. Kush Parmar during his tenure, has recommended to the Board that continued association of Dr. Kush Parmar 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 Dr. Kush Parmar (DIN: 09212020), 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.

Nilanjan Roy (DIN: 02703775) has been appointed as an Additional Director in the capacity of Independent Director, effective from April 1, 2024, until the Annual General Meeting to be held in 2027. This appointment is also subject to the approval of the shareholders within a period of three months from the date of appointment.

Key Managerial Personnel

As on March 31, 2024, the Key Managerial Personnel (KMP) of the Company appointed under the provisions of Section 203 of the Companies Act, 2013, were Jonathan Hunt, Managing Director and Chief Executive Officer, 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 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

In accordance with Section 149(7) of the Act, each Independent Director has confirmed to the Company that he or she meets the criteria of independence laid down in Section 149(6) of the Act, and is in compliance with Rule 6(3) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI Listing Regulations. Further, each Independent Director has affirmed compliance with the Code of Conduct for Independent Directors as prescribed in Schedule IV of the Act. The Board has taken on record such declarations after due assessment of legitimacy.

Separate Meeting of the Independent Directors

In terms of requirements under Schedule IV of the Act and Regulation 25(3) of the Listing Regulations, four separate meetings of the Independent Directors were held during FY24. Further details are mentioned in the Corporate Governance report.

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 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. The performance evaluation process has been designed in such a manner that helps to measure effectiveness of the entire Board, its Committees and Directors. There are various key performance areas and evaluation criteria which are measured and analysed during the performance evaluation process. 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 financial year ended 2024 was discussed by the Independent Directors, Nomination and Remuneration Committee at their respective meetings held on January 23, 2024, and January 25, 2024.

Number of meetings of the Board

The Board met 6 (six) times during the financial year under review. The details of Board meetings and attendance of the Directors are provided in the Corporate Governance Report.

Audit Committee

The Audit Committee has reviewed the accounts for the year ended March 31, 2024. The Board accepted all recommendations made by the Audit Committee.

As on March 31, 2024, the members of the Audit Committee were Paul Blackburn (Chairperson), Vinita Bali and Sharmila Abhay Karve, Independent Directors. Nilanjan Roy was appointed as a member of the Audit Committee with effect from April 11, 2024. 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 the 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 ("the 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.

Director's 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, 2024.

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

In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

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.

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.

The Directors prepared the annual accounts on a going concern basis.

The Directors laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.

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 March 31, 2024 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 17, 2023, had re-appointed M/s. Ernst & Young LLP as the Company's Internal Auditors.

Secretarial Auditors

The Board pursuant to Section 204 of the Companies Act, 2013 had appointed M/s. V. Sreedharan & Associates, Practicing Company Secretaries, as Secretarial Auditors to conduct the Secretarial Audit of the Company for FY24. 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 no. CIR/CFD/CMD/1/27/2019 dated February 8, 2019, the Annual Secretarial Compliance Report for the financial year ended March 31, 2024, issued by M/s. 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 financial 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 the 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(CSR) 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 Corporate Social Responsibility (CSR) initiatives are deeply rooted in the ethos of creating lasting change through programs that champion community health, science education, empowerment of women and environmental stewardship in the communities in which we live and work. These initiatives are executed both directly and by the Biocon Foundation, an organization dedicated to developing and implementing healthcare, educational, and infrastructure projects, while also advocating for gender equality and the safety of vulnerable populations.

For transparency and accountability, Syngene's CSR policy is readily accessible on the Company website. Furthermore, stakeholders can read a report detailing the Company's CSR activities provided as Annexure 7 to this report. Through these concerted efforts, Syngene demonstrates its commitment to societal well-being and sustainable development.

Business Responsibility and Sustainability Report

Syngene adopted the Business Responsibility and Sustainability Reporting ("BRSR") introduced by the Securities and Exchange Board of India ("SEBI") containing ESG disclosures voluntarily for FY22. Continuing the journey towards sustainable development, in compliance with Regulation 34(2)(f) of the SEBI Listing Regulations, the BRSR forms part of this Annual Report and presents the ESG approach, including enhanced ESG voluntary leadership disclosures for FY24. The BRSR lays out the Company's performance against the principles of the 'National Guidelines on Responsible Business Conduct' and provides information on environmental social and governance initiatives and their impact on the Company.

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 ethics and business conduct of the Company or any other unethical practices. The policy provides adequate safeguard against victimisation 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 complaints and co-ordinate with the whistleblower, if required. During FY24, 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 Policy (POSH) in accordance with the statutory requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act"). The Policy is applicable to all employees including the Company's contract 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. During the financial year, two complaints were received under the POSH Act and each one was closed within the stipulated timeline.

Significant and material orders by the regulators or courts or tribunals

During FY24 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 endeavours 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 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, Government of Telangana; 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 FY24 and look forward to their continued support in future.

For and on behalf of the Board

Kiran Mazumdar Shaw

Non-Executive Chairperson

Syngene International Limited

Place: Bengaluru

Date: April 24, 2024

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 statements of subsidiaries/associate companies/joint ventures

PART A: Subsidiaries

S. No	Particulars	Name of the subsidiary		
		Syngene USA Inc	Syngene Scientific Solutions Limited	Syngene Manufacturing Solutions Limited
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Same as Holding Company	Same as Holding Company
2.	Reporting currency	USD	INR	INR
3.	Exchange rate on March 31, 2024	INR 83.84	NA	NA
4.	Share capital	USD 50,000/ Rs. 4.19 Mn	840.00	10.00
5.	Reserves & surplus	USD 14,68,337 / Rs. 123.11 Mn	610.56	-0.68
6.	Total assets	USD 27,33,714 / Rs. 229.19 Mn	7,685.85	9.68
7.	Total Liabilities	USD 12,15,378 / Rs. 101.90 Mn	6,235.29	0.37
8.	Investments	Nil	Nil	Nil
9.	Turnover	USD 73,32,492 / Rs. 614.76 Mn	3,545.90	0.08
10.	Profit before taxation	USD 6,66,590/ Rs. 55.89 Mn	579.90	-0.38
11.	Provision for taxation	USD 1,88,636/ Rs. 15.82 Mn	184.71	-
12.	Profit after taxation	USD 4,77,954 / Rs. 40.07 Mn	395.19	-0.38
13.	Proposed Dividend	Nil	Nil	Nil
14.	% of shareholding	100%	100%	100%
15.	Country	USA	India	India

Notes:

1. Names of subsidiaries which are yet to commence operations: Syngene Manufacturing Solutions Limited

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

Part B : **Not Applicable**

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, 2024)

	Power and Fuel Consumption Details	FY 24	FY 23
1.	**Electricity**		
a)	**Purchased**		
	Million Unit	88.68	97.90
	Total amount (Rs. in Mn)	481.42	644.72
	Rate/Unit (Rs.)	5.43	6.59
b)	**Captive generation**		
	HSD Quantity, KL	239.17	312.93
	Million Units	0.85	1.22
	Units / Litre	3.53	3.91
	Cost/Lit (Rs.)	62.18	116.65
	Generation cost, Rate / Unit (Rs.)	17.60	29.87
2.	**Steam**		
a)	**Furnace Oil**		
	Quantity, Tons	-	19.20
	Total amount (Rs. in Mn)	-	0.72
	Average rate Rs/Kg	-	37.7
b)	**Diesel**		
	Diesel Quantity, KL	192.20	135.91
	Total amount (Rs Mn)	12.13	10.45
	Average rate/Litres (Rs)	63.12	76.90
c)	**LPG**		
	LPG Quantity, Tons	266.46	295.78
	Total amount (Rs. in Mn)	18.56	22.34
	Average rate/Kg (Rs)	69.65	75.52
d)	**PNG**		
	PNG Quantity, (SCM)	92902	-
	Total amount (Rs. in Mn)	6.11	-
	Average rate/ (SCM) (Rs)	65.85	-

A. Energy conservation details:

S.No.	Energy conservation measure	Investment (Rs.) Million	Energy saved per Annum (Unit) Million	Energy saved per Annum (Rs.) Million
1	Chilled water circulation pumps are replaced with energy efficient IE3 motors in S2, S16 & S11 blocks	2.85	0.41	2.08
2	Optimizing chilled water flow, pressure and temperature set points, resulting in energy savings of chiller power consumption in S16, S14 blocks and MSEZ.	0.04	0.31	1.64
3	Replacement of centrifugal AHU fans with energy efficient axial fans for laboratory fresh air and optimization of frequency after office hours/weekends in BSEZ and MN Park	11.30	0.64	3.23
4	Optimizing air compressor operating pressure set point in S17, S14 blocks & MSEZ as per load pattern study	0.00	0.21	1.26
5	Optimizing process vacuum pumps and hot water pumps through VFD and auto adjusting frequency based on the load demand in S14 block	0.00	0.07	0.38
6	Optimization of the steam pressure of hot water generator in S12 block to maintain rela-tive humidity by pressure controller	0.00	0.00	2.21
7	Office AC units are connected to the bridle smart controller to optimize power consump-tion in S1, S12 blocks and Semicon Park	0.57	0.08	0.62
8	Implemented motion sensors with dim and bright controllers for all corridors LED light-ings in S18 & S12 blocks	0.65	0.05	0.24
9	Cooling tower fan operation was optimized based on the temperature controller with respect to the chiller condenser temperature in S20A block	0.00	0.23	1.16

S.No.	Energy conservation measure	Investment (Rs.) Million	Energy saved per Annum (Unit) Million	Energy saved per Annum (Rs.) Million
10	Air handing units' operations are controlled through auto timer after office hours with reduced frequency of the motor in S2, S12 and S20A blocks	0.90	0.25	1.28
11	Optimization of chiller, cooling tower fan & cooling tower pump circulation pumps after office hours and weekends through auto tim-er with reduced frequency of the motor in S20A & S14 blocks	0.00	0.10	0.50
12	Converting VRV (Variable refrigerant volume) multi split air conditioners into chilled water flow-based chillers to optimize iKW/TR of chiller units in MSEZ & S11 block	2.00	0.12	0.78
13	Compressed air line separation for nitrogen and process pipeline to optimize the com-pressed air pressure in S2 block	2.00	0.09	0.47
14	Optimizing the blower operation in ETP aera-tion tank by implementing DO (Dissolved ox-ygen) sensor in MSEZ facility	0.24	0.04	0.27
15	S20A block BMT Autoclave chilled water recir-culation provision has been made through heat exchanger to optimize the heat load	0.18	0.03	0.14
16	Implemented VFD (Variable frequency drive) for Humidifier unit to optimize the heat load of AHU in S12 block	0.025	0.01	0.05
	Total	**20.75**	**2.64**	**16.31**

(a) Conservation of energy

(i) the steps taken or impact on conservation of energy:

- Energy index is benchmarked to all operational units and being tracked through energy management system.
- Energy conservation program is being reviewed once in fortnight and implementing the energy savings ideas through KAIZENs and awarding them.
- MSEZ team participated in National level competition organized by M/s CII and won the prize for best energy efficiency
- MSEZ team got ISO 50001 certification from TUV for energy management system.

(ii) the steps taken by the company for utilizing alternate sources of energy: Green power projects with 26% equity share model (10.4MW-Wind power plant & 27.45mwdc Solar power plant) were commissioned. 212KW Roof top plant was commissioned. Semicon Park, Unit-2, BSEZ are registered with state electricity board for green energy tariff scheme. This helped to address 91% of energy from renewable sources, thereby avoiding 58637 metric tons of CO_2 emission. Energy conservation projects are ongoing every year. During FY24 2.64 million units of energy were saved thereby avoiding 1892 metric tons of CO_2 emission.

(iii) the capital investment on energy conservation equipment.

Rs. 20.75 Mn capital investment made for energy conservation equipment

B. Technology absorption, adoption and innovation

No technology imported.

C. Foreign exchange earnings and outgoings

Foreign exchange earnings and outgoings for the year*:	FY24 (Rs. in Million)	FY23 (Rs. in Million)
Foreign exchange earnings	30,435	30,712
Foreign exchange outgoings	6,321	8,048

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

For and on behalf of the Board

Date: April 24, 2024

Place: Bangalore

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 2023-24:

Sl. No.	Name of Director/KMP and Designation	% increase in remuneration in FY24	Ratio of the remuneration of each Director/KMP to the median remuneration of all the employees (1)
Non-Executive Directors			
1	Kiran Mazumdar Shaw	14.76	11.27
2	Dr. Carl Decicco*	NA	4.25
3	Professor Catherine Rosenberg	11.84	9.88
Executive Director			
4	Jonathan Hunt, CEO	68.19	170.03
Independent Directors			
5	Vinita Bali	13.85	10.28
6	Dr. Kush Parmar	18.40	7.71
7	Paul Frederick Blackburn	15.27	10.87
8	Sharmila Abhay Karve	11.59	10.08
9	Dr. Vijay Kuchroo	12.96	8.90
Key Managerial Personnel			
10	Sibaji Biswas	45.03	57.78
11	Priyadarshini Mahapatra	22.59	7.44

**Dr. Carl Decicco resigned from the position of Non-executive Director w.e.f. October 25, 2023. His remuneration pertains to the period till the date of his resignation i.e. October 25, 2023 and accordingly is not comparable with the previous financial year.*

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 FY24.

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

Jonathan Hunt's remuneration is paid in GBP. The increase in remuneration includes currency rate fluctuation also..

Notes:

1. **The ratio of remuneration to median remuneration is based on remuneration paid during the period April 1, 2023 to March 31, 2024**

The percentage increase in the median remuneration of employees in the Financial Year	16.72%
The number of permanent employees on the rolls of Company as on March 31, 2024 (on stanalone basis)	5,572

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 8% during the merit cycle of 2024. Increase in managerial remuneration is already shown in the data presented above. KMP salary increases are decided based on the Company's performance, individual performance, prevailing industry trends and benchmarks. The Company also uses a mix of fixed, variable and ESOP based compensation on a mid-to-long-term basis.

3. **Affirmation**

   It is hereby affirmed that remuneration paid for FY 24 was according to the Company's Policy on Director's Appointment and Remuneration.

For and on behalf of the Board

Date: April 24, 2024

Place: Bangalore

Kiran Mazumdar Shaw

Non-Executive 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 22 March 2024..

2 We have examined the compliance of conditions of Corporate Governance by Syngene International Limited ("the Company"), for the year ended 31 March 2024, 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 2024.

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 "!CAI"), 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
G Prakash
Partner
Membership No: 099696
ICAI UDIN: 24099696BKGPR05858

Place: Bengaluru
Date: 24 April 2024

Annexure 5

Form No. MR-3

Secretarial Audit Report

For the Financial Year Ended March 31, 2024

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

To
The Members
Syngene International Limited
Biocon SEZ, Biocon Park, Plot.No.2 & 3
Bommasandra Industrial Area, IV Phase,
Jigani Link Road, 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** having a **CIN: L85110KA1993PLC014937**, (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, 2024 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company 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 audit period;

(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**;(Not applicable to the Company during the Audit period)**

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.

We have relied on the representations made by the Company and its officers for compliance under other laws specifically applicable to the industry to which the Company belongs, as under.

(vi) Other Laws Applicable Specifically to the Company namely:

a. Drugs and Cosmetics Act, 1940.

b. Bio-Medical Waste Management Rules, 2016.

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, 1985.

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.

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.

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 (NSE).

During the audit period 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 audit period were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the 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.

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, regulations, guidelines etc.

For V SREEDHARAN & ASSOCIATES

(Devika Sathyanarayana)
Partner
FCS: 11323; CP No. 17024
Address: No. 291, 1st Floor, 10th Main Road
3rd Block, Jayanagar, Bengaluru – 560011
Peer Review Certificate No. 5543/2024
UDIN: F011323F000227211

Place: Bengaluru
Date: 24.04.2024

This letter which is annexed herewith as Annexure and it forms an integral part of the Secretarial Audit Report Form 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, 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.

For **V SREEDHARAN & ASSOCIATES**

(Devika Sathyanarayana)

Partner

FCS: 11323; CP No. 17024

Address: No. 291, 1st Floor, 10th Main Road

3rd Block, Jayanagar, Bengaluru-560011

Peer Review Certificate No. 5543/2024

Place: Bengaluru

Date: 24.04.2024

UDIN: F011323F000227211

Annexure 6

Secretarial compliance report of Syngene International Limited for the year ended March 31, 2024

[Pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by Syngene International Limited (hereinafter referred as 'the listed entity'), having its Registered Office at Biocon SEZ, Biocon Park, Plot.No.2 & 3, Bommasandra Industrial Area IV Phase, Jigani Link Road, Bengaluru - 560099.

Secretarial Review 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 listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of secretarial review, we hereby report that in our opinion, the listed entity has, during the review period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also that the listed entity 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:

(a) all the documents and records made available to us and explanation provided by the listed entity;

(b) the filings/ submissions made by the listed entity to the stock exchange;

(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, 2024 ("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; **(Not Applicable to the Company during the Review Period);**

(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 Period);**

(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 Review Period);**

(g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(h) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable to the Company during the Review Period);**

(j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

(k) And circulars/ guidelines issued thereunder;

We hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No	Particulars	Compliance Status (Yes/No/NA)	Observations/ remarks by PCS
1.	**Secretarial Standards:** The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI) as notified by the Central Government under Section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	NIL
2.	**Adoption and timely updation of the Policies:** ▪ All applicable policies under SEBI Regulations are adopted with the approval of the Board of Directors of the listed entity. ▪ All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations / circulars / guidelines issued by SEBI.	Yes Yes	NIL NIL
3.	**Maintenance and disclosures on Website:** ▪ The Listed entity is maintaining a functional website. ▪ Timely dissemination of the documents/ information under a separate section on the website. ▪ Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website.	Yes Yes Yes	NIL NIL NIL
4.	**Disqualification of Director:** None of the Directors of the Company are disqualified under Section 164 of the Companies Act, 2013 as confirmed by the listed entity.	Yes	NIL
5.	**Details related to Subsidiaries of listed entities have been examined w.r.t:** (a) Identification of material subsidiary companies. (b) Disclosure requirement of material subsidiaries.	Not applicable	Your company has no material subsidiaries. Hence, this point is not applicable during the review period.
6.	**Preservation of Documents:** The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	NIL
7.	**Performance Evaluation:** The listed entity has conducted performance evaluation of the Board, Independent Directors, and the Committees at the start of every financial year/ during the financial year as prescribed in SEBI Regulations.	Yes	NIL
8.	**Related Party Transactions:** (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions. (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved / ratified / rejected by the Audit committee.	Yes Not applicable	All the related party transactions entered by the listed entity during the review period were duly approved by the Audit Committee
9.	**Disclosure of events or information:** The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	NIL
10.	**Prohibition of Insider Trading:** The listed entity is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	NIL
11.	**Actions taken by SEBI or Stock Exchange(s), if any:** No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.	Yes	NIL
12	**Additional Non-compliances, if any:** No additional non-compliance observed for all SEBI regulation / circular / guidance note etc.	Yes	NIL

Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sl No.	Particulars	Compliance Status (Yes/No/N.A)	Observations/ Remarks by PCS*
1.	Compliances with the following conditions while appointing/re-appointing an auditor.		
	i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	**Not applicable**	The auditors of the listed entity have not resigned during the audit period.
2.	Other conditions relating to resignation of statutory auditor		
	i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee: a. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings. b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable. c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor. ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.	**Not applicable**	The Auditors of the listed entity have not reported any concerns during the audit period.
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019.	**Not applicable**	The auditors of the listed entity have not resigned during the audit period.

a) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder except in respect of matters specified below; **Not Applicable**

Sl. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amou-nt	Obser-vations/ Re-marks of the Practicing Company Secretary	Management Response	Remarks

b) The listed entity has taken the following actions to comply with the observations made in previous reports; **Not Applicable**

Sl. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Obser-vations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
Not Applicable										

Assumptions & Limitation of Scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For **V SREEDHARAN & ASSOCIATES**
Company Secretaries
(Devika Sathyanarayana)
Partner
FCS: 11323; CP No. 17024

Place: Bengaluru
Date: 24.04.2024

Address: No. 291, 1st Floor, 10Th Main Road
3rd Block, Jayanagar, Bengaluru-560011
Peer Review Certificate No. 5543/2024
UDIN: F011323F000227088

Annexure 7

Annual Report on CSR activities to be included in the Board's Report for financial year ended March 31, 2024

1. Brief outline on CSR Policy of the Company	The Company's CSR activities are designed to foster social and economic equity primarily focused on community health, environmental sustainability, research and science education. Activities will be evidence-based and delivered in conjunction with experienced partners to ensure that the outcomes are positive, measurable and self-sustaining. Where possible, activities will be designed to foster volunteering opportunities for Syngene employees. The details of our CSR Policy are available on our website www.syngeneintl.com.

2. Composition of CSR Committee:

Sl. 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	Prof. Catherine Rosenberg	Chairperson/Non-Executive Director	4	4
2	Vinita Bali	Member / Independent Director	4	4
3	Dr. Vijay Kuchroo	Member / Independent Director	4	4

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	https://www.syngeneintl.com/investors/corporate-governance/committees-to-the-board/
	CSR Policy	https://www.syngeneintl.com/investors/corporate-governance/governance-reports-policies/
	CSR projects	https://www.syngeneintl.com/investors/share-holder-services/

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

- As a best practice, a third-party impact assessment was conducted for experiential science learning initiative for government school students in Anekal, Bengaluru.
- The objectives of the impact assessment study were as follows:
- To evaluate the overall impact and effectiveness of the programme in promoting science education and its associated outcomes
- To assess the influence of the programme on scientific knowledge, interest in science, and overall academic performance of students
- To examine the impact on pedagogical practices of teachers and their ability to effectively engage students in scientific learning through interactive classes.
- To provide evidence-based insights and recommendations to enhance the effectiveness of the programme and maximize its positive impact on science education.
- In order to assess the inclusivity, relevance, appropriateness, coherence, effectiveness, potential impact, and efficiency of the program, an IRECS framework was used. This framework was instrumental in generating pertinent insights, including identifying on-the-ground challenges extracting valuable lessons and formulating recommendations for program implementation.
- The study utilised a mixed methodology, incorporating both quantitative and qualitative approaches. The research aimed to assess the effectiveness of these interventions by employing research designs that captured the full impact.
- A comparative analysis was undertaken to assess the learning outcomes achieved by students exposed to experiential learning sessions delivered through Mobile Science Lab (MSL) to evaluate the overall effectiveness of the program delivery. The analysis involved comparing the level of retained knowledge between students attending the MSL sessions (referred to as the 'Treatment Group') and students from neighbouring government schools who did not participate in the MSL sessions (referred to as the 'Control Group').
- The results showed statistically significant differences in the patterns of percentage scores across four indicators: Scientific Knowledge, Scientific Thinking, Scientific Attitude, and Proactiveness, between the Treatment and Control groups. In the test conducted to assess the learning outcomes, it was evident that treatment schools achieved higher scores compared to control schools. In particular, 9th-grade students benefiting from ongoing MSL sessions demonstrated enhanced academic performance compared to other grades due to significant exposures over the years.

Parameters	Control Schools	Treatment Schools
Scientific Knowledge	35%	38%
Scientific Thinking	59%	58%
Scientific Attitude	20%	30%
Proactiveness	30%	45%
Total Marks	37%	40%

Link to full version of third-party impact assessment report:

5. (a) Average net profit of the company as per sub-section (5) of section 135	Rs. 5178 Mn
(b) Two percent of average net profit of the company as per sub-section (5) of section 135	Rs. 104 Mn
(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	-
(d) Amount required to be set-off for the financial year, if any	-
(e) Total CSR obligation for the financial year [((b)+(c)-(d)]	Rs. 104 Mn

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	Rs. 104 Mn
(b) Amount spent in Administrative Overheads	-
(c) Amount spent on Impact Assessment, if applicable.	Rs. 1 Mn
(d) Total amount spent for the Financial Year [(a)+(b)+(c)]	Rs. 104 Mn

(e) CSR amount spent or unspent for the Financial Year:

Total amount spent for the financial year (in Rs. Mn)	Amount Unspent (in Rs. Mn)				
	Total amount transferred to Unspent CSR Account as per sub section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub section (5) of section 135		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
No unspent funds for FY24					

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

Sl. No.	Particular	Amount (in Rs. Mn)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	Not applicable for FY24
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in Rs. Mn)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs. Mn)	Amount Spent in the Financial Year (in Rs. Mn)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs. Mn)	Deficiency, if any
					Amount (in Rs. Mn)	Date of Transfer		
1	FY2023	16	16	6	0		10	0
2	FY2022	53	12	12	0		0	0
3	FY2021	21	3	3	0		0	0

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

☐ Yes ☑ No

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

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135:** Not Applicable

Catherine Rosenberg
(Chairperson CSR Committee)
DIN: 06422834

Jonathan Hunt
Managing Director & Chief Executive Officer
DIN: 07774619

Corporate Governance Report

Governance philosophy

Syngene's approach to governance is built upon the pillars of integrity, excellence, and professionalism, which serve as the compass for all of its operations. The Company places significant emphasis on the interests of its stakeholders, ensuring that its business practices are fair and transparent. Strong leadership and sound governance practices reinforce these core values. This unwavering commitment encourages trust, accountability and sustainability thereby establishing a foundation for strong corporate governance.

Our values

Integrity
To be ethical, honest and transparent in all we do

Excellence
To commit overselves to the highest level of scientific and operational excellence

Professionalism
To practise the highest degree of professionalism by fostering individual accountability, reliability, continuous improvement and customer focus

Syngene's longstanding tradition of pushing the boundaries of research and addressing complex scientific problems is deeply embedded. The aspiration to stand out as a leading collaborator in providing novel scientific solutions is more than just an objective - it's a driving force across all facets of our operations. This fundamental purpose acts as a directional guide, influencing our choices and providing focus to our decision-making.

Syngene places great importance on timely disclosures and transparent accounting policies. These practices not only preserve shareholder trust but also maximize long-term corporate value. The company's robust leadership, characterized by a strong and independent board and effective governance practices, has facilitated the successful implementation of plans, transparent disclosures, fair dealings with stakeholders, and the maintenance of high standards of business ethics and integrity. Syngene's governance is based on a three-tier model: at the pinnacle of this structure is the Board of Directors and the Committees of the Board, followed by the Managing Director & Chief Executive Officer (MD & CEO) and the Executive Committee at the operational level. The Board and its Committees provide guidance, support and oversight, complementing the Management's strategy and plans. The Management, in turn, holds itself accountable and works towards achieving defined objectives.

Collectively, the Executive Committee, the Board, and its committees work to ensure that Syngene maintains the highest levels of integrity and excellence, fostering sustainable growth. The processes, controls and boundaries within which the Company operates are outlined in this report, illustrating Syngene's commitment to transparency and accountability.

Syngene understands that good corporate governance creates lasting value for stakeholders. To achieve top governance standards, we continuously refine our practices.

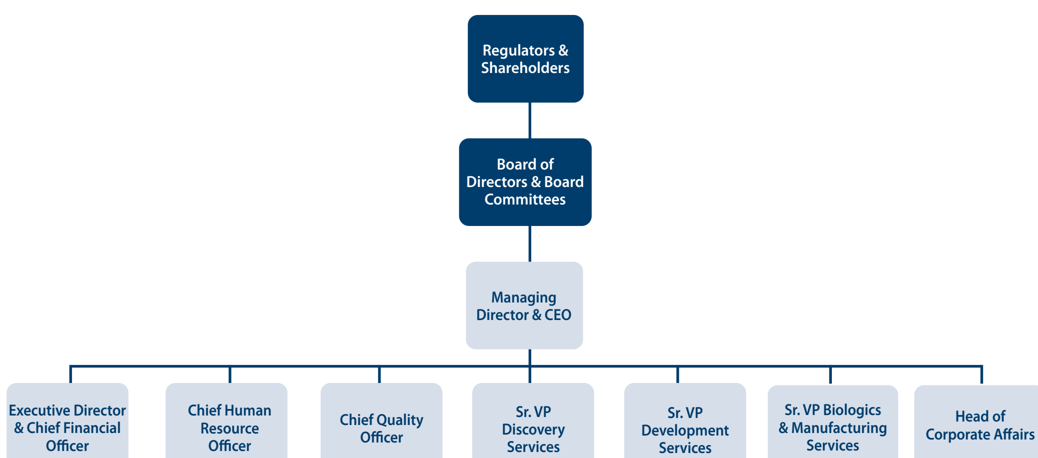
The detailed report on Corporate Governance for the Financial Year ended March 31, 2024, as per Regulation 34(3), read with Part C of Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI Listing Regulations") is set out below.

Governance structure

Syngene operates as a professionally managed company overseen by its Board of Directors, which represents the highest governing authority constituted by shareholders. The Board comprises individuals with diverse skills and extensive experience, enriching the quality of decision-making. It plays a pivotal role in guiding the Executive Committee offering constructive criticism on strategic business plans and operations, and providing expertise on relevant matters.

All decisions taken by the Board are made after thorough deliberation and consideration of their implications for stakeholders. The Board ensures alignment with the company's objectives while upholding transparency and accountability. Through its oversight and guidance, the Board reinforces Syngene's commitment to sound governance practices and the creation of long-term value for all stakeholders.

The governance structure ensures that the powers vested in the executive management are exercised with due care and responsibility to meet all the stakeholders' expectations. Mr. Jonathan Hunt, Managing Director and Chief Executive Officer (MD & CEO), continues to head the Company's business under the Board's supervision and is responsible for running the management and operations of the Company. 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 overall business deliverables. They drive company-wide processes, systems and policies and act as role models for leadership development within the organisation. Additionally, they provide cross-functional and cross-business perspectives on organisational issues. The EC meets once a month to review performance, address challenges faced by the business, develop strategies and policies and keep the Board informed about essential developments in the Company.



▪ Constitutes Executive Committee

Board of Directors

Board composition and category of directors

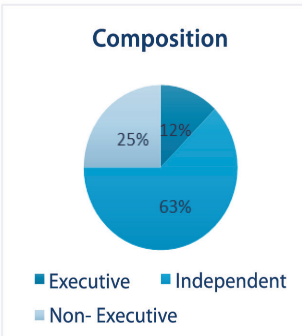
The Board comprises esteemed professionals from various fields, ensuring a rich blend of knowledge, viewpoints, and experience. The Board includes members who are renowned figures in the realms of science, biotech, research, finance, taxation, information technology, and other relevant sectors.

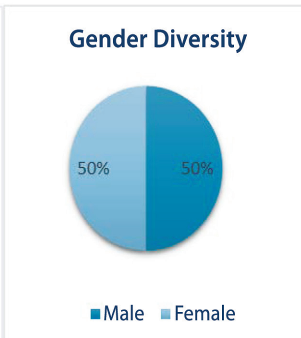
Board members actively engage in Board and Committee Meetings, offering guidance to the Executive Committee on diverse aspects of business, governance, and strategy implementation. The Board provides strategic direction and unbiased, independent perspectives to the Company's management while fulfilling its fiduciary responsibilities, thereby guaranteeing that the management upholds high standards of ethics, transparency, and disclosure.

The Company has a balanced and diverse Board with a 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

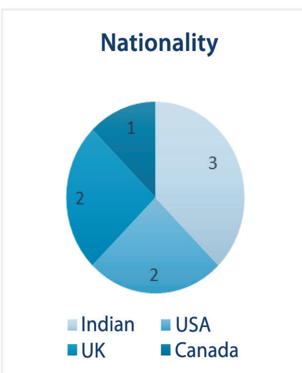
Board Demographics (as on March 31, 2024)

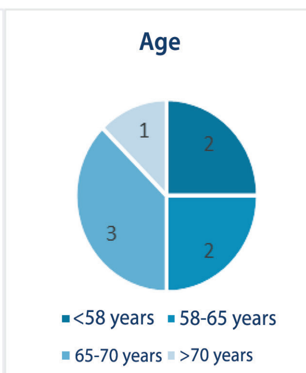




The office of Chairperson and Managing Director & CEO are held by distinct individuals.

The chairpersons of all committees attended the AGM in FY24





No director on the Board has attained the age of seventy-five (75) years.

All Committees constituted under the SEBI Listing Regulations are chaired by Independent Directors

As on March 31, 2024, the Board comprised eight (8) Directors, consisting of two (2) Non-Executive Non-Independent Directors, five (5) Independent Directors and the MD&CEO. There are four (4) Women directors on the Board of which two (2) are independent.

The composition of the Board conforms to 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 serve as directors in more than seven listed companies. Further, none of the Directors hold an Executive Director position and serve as an Independent Director in more than three (3) listed companies. None of the Directors on the Board are members of more than ten committees or are chairpersons of more than five committees across all public limited companies in which they are directors. To determine 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 serve as Non-Independent Directors 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 Abhay Karve are independent woman directors on the Board of Directors of the Company.

As a measure of enhanced corporate governance and increased Board effectiveness, Ms. Vinita Bali was appointed the Lead Independent Director in FY21. The lead independent director presides over the separate meeting(s) of Independent Directors as Chairperson, acts as a representative of Independent Directors and carries out such other roles and responsibilities as may be assigned by the Board or group of Independent Directors from time to time. The Lead Independent Director provides leadership to the independent directors and ensures the Board's effectiveness in maintaining high-quality governance of the organization and the effective functioning of the Board.

Syngene's commitment to a constructive separation between Company management and its Promoters is evident in the composition of its Board of Directors. The roles of Chairperson of the Board and Managing Director & CEO are held by distinct individuals.

As of April 1, 2020, Kiran Mazumdar Shaw transitioned from the role of Managing Director and Chairperson to that of non-executive Chairperson. Jonathan Hunt assumed the position of Managing Director and Chief Executive Officer starting on the same date.

Additionally, Professor Catherine Rosenberg serves as a Non-Executive, Non-Independent Director on the Board. Further, Dr. Carl Decicco resigned as a Non-Executive Director of the Company with effect from the closing hours of October 25, 2023. The Board placed on record its appreciation towards the contribution by Dr. Carl Decicco as a Director.

Kiran Mazumdar Shaw (DIN: 00347229), Non-Executive Chairperson, eligible for retirement by rotation, is seeking reappointment as a Non-executive Director at the upcoming Annual General Meeting.

It may be noted that, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, after considering the performance and capabilities of Mr. Sibaji Biswas (DIN: 06959449), Chief Financial Officer has appointed him as an Additional Director designated as Executive Director and Chief Financial Officer for a period of 5 (five) years effective from April 01, 2024, subject to the approval of the shareholders.

Further, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, has also appointed Mr. Nilanjan Roy (DIN: 02703775) as an Additional Director in the capacity of Independent Director w.e.f. April 01, 2024 until the Annual General Meeting to be held in the year 2027, subject to the approval of the shareholders within a period of three months from the date of appointment. The Nomination and Remuneration Committee, upon evaluation of the balance of skills, knowledge, and experience on the Board, recommended to the Board the appointment of Mr. Nilanjan Roy to fit the role and capabilities identified.

The Company continues to fulfil the requirement of the Board constitution as required under the SEBI Listing Regulations. 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 under compliance with the provision of Rule 6(3) of Companies (Appointment and Qualification of Directors) Rules, 2014, which mandated the inclusion of an Independent Director's name in the data bank of the Indian Institute of Corporate Affairs ("IICA") for a period of one year or five years or lifetime till they continue to hold the office of an Independent Director.

Role of Board of Directors

The Board is committed to the protection of the Company's stakeholder interests via vigilant oversight. Before approving the Company's quarterly or annual financial results, the Board receives regular updates on various aspects of Syngene's operations. These updates encompass strategic opportunities, business development activities, global market dynamics, financial performance, internal controls, and risk management practices. The Board remains well-informed and equipped to make informed decisions in the best interest of stakeholders. By actively engaging with Syngene's operations, the Board promotes effective management practices and upholds transparency, accountability, and long-term value creation for all stakeholders.

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

- Regular business updates, strategic opportunities and diversification plans of the Company
- 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 including appointment or removal of Chief Financial Officer and Company Secretary
- Annual operating plans, budget including capital budget, major borrowings, investments and any updates thereof.
- Quarterly, half-yearly and annual financial results of the Company (standalone and consolidated) and its operating divisions or business segments
- 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, and penalty notices
- Severe or fatal accidents, dangerous occurrences, material effluent or pollution problems
- 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
- Details of any joint venture or collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- Significant labour, employee, and industrial relations issues
- Sale of investments, subsidiaries and assets that are material in nature and not in the 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.
- Subsidiary companies' minutes, financial statements, significant transactions, and investments
- Non-compliance with 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 Company has a well-defined process and criteria for selection of new directors. The Nomination and Remuneration Committee(NRC), in consultation with the Chairperson of the Board, determines the essential and desirable skills, competencies, expertise and experience required for the office of a director and defines the role specifications. Identification of the candidates may be done by the Chairperson of the NRC and Chairperson of the Board, who may use the services of an external search agency, if required. Upon completion of the interview and selection process, the NRC reviews and recommends the appointment to the Board. Approval of shareholders, wherever required, is sought as per the provisions of applicable law. For the Board, diversity encompasses plurality in perspective, experience, education, background, ethnicity, nationality, age, gender, and other personal attributes.

Subsequent to the appointment of an independent director, the Company issues a formal letter of appointment outlining the role, duties, and responsibilities. The template of letter of appointment is available on our website at https://cdn.syngeneintl.com/2022/08/29153645/Syngene-Letter-of-Appointment-for-Independent-Directors-Aug2022.pdf. 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 procedure

The Board and its committees meet at regular intervals to discuss and decide on the Company's business policies and strategies as well as statutory and other routine matters. The Board and committee meetings are scheduled and a tentative annual calendar of 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.

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 prescribed timelines through the digital platform. The deep dive topics and planners for the Board and each Committee meeting are prepared in consultation with the Chairpersons of the respective Committees and circulated in advance to the members at the beginning of the financial year. The Board agenda includes an action taken report comprising actions emanating from the board meetings and status updates thereof. Action taken report(s) of the previous meeting(s) are followed up and placed at the next meeting for information and further recommended actions, if any. 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 leveraging 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 helps to maintain a seamless and protected 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; all the recommendations of the various Committees of the Board are accepted by the Board of Directors and none of the directors are influenced by the Management. Decisions taken at Board/Committee meetings are communicated promptly to the concerned departments for immediate action.

Meetings of the Board

During the financial year, six meetings of the Board were held on April 26, 2023, July 04, 2023, July 26, 2023, September 19, 2023, October 17, 2023, and January 25, 2024. The gap between two Board meetings did not exceed 120 days.

The information on the attendance of Directors at the Board meetings through audio-visual mode during the financial year ended March 31, 2024, 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 26, 2023
Kiran Mazumdar Shaw	Non-Executive Chairperson	6	6	Yes
Jonathan Hunt	Managing Director & CEO	6	6	Yes
Dr. Carl Peter Decicco *	Non – Executive Director	5	3	No
Professor Catherine Rosenberg	Non – Executive Director	6	6	Yes
Vinita Bali	Lead Independent Director	6	6	Yes
Dr. Kush Parmar	Independent Director	6	6	Yes
Paul Blackburn	Independent Director	6	6	Yes
Sharmila Abhay Karve	Independent Director	6	6	Yes
Dr. Vijay Kuchroo	Independent Director	6	6	Yes

* *Dr. Carl Decicco had resigned as a Non-Executive Director of the Company with effect from the closing hours of October 25, 2023. Hence, he was entitled to attend only five out of six Board meetings.*

Annually, each Director informs the Company about the Board and Committee positions they occupy in other Companies and notifies any changes regarding their Directorships and Committee positions during the year.

Requisite disclosures have been received from the Directors in this regard. The table below provides the directorship details of the Board members as on March 31, 2024.

Names of the listed entities wherein the Company's directors are holding directorships along with their category and membership/chairmanship in various committee(s) as on March 31, 2024:

<table>
<tr><th>S.No.</th><th>Name of Director</th><th>Name of Company</th><th>Designation / Category</th><th>Chairmanship/Membership in Committees of other listed entities</th></tr>
<tr><td rowspan="4">1</td><td rowspan="4">Kiran Mazumdar Shaw</td><td>Syngene International Limited</td><td>Non-Executive Chairperson</td><td>None</td></tr>
<tr><td>Biocon Limited</td><td>Executive Director and Chairperson</td><td>Member:
▪ Risk Management Committee</td></tr>
<tr><td>United Breweries Limited</td><td>Independent Director</td><td>Chairperson:
▪ Nomination and Remuneration Committee
▪ Risk Management Committee
Member:
▪ Corporate Social Responsibility/ ESG Committee
▪ Borrowing Committee</td></tr>
<tr><td>Narayana Hrudayalaya Limited</td><td>Non-Executive Non-Independent Director</td><td>Member:
▪ Nomination and Remuneration Committee</td></tr>
<tr><td>2</td><td>Jonathan Hunt</td><td>Syngene International Limited</td><td>Managing Director & CEO</td><td>Member:
▪ Stakeholders Relationship and ESG Committee
▪ Risk Management Committee
▪ Science and Technology Committee</td></tr>
<tr><td>3</td><td>Professor Catherine Rosenberg</td><td>Syngene International Limited</td><td>Non-Executive, Non-Independent Director</td><td>Chairperson:
▪ Corporate Social Responsibility Committee
Member:
▪ Nomination and Remuneration Committee
▪ Stakeholders Relationship and ESG Committee
▪ Science and Technology Committee</td></tr>
<tr><td>4</td><td>Vinita Bali</td><td>Syngene International Limited</td><td>Lead Independent Director</td><td>Chairperson:
▪ Nomination and Remuneration Committee
Member:
▪ Audit Committee
▪ Corporate Social Responsibility Committee</td></tr>
<tr><td>5</td><td>Dr. Kush Parmar</td><td>Syngene International Limited</td><td>Independent Director</td><td>Member:
▪ Science and Technology Committee
▪ Risk Management Committee</td></tr>
<tr><td>6</td><td>Paul Blackburn</td><td>Syngene International Limited</td><td>Independent Director</td><td>Chairperson:
▪ Audit Committee
▪ Risk Management Committee
Member:
▪ Stakeholders Relationship and ESG Committee</td></tr>
</table>

S.No.	Name of Director	Name of Company	Designation / Category	Chairmanship/Membership in Committees of other listed entities
7	Sharmila Abhay Karve	Syngene International Limited	Independent Director	**Chairperson:** ▪ Stakeholders Relationship and ESG Committee **Member:** ▪ Audit Committee ▪ Nomination and Remuneration Committee
		EPL Limited	Independent Director	**Chairperson:** ▪ Audit Committee **Member:** ▪ Stakeholders Relationship Committee
		CSB Bank Limited	Independent Director	**Chairperson**: ▪ Audit Committee **Member**: ▪ Nomination and Remuneration Committee ▪ Committee for Monitoring Large Value Frauds. ▪ NPA Management Committee
		Thomas Cook India Ltd.	Independent Director	**Member**: ▪ Audit Committee ▪ Risk Management Committee
8	Dr Vijay Kuchroo	Syngene International Limited	Independent Director	**Chairperson**: ▪ Science and Technology Committee **Member:** ▪ Nomination and Remuneration Committee ▪ Corporate Social Responsibility Committee

Composition of the Board and details of Directorships and Committee memberships/Chairmanships held in other companies as on March 31, 2024:

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	-	-
Professor Catherine Rosenberg	06422834	Director	1	-	1
Independent Directors					
Vinita Bali	00032940	Lead Independent Director	1	-	1
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	1	-	-

Note:

Directorship in companies includes Syngene International Limited.

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

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, excluding private limited companies, foreign companies, high-value debt listed entities, and companies under Section 8 of the Companies Act, 2013 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.

Disclosure of relationships between directors inter-se

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

Shareholding of Non-Executive Directors

As on March 31, 2024, the following Non-Executive Directors hold equity shares in the Company.

Name	Shareholding as on March 31, 2024
Kiran Mazumdar Shaw	21,964
Prof Catherine Rosenberg (Held jointly with spouse: Ravi Rasendra Mazumdar)	8,806
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 with 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 evaluating 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 follows the provisions of the SEBI Listing Regulations and the Act. No Independent Director of the Company has resigned during the year.

Independent Director's 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 Executive Committee. The Independent Directors met 4 times during the year on April 24, 2023, July 26, 2023, October 16, 2023, and January 25, 2024. 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 these meetings and conveyed to the Board of Directors at the next Board meeting any suggestions or concerns that were discussed at the Meeting of the Independent Directors.

Details of familiarisation programs imparted to independent directors

a formal induction programme for new Directors and an ongoing familiarisation process with respect to the business/working of the Company for all Directors is important to familiarize the directors with the dynamics of the industry to increase their ability to take informed decisions. Complying with Regulations 25(7) of SEBI Listing Regulations 2015, familiarisation programmes to empower Independent Directors with the knowledge of Syngene's business and operations were conducted during the financial year. Latest developments affecting the Company and the Contract Research Organisation (CRO) industry and functions of various operating units were presented to the Directors by the Management team. In January 2024, the Board members participated in a one-day discussion on the Company's strategy for the coming years. Through such sessions, the Board engages with management on long term strategic issues such as growth strategies, innovation, succession planning & talent management, culture, go-to-market strategies, technology, etc. These insightful sessions allow the Board members to get a better understanding of the business of the Company and allows the senior management to solicit perspectives from the Board.

The details of the familiarisation programmes are available at https://www.syngeneintl.com/investor-relations/corporate-governance.

Confirmation of 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, 2024.

Skill, expertise, and competencies of the Board

The Syngene Board comprises qualified members who collectively bring with them the required skills, expertise and competencies to make effective contributions to the Board and Committees as required, 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 summarised below:

Board skill, expertise and competencies

The table below highlights the Core Areas of Expertise/Skills/Competencies of the Board members as on March 31, 2024:

Key skills, expertise, and competencies	Kiran Mazumdar Shaw	Jonathan Hunt	Catherine Rosenberg	Vinita Bali	Dr. Kush Parmar	Paul Blackburn	Sharmila Abhay Karve	Dr. Vijay Kuchroo
Corporate Strategy & Execution	•	•		•	•			
Sector expertise. ▪ Life science ▪ Healthcare ▪ Research	•	•	•		•			•
Executive Leadership	•	•		•	•	•	•	
Finance and Risk management	•					•	•	
Science & Technology ▪ R&D ▪ Biotech ▪ Digital	•		•		•			•
Commercial ▪ Sales ▪ Marketing ▪ PR ▪ Brand		•		•				
Manufacturing	•	•		•				
ESG ▪ Sustainability ▪ Regulatory & compliance ▪ Corporate Governance	•	•	•	•	•	•	•	•
Global business experience	•	•		•	•	•		

Board evaluation

During the financial year, the performance evaluation process was undertaken internally, based on the criteria formulated by the Nomination and Remuneration Committee. This evaluation included an assessment of the Board's own performance as well as the working of its Committees for FY 2023-24 in compliance with Section 134 of the Companies Act, 2013 and Regulation 17(10) of the SEBI Listing Regulations, 2015. This is according to the criteria laid down by the Nomination and Remuneration Committee, which includes the following:

- The Board: Composition, agenda, dynamics, strategy, business performance, succession planning, risk management, continuous improvement, 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.

Each Director completed a questionnaire involving peer evaluation and feedback on processes of the Board and its Committees. The contribution and impact of individual members were evaluated on several considerations, such as level of engagement, independence of judgment, contributions to enhance the Board's overall effectiveness, etc. Furthermore, the Committees were evaluated on parameters such as effective discharge of their roles, responsibilities and advice given to the Board for discharging its fiduciary responsibilities, including adequate and periodical updates to the Board on the Committees' functioning. 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 the individual directors. The feedback-cum-assessment of individual Directors, the Board, and its Committees, was discussed by Independent Directors and the Board for the FY 2023-24 and collective action points for improvement were put in place. The Directors acknowledged the productive functioning of the Board and its Committees. The evaluation reports of the individual committees were placed at the respective committee meetings for visibility of all members to the action points and observations. 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 had been an effective exercise and helped to bring out specific areas of improvement to work on in the years to come.

The Board evaluation exercise for FY24 included an overall positive rating for the Board but identified opportunities for improvement in talent, operating model, and culture. Key actionable steps included enhancements to the succession planning exercise, refining evaluation processes for the key executives, focusing Board meeting discussions on strategy, clarifying direction and summarizing actions. For the Executive Team, key priorities included discussing competitive benchmarks, business model transformation and emphasizing discussion over presentations. These measures aimed to enhance strategic alignment and operational efficiency.

The Board positively acknowledged the progress made towards implementing key recommendations from the FY23 evaluation exercise.

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

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. The Audit Committee comprises three Independent Directors as of March 31, 2024, 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 2023-24 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	5

©: Chairperson
ID: Independent Director
Mr. Nilanjan Roy was appointed as the member of the Audit Committee w.e.f April 11, 2024.

Terms of reference

The Audit Committee oversees the audit function and ensures the integrity of both internal and statutory audits, aiming to uphold the consistency of unqualified financial statements. Operating within the framework of the Companies Act, 2013, and SEBI Listing Regulations, 2015, it aids the Board in its duty to supervise financial reporting processes, assess the effectiveness of internal financial controls and scrutinize both statutory and internal audit procedures. Key responsibilities of the Committee encompass:

Finance and 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 Standards 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 the 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 audits 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 shall also review 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 Prevention of 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 members of the Committee are Independent Directors and possess sound knowledge of accounts, finance, audit and legal matters.

During the financial year, six meetings of the Committee were held on April 26, 2023, July 03, 2023, July 25, 2023, October 17, 2023, December 18, 2023, and January 24, 2024. In addition to 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 the Internal Auditors attended the meetings of the Audit Committee. The Committee met the Statutory Auditors separately, independent of the Management, every quarter, and the Internal Auditors three times during the year to obtain their input on significant matters relating to their respective areas of 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 26, 2023.

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, prior to which Risk Management was considered within the scope of the Audit & Risk Committee.

The Risk Management Committee comprised the following directors as of March 31, 2024:

Paul Blackburn – Independent Director and Chairman

Dr. Kush Parmar – Independent Director

Jonathan Hunt – Managing Director & Chief Executive Officer

Mr. Nilanjan Roy was appointed as a member of the Risk Management Committee w.e.f April 11, 2024.

The attendance of the members in the Risk Management Committee Meetings held in FY24 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
Dr. Carl Decicco*	NED	3	2
Dr. Kush Parmar	ID	4	3

©: Chairman

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

*Dr. Carl Decicco resigned as a Non-Executive Director of the Company with effect from the closing hours of October 25, 2023.

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 25, 2023, July 24, 2023, October 16, 2023, and January 24, 2024.

Stakeholders Relationship and ESG Committee

The Board, on July 23, 2014, constituted the 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 widened the powers of the Committee to review and monitor the ESG matters. On the approval of the Board, the Stakeholders Relationship Committee was renamed as Stakeholders Relationship and ESG Committee w.e.f. October 20, 2021. The Stakeholders Relationship and ESG Committee comprises two independent directors, a non-executive director, and the executive director, as of March 31, 2024, namely Sharmila Abhay Karve, Independent Director as the Chairperson, Paul Blackburn, Independent Director, Professor Catherine Rosenberg, Non-Executive Director and Jonathan Hunt, Managing Director & Chief Executive Officer as members. Mr. Nilanjan Roy was appointed as a member of the Committee w.e.f April 11, 2024.

The attendance of members at the Stakeholders Relationship and ESG Committee Meetings held in FY24 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	4	3
Paul Blackburn	ID	4	4

©: Chairperson
ID: Independent Director; NED: Non-Executive Director, ED – Executive Director

Terms of reference

The Stakeholders Relationship & ESG Committee, among its responsibilities, addresses investor and shareholder grievances while also offering specialized attention to Environmental, Social, and Governance (ESG) concerns. Governed by the Companies Act, 2013, and SEBI Listing Regulations, the Committee's role surpasses legal mandates and encompasses:

- 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, continuously 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 sub-committee and its working. The Committee may delegate authority to the sub-committee 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 26, 2023, July 25, 2023, October 17, 2023, and January 24, 2024.

Sharmila Abhay Karve, Chairperson of the Committee was present at the last AGM held on July 26, 2023. There were no shareholder complaints received and resolved during the financial year ended March 31, 2024. However, there were 24 requests received by the Company/RTA for various issues such as copies of annual report, 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 holds a pivotal position in ensuring the adherence to efficient Board procedures, subject to periodic review. Primarily tasked with ensuring compliance with the Companies Act, SEBI Listing Regulations, Secretarial Standards issued by the Institute of Company Secretaries of India, and other relevant laws, she facilitates the timely dissemination of information, along with pertinent supporting documents, to Directors and the Senior Management team. Additionally, she provides guidance to the Board on embracing sound 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, 2024, 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 FY24 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 seek their approval. Review and reassess periodically the adequacy of this policy and recommend any proposed change to the Board for its approval.
- Ensure that the list of CSR activities which the Company plans to undertake falls under the purview of the Act.
- Recommend CSR activities and budget to the Board for approval.
- To review and monitor all CSR activities from time to time and regularly report to the Board on the progress.
- To formulate and recommend to the Board, an annual action plan in pursuance of this policy, as per the CSR rules.
- 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 to promote better governance.
- To approve the guidelines framed under the Employee Code of Conduct.
- To clearly define the process for inviting and deciding the Research grants along with the
- Science and Technology Committee.

As a responsible Company, Syngene acknowledges its responsibility towards the environment, customers, employees and other stakeholders. Company CSR initiatives are based on the principle of making an enduring impact on the communities in which we live and work through programmes that promote social and economic inclusion. The Company's contributions and initiatives towards social welfare, promoting education and research in the fields of science and medicine, and environmental sustainability are integral to its business.

The Company's CSR activities are mainly executed through the Biocon Foundation. 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 25, 2023; July 24, 2023, October 16, 2023 and January 23, 2024. The CSR Report as required under the Companies Act, 2013 for the year ended March 31, 2024, is annexed as Annexure 7 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, 2024, namely Dr Vijay Kuchroo, Independent Director as the Chairperson, Dr. Kush Parmar, Independent Director 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 is given below:

Name	Category	No. of meetings which the member was entitled to attend	Meetings attended
Dr. Vijay Kuchroo©	ID	3	3
Mr Jonathan Hunt	ED	3	3
Dr. Carl Peter Decicco*	NED	3	2
Professor Catherine Rosenberg	NED	3	2
Dr. Kush Parmar	ID	3	3

©: Chairperson
ID: Independent Director
NED: Non-Executive Director
ED: Executive Director
*Dr. Carl Decicco resigned as a Non-Executive Director of the Company with effect from the closing hours of October 25, 2023.

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, three meetings of the Committee were held on April 25, 2023, July 25, 2023, and October 16, 2023.

Nomination and Remuneration Committee

The Board, on April 23, 2014, constituted the Nomination and Remuneration Committee, which functions 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, 2024, 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 is given below:

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

©: Chairperson
ID: Independent Director
NED: Non-Executive Director

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 SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

- 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 25, 2023, May 20, 2023, July 10, 2023, July 24, 2024, October 16, 2023, and January 23, 2024.

Senior Management

Particulars of senior management including the changes therein since the close of the previous financial year include:

- Mr. Joydeep Kant, Senior Vice President - Development Services, retired from the services of the Company effective from close of working hours on October 31, 2023.
- Dr. Mahesh Bhalgat – Chief Operating Officer resigned from his position effective from close of working hours on January 31, 2024.

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
- Connection 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 Director

Jonathan Hunt held the position of Managing Director & CEO as on March 31, 2024. All other directors were Non-Executive Directors as on March 31, 2024. 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, which was approved by the shareholders at the 27th Annual General Meeting of the Company held on July 22, 2020. The remuneration of Jonathan Hunt includes annual base pay subject to a performance-linked increment, variable pay linked to Company's performance, long-term incentives, including stock options/units and perquisites, as well as other allowances, according to the Company's policy and as approved by the Board.

Any annual pay, variable pay or incentives payable to the Managing Director & CEO is determined with reference to his performance on specified 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 transaction 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 a payment to Non-Executive Directors

The role of Non-Executive and Independent Directors extends far beyond ensuring corporate governance or shaping the company's outlook. These individuals bring to the table a wealth of professional expertise and extensive experience spanning diverse functional domains. Their backgrounds encompass fields such as scientific knowledge, research and innovation, manufacturing, global healthcare services, general management, finance and risk management, compliance and governance, technology, digital perspectives, and various other corporate functions.

The management seeks expert advice from the Board on a wide range of matters, tapping into their deep knowledge and insights. From providing strategic guidance to offering nuanced perspectives on operational challenges, these directors play a pivotal role in shaping the company's trajectory.

The Nomination and Remuneration Committee is tasked with evaluating and recommending to the Board the compensation packages for Non-Executive directors. This ensures transparency and fairness in remuneration practices, aligning with the company's objectives and stakeholder interests.

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.

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 is paid on the basis of USD 1,000 per meeting of the Board/Committee and this is 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. Commission for the fourth quarter will be paid once the annual accounts are approved to ensure compliance with the guideline of commission for all non-executive directors up to 1% of the net profits for the relevant year. Besides the above, travel expenses for attending the meetings will be reimbursed on an actual basis.

The details of remuneration and sitting fees paid or provided to all the Directors during the year ended March 31, 2024, are as follows:

(Rs. in Million)

Name of the Director	Salary & Perquisites@			Others		Total
	Fixed Pay + Bonus	Stock Options	Retiral Benefits*	Commission	Sitting Fees	
Kiran Mazumdar Shaw	-	-	-	8.94	0.49	9.45
Jonathan Hunt	142.54	142.79^	-	-	-	-
Dr. Carl Decicco$	-	-	-	3.24	0.33	3.57
Professor Catherine Rosenberg	-	-	-	6.38	1.90	8.29
Dr. Kush Parmar	-	-	-	5.39	1.08	6.46
Vinita Bali	-	-	-	6.80	1.82	8.62
Paul F Blackburn	-	-	-	7.46	1.66	9.11
Sharmila Abhay Karve	-	-	-	6.80	1.66	8.45
Dr. Vijay Kuchroo	-	-	-	5.97	1.49	7.46

Note:

**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. The amount under stock options denotes the value of the performance stock units granted during the year.

$Dr. Carl Decicco resigned as a Non-Executive Director of the Company with effect from the closing hours of October 25, 2023.

^ These are Performance Stock Units granted during the year; It denotes PSUs granted at a maximum level (ie. 1.5 times the target value), that may vest subject to meeting the key performance parameters.

Service contracts, notice period and severance fees

As on March 31, 2024, the Board comprised eight members, including one Executive Director and seven 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 Resolutions Passed
1	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, 20th K.M. Hosur Road, Hebbagodi, Bengaluru, 561229	No Special Resolution was passed at the AGM.
2	2021-22	July 20,2022 3:30 P.M.	Held through video conference ("VC")/ other audio-visual means ("OAVM") deemed to be held at Biocon Campus, 20th K.M. Hosur Road, Hebbagodi, Bengaluru, 561229	1. To re-appoint Sharmila Abhay Karve (DIN: 05018751) as an Independent Director of the Company. 2. To approve amendments to the Syngene Restricted Stock Unit Long Term Incentive Plan FY2020.
3	2022-23	July 26, 2023, 3:30 PM	Held through video conference ("VC")/ other audio-visual means ("OAVM") deemed to be held at Biocon Campus, 20th K.M. Hosur Road, Hebbagodi, Bengaluru, 561229	No special resolutions were passed at this Annual General Meeting.

Details of postal ballot during the year along with voting pattern:

During the fiscal year, one postal ballot notice was sent out. The Company sought approval of the shareholders through postal ballots. The Board appointed V Sreedharan, Practicing Company Secretary, partner of M/s 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 Satyanarayana, Practicing Company Secretary, Bengaluru (FCS 11323; CP 17024), as the Scrutinizer to conduct the postal ballot process in a fair and transparent manner. The details of the postal ballots are as follows:

Postal Ballot – April 2023

Date of Postal Ballot Notice: March 22, 2023

Voting Period: From 09:00 am on Saturday, March 25, 2023, until 17:00 pm on Sunday, April 23, 2023.

Date of Approval: April 23, 2023

Date of Declaration of Result: April 25, 2023

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 the Syngene Long Term Incentive Performance Share Plan 2023 and grant of performance share units (PSUS) to eligible employees of the Company.	Ordinary	554	434	94.8%	120	5.2%
To approve the Syngene Long Term Incentive Outperformance Share Plan 2023 and grant of performance share units to eligible employees of the Company.	Ordinary	553	435	94.8%	118	5.2%
To approve extending the benefits of the Syngene Long Term Incentive Performance Share Plan 2023 to the employees of holding company, subsidiary(ies) including future subsidiary(ies).	Ordinary	553	426	93%	127	7%
To approve extending the benefits of the Syngene Long Term Incentive Outperformance Share Plan 2023 to the employees of holding company, subsidiary(ies) including future subsidiary(ies).	Ordinary	554	426	93%	128	7%
To approve the provision of money by the Company for the purchase of its own shares by the Syngene Employees Welfare Trust for the benefit of employees under Syngene Long Term Incentive Performance Share Plan 2023 and the Syngene Long Term Incentive Outperformance Share Plan 2023.	Ordinary	554	435	95%	119	5%
To approve the termination of Syngene Employee Stock Option Plan 2011 ("the ESOP plan").	Ordinary	559	536	99.99%	23	0.01%

Communication of Financial Results

I. Quarterly financial results

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

II. News releases and presentations

Official 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 generally made to institutional investors and financial analysts on the 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 providing: complete information pertaining to the Board of Directors and its Committees; financial results including subsidiaries financials; stock exchange disclosures and compliances such as shareholding pattern, corporate governance report and press releases; Notice of the Board and General Meetings; details of Registrar and Transfer Agents; and details of unclaimed dividend and IEPF-related information. 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. As per the recent requirements of the Stock Exchanges, the Company has created a separate tab for the above disclosures.

V. NEAPS and BSE Listing Centre

NEAPS and BSE Listing Centre are web-based applications designed by NSE and BSE respectively to facilitate smooth filing of information with the stock exchanges. All periodical compliance filings like shareholding patterns, the corporate governance report and 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. The 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 24, 2024
Time	3:30 PM
Venue	The meeting will be held through video conferencing/other audio-visual means. The venue for the meeting will be Biocon Park, SEZ, Bommasandra Industrial Area – Phase-IV, Jigani Link Road, Bangalore, Karnataka – 560 099
Financial year	1st day of April to 31st day of March in the next calendar year
Dividend payment date	On or before August 05, 2024
Date of Book Closure / Record Date / Cut off	June 28, 2024
Listing of Stock Exchanges	The National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra – Kurla Complex, Bandra (East), Mumbai- 400 051
	The 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 2024-25 (tentative dates)	
For the quarter ending June 2024	July 24, 2024
For the quarter ending September 2024	October 23, 2024
For the quarter ending December 2024	January 23, 2025
For the quarter ending March 2025	April 23, 2025

Market price data for FY24

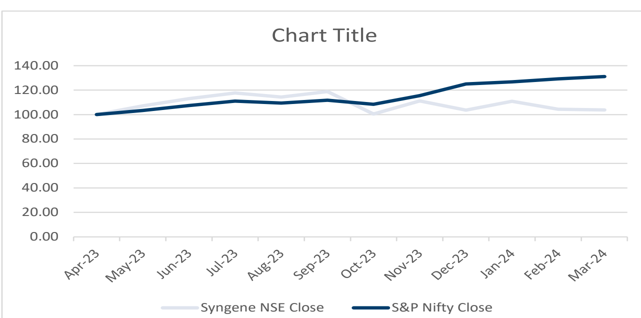
The Company's shares are regularly traded on BSE Limited and National Stock Exchange of India Limited. The monthly high/low and volume of shares of the Company from April 1, 2023 to March 31, 2024 is given below:

Months	NSE			BSE		
	High Price (Rs.)	Low Price (Rs.)	Volume of Equity Shares (in Lakhs)	High Price (Rs.)	Low Price (Rs.)	Volume of Equity Shares (in Lakhs)
Apr/23	685.70	576.55	140.59	685.00	576.55	1.49
May/23	727.95	677.8	154.51	727.65	677.40	3.45
Jun/23	783.10	716.00	92.72	782.70	711.15	2.06
Jul/23	826.95	738.25	160.81	827.95	738.05	8.81
Aug/23	842.90	756.55	133.20	843.00	756.40	6.12
Sep/23	860.25	762.95	191.14	860.20	761.05	5.96
Oct/23	820.00	671.15	232.86	820.00	671.60	3.48
Nov/23	759.5	674.25	124.45	759.00	674.40	1.13
Dec/23	764.00	675.60	235.15	761.35	676.00	7.66
Jan/24	753.45	662.50	277.96	753.85	661.15	5.50
Feb/24	774.00	695.55	149.22	775.45	696.00	2.10
Mar/24	727.00	660.35	148.65	720.55	660.35	1.60

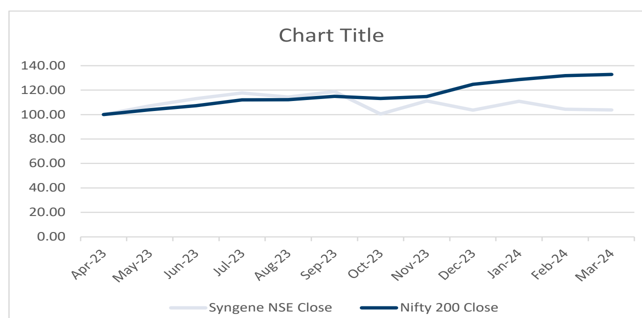
[Source: This information is compiled from the data available on the websites of BSE and NSE]

Relative movement chart

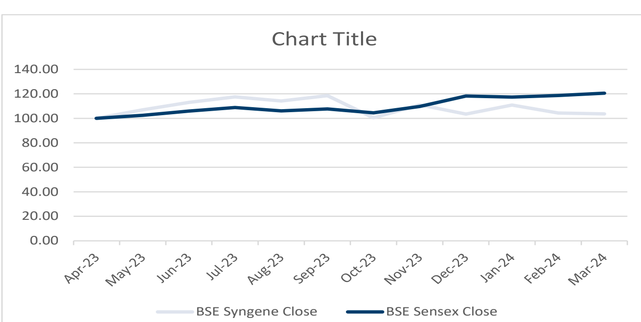
Syngene and S & P Nifty share price movement from April 1, 2023, to March 31, 2024



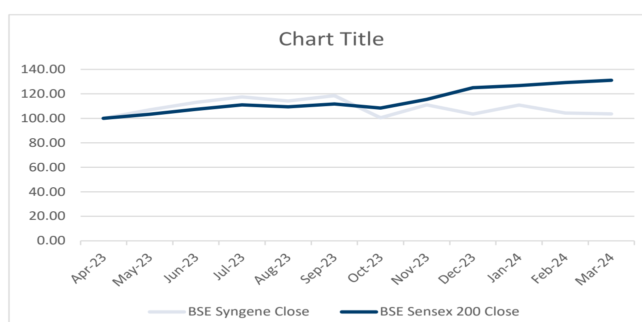
Syngene and NIFTY 200 share price movement from April 1, 2023, to March 31, 2024



Syngene and BSE Sensex share price movement from April 1, 2023, to March 31, 2024



Syngene and BSE Sensex 200 share price movement from April 1, 2023, to March 31, 2024



As on March 31, 2024, the securities of the Company are not suspended from trading.

Registrar and Share Transfer Agents

The members of the Company can address all their communication relating to transfer, transmission, refund order, dividend, and National Electronic Clearing system (NECS) dematerialisation, to the Company's Share Transfer agent i.e. KFin Technologies Limited at the address given below and can 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 86 shares that were in physical form as on March 31, 2024. 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 is authorised to approve the cases for transmission or transposition of shares in the physical form, if any are received according to the time limits and procedure specified in Regulation 40 of SEBI Listing Regulations, 2015. No requests for transmission or transposition of shares in physical form were received during the year. There are no shares in the Demat suspense account and unclaimed suspense account as of March 31, 2024.

Disclosure of certain types of agreements binding listed entities

There are no such agreements entered into by the Company during FY24.

Distribution of shareholding by the number of shares as of March 31, 2024

Sl. No	Category	Number of Shares	% to paid up Capital
1	Promoters	1084403	0.27
2	Foreign Institutional Investors	84225823	20.95
3	NRI & Foreign Nationals	1726956	0.43
4	Mutual Funds, Banks, FIs, AIFs	63515774	15.80
5	Directors	343600	0.09
6	Bodies Corporate	3508193	0.87
7	Indian Public & Others	27152940	6.75
8	Trusts	1258017	0.31
9	Non-Promoter Non-Public	219199294	54.53
	TOTAL	**402015000**	**100**

List of shareholders holding more than 1% of the paid-up share capital as of March 31, 2024

Sl. No	Name	Shareholding	% to paid up Capital
1	Biocon Limited	219185608	54.52
2	ICICI Prudential Large & Mid Cap Fund	24004611	5.97
3	Government of Singapore	11837989	2.94
4	Government Pension Fund Global	8944221	2.22
5	UTI Balanced Advantage Fund	7267565	1.81
6	Kotak Funds - India Midcap Fund	4931024	1.23
7	Mirae Asset Healthcare Fund	4882045	1.21
8	Life Insurance Corporation of India	4754468	1.18
	TOTAL	**285807531**	**71.093748**

Distribution of shareholding by number of shares as on March 31, 2024

Sl. No	Category	No of shareholders	Total Shares	% to shareholders	% to Paid up Share Capital
1	1- 5,000	117960	20052762	99.15	4.99
2	5001- 10,000	386	2765206	0.32	0.69
3	10001- 20,000	207	2896903	0.17	0.72
4	20,001 30,000	81	1996308	0.07	0.50
5	30,001- 40,000	35	1203570	0.03	0.30
6	40,001- 50,000	43	1936113	0.04	0.48
7	50,001- 100,000	75	5342660	0.06	1.33
8	100,001 & Above	188	365821478	0.16	91.00
	TOTAL	**118975**	**402015000**	**100.00**	**100.00**

Dematerialisation of shares and liquidity

Syngene's shares are available for trading only in electronic form. We have established connectivity with both the depositories: 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, 2024.

Commodity price risk or foreign exchange risk and hedging activities

The Company has a 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 as of March 31, 2024

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, dividends which remain unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account, are 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. Shares in respect of which dividends remain unclaimed progressively for seven consecutive years will be reviewed for transfer to the IEPF as required by law. The Company will transfer the said shares after sending an intimation of the proposed transfer in advance to the concerned shareholders, as well as publishing a public notice in this regard, to claim the unclaimed shares due to be transferred in September 2024. The Company, under the investor initiatives, has also sent the reminder letters to all the respective shareholders to claim the below mentioned unclaimed dividend amount. The unclaimed dividend 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 of March 31, 2024 (in Rs.)	Due date for transfer of unclaimed dividend amount to IEPF (IEPF rule 3(1))
1	2016-17	Final Dividend	1.00	50,765.00	September 1, 2024
2	2017-18	Final Dividend	1.00	53,291.00	September 28, 2025
3	2018-19	Final Dividend	0.50	38,813.00	August 29, 2026
4	2021-22	Final & Special Dividend	1.00	64,982.00	August 24, 2029
5	2022-23	Final & Special Dividend	1.25	80,782.75	August 24, 2029

During the year, pursuant to the provisions of Section 124(5) of the Companies Act, 2013 and IEPF Rules, the Company has transferred the unclaimed Interim Dividend pertaining to FY 2015-16 and corresponding shares to the IEPF Authority. Shareholders may note that any unclaimed Dividend/amount and underlying shares transferred to IEPF including all benefits accruing on such shares, if any, can be claimed back from IEPF Authority by following the procedure prescribed in the Rules.

Plant locations

Biocon Park SEZ, Plot No. 2, 3, 4 & 5 Bommasandra Industrial Area, Phase IV, Jigani Link Road, Bengaluru-560099	113-C – 2, Bommasandra Industrial Area, Attibele, Hobli, Anekal Taluk, Bengaluru-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
Plot No.68A, Unit 3, SY No. 296 and 270, Bommasandra, Attibelle, Hobli, Anekal, Bengaluru Urban, Karnataka, 500099	

Address for correspondence

Financial Disclosure Sibaji Biswas President – Finance & Chief Financial Officer Tel: 91 80 – 6891 9807 E-mail id: sibaji.biswas@syngeneintl.com	**For queries related to shares / dividend / compliance** Priyadarshini Mahapatra Head Legal, Company Secretary and Compliance Officer Tel.: 91 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: 91 80 – 6891 9807 E-mail id: Krishnan.G@syngeneintl.com
Registered Office address Syngene International Limited Biocon Park SEZ, Bommasandra Industrial Area, Phase IV, Jigani Link Road, Bengaluru 560 099 Tel: 91 80 – 6891 5000 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: 91 040 – 6716 1518 E-mail id: einward.ris@kfintech.com

Credit rating

During the year, CRISIL Ratings Limited ("CRISIL") vide its letter dated November 28, 2023, has reaffirmed the long-term rating as "CRISIL AA+/Stable" and reaffirmed the short-term rating "CRISIL A1+". ICRA Limited ("ICRA") vide its letter dated August 04, 2023, has removed from rating watch with developing implications, assigned a Stable outlook for the long-term rating, and has reaffirmed the rating at "[ICRA]AA+." The short-term rating has been reaffirmed at "[ICRA]A1+". ICRA and CRISIL have monitored the material event of the acquisition of Unit 3 from Stelis Biopharma. The ratings have not been impacted and remain unchanged.

Other disclosures

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

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. None of the transactions attracted 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. Reports on the transactions entered 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 the Stock Exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years

During the fiscal 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 whistleblower 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 safeguards against victimization to the whistleblower and enables them to raise concerns to the Integrity Committee and also provides an option of direct access to the Chairperson of the Audit Committee. The Company has published the e-mail ID to send e-mails directly to the Audit Committee Chairperson in the whistleblower policy. Syngene has engaged "Navex Global" to provide an online platform to raise complaints by whistleblowers. During the year, none of the employees have been denied access to the Chairperson 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/

IV Details of compliance with mandatory requirements and adoption of 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 a few 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 for the year ended March 31, 2024, 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, 2024. These financial statements were authorised for issuance by the Board on April 24, 2024.

VII. Policy for determining material subsidiaries

The Company has formulated a policy for determining material subsidiaries. This is available on the Company's website at https://www.syngeneintl.com/investors/corporate-governance/governance-reports-policies/. 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 funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) during the FY24.

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., Syngene Scientific Solutions Limited and Syngene Manufacturing Solutions Limited, the wholly owned subsidiaries of the Company. The details of payment made to them on consolidated basis are available on page number 279 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	2
2	Number of complaints disposed of during the financial year	2
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(s) and advances in the nature of loans to firms/ companies in which directors are interested.

XIII Details relating to any recommendation of any committee of the board which are mandatorily required and not accepted by the Board, in the relevant financial year

All the recommendations of the Committees which were mandatorily required to be made 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 A 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. 101248W/W100022), Statutory Auditors of the Company, is annexed with the Directors' Report as Annexure 5.

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 with the code during the financial year under review. The Code of Conduct is available on the website of the Company at http://www.syngeneintl.com/investor-relations/corporate-governance. All the members of the Board and Senior Management have affirmed compliance with the Code as on March 31, 2024.

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, 2024.

For Syngene International Limited

Date: April 24, 2024 **Jonathan Hunt**

Place: Bengaluru Managing Director & Chief Executive Officer

Annexure A – Corporate Governance Report

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 Road, Bengaluru- 560099

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SYNGENE INTERNATIONAL LIMITED** bearing **CIN: L85110KA1993PLC014937** and having registered office at Biocon SEZ, Biocon Park, Plot No. 2 & 3, Bommasandra Industrial Area, IV Phase, Jigani Link Road, 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, 2024 have been debarred or disqualified from being appointed or continuing as Directors of Company 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. Kush M Parmar	09212020	22/06/2021

*Mr. Carl Peter Decicco (DIN: 08576667) resigned as Non-Executive Director of the Company with effect from 25.10.2023

*Mr. Sibaji Biswas (DIN: 06959449) was appointed as CEO and Additional Executive Director of the Company w.e.f.01.04.2024.

*Mr. Nilanjan Roy (DIN: 02703775) was appointed as an Independent, Non-executive Director of the Company w.e.f.01.04.2024

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 No.17024

Address: Address: No. 291, 1st Floor, 10Th Main Road 3rd Block,

Jayanagar, Bengaluru - 560011

Place: Bengaluru Date: 24.04.2024

UDIN: F011323F000227286

Peer Review Certificate No.5543/2024

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 Industrial Area IV Phase, Jigani Link Rd, Bommasandra Bengaluru- 560099, Karnataka, India
5.	**Corporate address**	**Syngene International Limited** Block II, First Floor, Velankani Technology Park, Electronic City Phase I, Bengaluru- 560100, Karnataka, India
6.	**E-mail**	investor@syngeneintl.com
7.	**Telephone**	080-6891 9191
8.	**Website**	www.syngeneintl.com
9.	**Financial year for which reporting is being done**	2023-2024
10.	**Name of the Stock Exchange(s) where shares are listed**	BSE Limited National Stock Exchange of India Limited
11.	**Paid-up Capital**	Rs. 402,01,50,000
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 Tel.: 080-6891 9191 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 consolidated basis covering wholly-owned subsidiaries. Certain restatements have been made to address changes in methodology, while maintaining consistency and comparability.
14.	**Name of assurance provider**	Not Applicable
15.	**Type of assurance obtained**	Not Applicable

II. Products /Services

16. **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

17. **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

**As per National Industrial Classification – Ministry of Statistics and Programme Implementation*

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
Bangalore	3	2	5
Mangalore	1	0	1
Hyderabad	2	0	2

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	9
International (No. of Countries)	36

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Exports contribute to 95% of the revenue from operations for FY24.

c. A brief on types of customers:

i. Large Biopharma (Companies with R&D spends greater than $1 Bn)

ii. Mid-sized Biopharma (Companies with R&D spends less than $1 Bn and greater than $200 Mn)

iii. Emerging Biopharma (Companies with R&D spends less than $200 Mn)

iv. Animal Health companies

v. Agrochemical (Companies focussed on largely agriculture and nutrition segments)

vi Chemical/Polymers (Performance and speciality materials and chemicals)

IV. Employees

20. Details as at the end of financial year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No.(B)	% (B / A)	No. (C)	% (C / A)
		EMPLOYEES				
1.	Permanent (D)	6510	4791	73.6	1719	26.4
2.	Other than Permanent (E)	456	360	78.9	96	21.1
3.	**Total employees (D + E)**	**6966**	**5151**	**73.9**	**1815**	**26.1**
		WORKERS				
4.	Permanent (F)	Nil	Nil	Nil	Nil	Nil
5.	Other than Permanent (G)	1180	973	82.5	207	17.5
6.	**Total workers (F + G)**	**1180**	**973**	**82.5**	**207**	**17.5**

b. Differently abled Employees and workers*:

S. No.	Particulars	Total (A)	Male		Female	
			No.(B)	% (B / A)	No.(C)	% (C / A)
		DIFFERENTLY ABLED EMPLOYEES				
1.	Permanent (D)	1	1	100	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total differently-abled employees (D + E)**	**1**	**1**	**100**	**0**	**0**
		DIFFERENTLY ABLED WORKERS				
4.	Permanent (F)	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**

Employees and workers have been categorised as follows:
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
**Based on self-declaration at joining*

21. Participation/inclusion/representation of women

	Total (A)	No. and percentage of Females	
		No.(B)	% (B / A)
Board of Directors	8	4	50.00
Key Management Personnel	3	1	33.33

** Mr. Jonathan Hunt, Managing Director & CEO, is a member of the Board of Directors and is also considered a Key Managerial Personnel.*

22. Turnover rate for permanent employees and workers

	Turnover rate in FY24			Turnover rate in FY23			Turnover rate in FY22)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	17.2%	25.7%	19.5%	22.2%	30.4%	24.4%	24.2%	28.1	25.2%
Permanent Workers*	Nil								

**The Company does not have any permanent workers.*

V. Holding, subsidiary and associate companies (including joint ventures)

23. (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	Yes
3.	Syngene Scientific Solutions Limited	Subsidiary	100	
4.	Syngene Manufacturing Solutions Limited	Subsidiary	100	

VI. CSR Details

24. **(i) Whether CSR is applicable as per Section 135 of the Companies Act, 2013:** Yes

(ii) Turnover (in Rs.): Rs. 31,935 Mn as on March 31, 2024

(iii) Net worth (in Rs.): Rs. 42,578 Mn as on March 31, 2024

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principle 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)*	FY24			FY23		
		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	08	2[@]	Nil	09	Nil	Nil
Customers	Yes	10	1[@]	Nil	11	Nil	Nil
Value Chain Partners	Yes	14	Nil	Nil	22	Nil	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.*

[@]These cases have since been resolved.

26. 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 along with its financial implications:

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 arising from inability to ensure adequate management of safety hazards within operations.	Risk	This risk is an inherent aspect of our business due to our storage, transportation, and handling of hazardous materials.	▪ Safety is our top priority across all operations. ▪ We instil a "safety first" mindset from day one, supported by our company-wide program, KAVACH, which provides governance, training, and best practices. ▪ Communication campaigns and strict safety protocols reinforce safety consciousness. ▪ Near miss reporting is encouraged and shared across the organization. ▪ Safety leadership is integral to all line managers' roles and is factored into performance assessments and rewards. ▪ Safety behaviours and mindset are considered in selection and promotion decisions.	Negative: Safety hazards may have negative implications including loss of life, property, financial and reputation damage
2	Promotion of inclusion and diversity	Opportunity	A workforce that embraces diversity and inclusivity introduces fresh perspectives and varied experiences, fostering innovation for sustained value generation. We are committed to cultivating an inclusive workplace environment that values the uniqueness of our employees and promotes their well-being.	Not applicable	Positive: A pool of diverse workforce from different genders, ages, ethnicities, and special abilities helps drive innovation, stimulates new thinking, and creates a more productive environment overall.
3	Risk of non-compliance to environmental /health/ safety regulations leading to loss of license to operate/ reputational damage	Risk	Because of the nature of our operations, the company is required to adhere to environmental, health, and safety regulations.	Risk mitigation of regulatory non-compliance follows a strategy that involves identification, resolution and escalation: ▪ Regulations relating to environment, health, safety are monitored through a governance process. ▪ Compliance assurance done through Synpliance, Compliance Management Tool and supported by a specialized legal and regulatory help desk, ensuring compliance monitoring.	Negative: Non-compliance may have negative implications, including legal, regulatory, financial, and reputational loss

4	Risk arising from inadequate controls leading to loss of data	Risk	This risk is an inherent aspect of Syngene's business, given that we store crucial information on IT infrastructure.	**Technology:** A multi-layer cyber security approach with best-in-class cyber security solutions has been deployed. This framework is constantly reviewed and upgraded to address emerging threats of cyber attack. **Process:** Established governance over the management of cybersecurity using international standards like ISO27001 with vulnerability assessments regularly conducted to stress test the system. Program to monitor potential confidential data leakage. **People:** Continuous education and awareness of employees on cyber threats and phishing risk.	Negative: Non-compliance can lead to legal, financial, reputational, and regulatory implications.
5	Risk arising from failure to uphold high standards of business integrity and ethics	Risk	As the majority of Syngene's clients are based in the U.S. and Europe, all contracts are subject to the laws of their respective regions.	The approach to risk mitigation has the following elements: ▪ Anti-bribery and Anti-Corruption (ABAC) policy has been rolled out covering all employees and partners. ▪ A structured program of communication and annual training refresher ensures widespread awareness of the policy. ▪ A program of supplier assessments is conducted by a third party ▪ There is constant communication reinforcing the importance of ABAC Policy.	Negative: Noncompliance can lead to legal, financial, reputational and regulatory implications.
6	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 clients. Not able to source cost effectively will reduce Syngene's competitiveness.	Risk	Syngene oversees an intricate supply chain that necessitates specialized sourcing abilities, punctual deliveries, and exacting specifications from its suppliers.	The issue of sourcing resilience is managed by the following program: ▪ Build a local ecosystem of raw materials supply. ▪ Aggregating demand to convince global suppliers to open local warehouses to support Indian CRDMO industry. ▪ Develop category management capabilities. ▪ Reviewing of demand projections and stock levels for planning and building stock at optimum levels. ▪ Building resilience in logistics.	Negative: This risk could entail adverse consequences such as business loss, financial setbacks, and damage to reputation.

7	Capital allocation and productivity	Opportunity	Capital allocation and productivity directs financial resources toward purposeful investments and expenditures in accordance with the defined strategy.	Not Applicable	Positive: creates value for stakeholders
8	Community Engagement	Opportunity	This facilitates the creation of shared value within our local communities, promoting social and economic equity, with a primary focus on community health, environmental sustainability, research, and science education.	Not Applicable	Positive: Building sustainable solutions in the community
9	Risk arising from disruption in operations due to shortage of water	Risk	Shortage of pipe water supply in Bangalore due to drought like situation; most of the water being brought in by tankers.	▪ Governance mechanism put in place to monitor the water storage levels. ▪ Adequate measures both short term and long term being taken to mitigate water scarcity. ▪ Initiatives being taken to conserve water by reducing water consumption and expand usage of recycled water to reduce freshwater consumption.	Negative: This risk could entail adverse consequences such as business loss and financial setbacks

Section B: Management and process disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place by 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

S. No	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. (Yes/No)**	Y	Y	Y	Y	Y	Y	Y*	Y	Y
	b. Has the Policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies, if available	Governance Reports & Policies - Syngene International Ltd (syngeneintl.com)								
2.	**Whether the entity has translated the Policy into procedures. (Yes / No)**	Yes. The Company has translated the policies into procedures and practices, as applicable.								
3.	**Do the enlisted policies extend to your value chain partners? (Yes/No)**	Yes. The Supplier's Code of Conduct and Sustainable Procurement Policy covers the above-mentioned principles, and the value chain partners are expected to adhere to the outlined requirements.								

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.**	▪ ISO Certificate for Quality Management System (ISO 9001:2015) ▪ GxP standards (the global standard for documentation-ALCOA+) ▪ Organization for Economic Co-operation and Development (OECD) guidelines ▪ OECD document No. 22 Advisory Document of the Working Party on Good Laboratory Practice on GLP Data Integrity GLP (Good Laboratory Practices) Certification by the National GLP Compliance Monitoring Authority, Government of India ▪ 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) ▪ ICH Series guidelines ▪ ISO Certificate of Registration for Medical Device Quality Management (ISO 13485:2016) ▪ ISO IEC 17025:2017, National Accreditation Board for Testing and Calibration Laboratories (NABL) ▪ ISO 15189:2012, NABL & College of American Pathologists (CAP) for Clinical and Molecular diagnostics ▪ The clinical development operations and facilities are inspected for compliance with ICH GCP by the regulatory authority AGES- Austria. ▪ ISO Certificate for Information Security Management System (ISO/IEC 27001:2013) ▪ ISO Certificate for Occupational Health and Safety Management System (ISO 45001:2018) ▪ ISO Certificate for Environment Management System (ISO 14001:2015) ▪ The Company has also committed to Science Based Targets initiatives (SBTi)
5.	**Specific commitments, goals and targets set by the entity with defined timelines, if any.**	Syngene's ESG strategy primarily includes: ▪ Green chemistry solutions promoted to all clients in proposals ▪ Commitment to Science-based targets (SBTi) and prioritise greenhouse gas emission reduction (scope 1, scope 2, scope 3) ▪ 96% renewable energy consumption by 2028 ▪ Reduce overall power consumption by 2% annually through efficiency measures ▪ Energy efficient design in all new buildings and renovation projects ▪ 70% reduction in freshwater consumption by 2028 ▪ Increase recycling of waste to 95% by 2028 and maintain zero waste to landfill ▪ Achieve Total Recordable Case Frequency Rate of 0.35 and Lost Time Injury Frequency Rate of 0.12 by 2028 ▪ Anti Bribery Anti-Corruption compliance as a core requirement in sourcing decisions ▪ ESG assessments & awareness workshops for >80% spend suppliers ▪ 15% of annual spend on diverse suppliers by 2028 ▪ 100% of employees to complete 4 'Licence to operate' training modules every year: Code of ethics and business conduct; data integrity; prevention of sexual harassment; information security awareness ▪ Create a diverse and inclusive workplace that enables everyone to deliver their best

6.	**Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.**	**Responsible Procurement:** ▪ Sustainable Procurement Handbook to integrate ESG parameters into sourcing decisions. ▪ Partnered with external agency for ESG baselining exercise of 130+ critical suppliers in FY24. ▪ Committed on Scope 3 targets as a part of Science based targets (SBTi). ▪ Sustainable procurement training conducted for 140+ strategic sourcing team employees. ▪ Completed ABAC compliance for 3504 vendors. ▪ 11 safety training conducted in FY24 covering 206 vendors. ▪ 48 vendor safety audits conducted in FY24 **Quality Management:** ▪ 87 audits of operations conducted for FY24 **Diversity and inclusion at workplace:** ▪ 31% of new hires for FY24 were women **Recycling, reuse and disposal of waste:** ▪ 96% of total hazardous and non-hazardous waste generated from operations was recycled in FY24. ▪ Total wastewater reused and recycled: 78225 KL ▪ Total wastewater reused: 36229 KL (19%) ▪ Total wastewater recycled: 41996 KL (23%) **Occupational Health and Safety:** ▪ Lost Time Injury Frequency Rate (LTIFR) for FY24: Employees 0.07 ▪ Lost Time Injury Frequency Rate (LTIFR) for FY24: Contractors 0.00 **Reduction in energy consumption:** ▪ 3% energy savings achieved year-on-year ▪ 2255 metric tons of CO_2 emissions avoided **Responsible usage of water:** ▪ 42% freshwater savings achieved ▪ Total wastewater reused: 36229 KL (19%) ▪ Total wastewater recycled: 41996 KL(23%)
	Governance, leadership and oversight	
7.	**Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements** *"Syngene is dedicated to establishing a business that is underpinned by active environmental conservation, positive societal impact, firm corporate governance, and business ethics. This commitment extends not only within our company but also to our supply chain partners. Our ESG approach remains steadfast, concentrating on the key areas identified in our 2021 materiality survey. These areas guide our actions, enabling us to address major sustainability issues while constantly seeking new opportunities for enhancement, maintaining responsibility, and building alliances to generate enduring value."* Jonathan Hunt Managing Director & 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 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, the Stakeholders Relationship and ESG Committee is responsible for endorsing decisions on sustainability-related issues. In addition, the Risk Management Committee also assesses risks pertaining to specific principles of business responsibility as identified by the 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	The Stakeholders Relationship and ESG Committee of the Board assesses the Business Responsibility (BR) and ESG performance of the Company on a quarterly basis and reports to the Board. The Board assesses the report on BR on an annual basis based on the recommendation of the Stakeholders Relationship and ESG Committee.
	Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Board reviews the status of compliance with all applicable statutory requirements on a half-yearly basis.
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.**	No external evaluation or assessment has taken place.
12.	**If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:**	

Questions	Responses
The entity does not consider the Principles material to its business (Yes/No)	Not applicable
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	
It is planned to be done in the next financial year (Yes/No)	
Any other reason (please specify)	

**Syngene is actively involved in influencing public policies by engaging with external stakeholders, regulatory authorities, and industrial associations. Although the company shares its expertise to aid in the formulation of public policy, it does not directly engage in lobbying or advocacy activities. Therefore, there is no specific policy for this purpose. However, the Business Responsibility Policy covering the nine NGRBC principles has been approved by the Board of Directors on the recommendation of the Stakeholders' Relationship and ESG Committee.*

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	The Company conducted familiarisation programmes for its Board of Directors during the year which covered topics such as strategy building, business model and overview of business units and other updates were provided.	100%
Key Managerial Personnel	Training was undertaken on various topics namely Code of Ethics. Prevention of Sexual Harassment, Data Integrity, Code of Conduct for Prevention of Insider Trading, Anti Bribery Anti Corruption.	33%
Employees other than BoD and KMPs	All employees undergo various training programs throughout the year. Training was undertaken on various topics/aspects namely Code of ethics, Information security, POSH remote work force, data integrity.	1. Code of Ethics – 99% 2. Data Integrity – 99% 3. Information Security – 96% 4. Prevention of Sexual Harassment – 96% 5. Anti Bribery Anti Corruption – 99% 6. Data Privacy – 99%
Workers	120 sessions were conducted. Training Topics: 1) Company Policy and POSH. 2) Employee and workplace Safety. 3) Skill Development and Data integrity. 4) Personality Development	90%
Note: As part of sustaining the license to operate, every employee must complete the e Learning modules on: Code of Ethics and Business Conduct, Prevention of Sexual Harassment (POSH), Informa tion Security and Data Integrity. Any employee who joins the organization goes through the induction where these four topics are covered, and they are assigned these modules with a due date of 30 days. This is also an annual activity for all other emplo yees.		

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):**

   Refer to the Company's website for all disclosures made under Regulation 30 of SEBI(Listing Obligations and Disclosure Obligations) Regulations,2015 at https://www.syngeneintl.com/investors/stock-exchange-disclosures/

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.**

   Refer to the Company's website for all disclosures made under Regulation 30 of SEBI(Listing Obligations and Disclosure Obligations) Regulations,2015 at https://www.syngeneintl.com/investors/stock-exchange-disclosures/

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 Company 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. As an organisation 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. 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 the anti-bribery anti-corruption standards.

   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:** Nil

6. **Details of complaints with regard to conflict of interest:** 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

8. **Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following:**

	FY24	FY23
Number of days of accounts payable	100	109

9. **Openness of business Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:**

Parameter	Metrics	FY24	FY23
Concentration of Purchases	Purchases from trading houses as % of total purchases	19%	20%
	Number of trading houses where purchases are made from	670	725
	Purchases from top 10 trading houses as % of total purchases from trading houses	28%	25%
Concentration of Sales	Sales to dealers/ distributors as % of total sales	Not Applicable	Not Applicable
	Number of dealers/ distributors to whom sales are made	Not Applicable	Not Applicable
	Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors	Not Applicable	Not Applicable
Share of RPTs in	a. Purchases (Purchases with related parties/ Total Purchases)	0%	0.1%
	b Sales (Sales to related parties / Total Sales)	3%	1.9%
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	Nil	Nil
	d. Investments (Investments in related parties/Total Investments made)	4%	4%

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics/ principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Eleven (11) safety training sessions have been conducted.	1. Do's & Don'ts at Syngene site. 2. GHS label requirements 3. Emergency preparedness 4. Contractor core responsibility 5. Contractor safety management 6. Work permit	26
Five (5) ESG awareness sessions have been conducted	1. Rise of Sustainability & ESG 2. Drivers of Sustainable Supply Chain 3. Expectations from Supply Chain Partners	16

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

The Company has put in place a robust framework to ensure ethical business practices and to manage any potential conflicts of interest. This framework consists of two key policies - the "Code of Ethics and Business Conduct" and the "Policy on Related Party Transactions". These policies are mandatory for all board members and are designed to provide a clear process to prevent, manage, and mitigate any conflicts of interest. Transactions with the board members or any entity in which such board members are concerned or interested are required to be approved by the Audit Committee and the Board of Directors. In such cases, the interested directors abstain from the discussions at the meeting. The Company receives disclosure of interest at regular intervals from the Directors.

Overall, these policies provide a comprehensive framework to ensure that the Company's board members maintain the highest ethical standards and conduct business in a transparent and fair manner. The web link of the abovementioned policies is mentioned below:

https://cdn.syngeneintl.com/2022/08/24154649/Code-of-Ethics-and-Business-Conduct.pdf

http://cdn.syngeneintl.com/2022/08/29153510/Policy-on-Related-Party-Transactions.pdf

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators				
1.	**Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**			
		FY24	**FY23**	**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 clients on a contractual basis. Syngene does not incur any Research & Development expenditure on its own.

2. 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.

b. **If yes, what percentage of inputs were sourced sustainably?**

During the financial year, 32% of the inputs were procured from sustainable sources.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Syngene is not a brand owner under plastic rules, thus reclaiming is not in scope. However, plastic waste generated in our operations is handed over to authorized plastic recycling partners. E-waste, other waste and hazardous wastes are disposed through State Pollution Control Board authorized waste handling partners.

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 under Producers, Importers and Brand Owners (PIBO)and we have obtained the registration from Karnataka State Pollution Control Board. Plastic waste generated in our operations is handed over to authorized plastic recycling partners and the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Board. Annual report for 2023 is submitted in the EPR portal.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?** No
2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the samealong-with action taken to mitigate the same.** Nil
3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

   Nil. The Company is largely a Contract Research Organisation (CRO) and is gradually expanding its services to become a Contract Development and Manufacturing Organisation (CDMO).
4. **Of the products and packaging reclaimed at end of life of products, amount (in metrictonnes) reused, recycled, and safely disposed.**

   Nil. The Company is largely a Contract Research Organisation (CRO) and is gradually expanding its services to become a Contract Development and Manufacturing Organisation (CDMO) for large and small molecules.
5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

   Nil. The Company is largely a Contract Research Organisation (CRO) and is gradually expanding its services to become a Contract Development and Manufacturing Organisation (CDMO) for large and small molecules.

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	Total (A)	% of employees covered by									
		Insurance[1]		Accident insurance		Maternity benefits[2]		Paternity Benefits		Day Care facilities[3]	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent											
Male	4791	4791	100	4791	100	-	-	4791	100	4791	100
Female	1719	1719	100	1719	100	1719	100	-	-	1719	100
Total	6510	6510	100	6510	100	1719	26.4	4791	73.6	6510	100
Other than Permanent Employees											
Male	Vendors and contractors are required to adhere to statutory compliances as per the respective rules of the state.										
Female											
Total											

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities[3]	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% E/A)	Number (F)	% (F/A)
Permanent workers											
Male	Nil										
Female											
Total											

Other than Permanent workers				
Male	973	Vendors and contractors are required to adhere to statutory compliances as per the respective rules of the state.	973	100
Female	207		207	100
Total	1180		1180	100

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.*

C. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent):**

	FY24	FY23
Cost incurred on well- being measures as a % of total revenue of the company	0.43%	0.40%

2. **Details of retirement benefits for FY24 and the previous financial year.**

Benefits	FY24			FY23		
	No.of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
Provident Fund[1]	100	100	Yes	100	100	Yes
Gratuity [1&2]	100	100	NA	100	100	NA
ESI	Vendors and contractors are required to adhere to statutory compliances as per the respective rules of the state.					
Others – please specify (National Pension Scheme)[3]	4.0	NA	Yes	3.17	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. *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. To underpin inclusivity for employees with different abilities, an accessibility assessment of all our facilities was initiated in FY23 as the baseline for ensuring that differently-abled employees are not disadvantaged.

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 race, colour, religion, age, gender, sexual orientation, nationality, disability, political opinion, and other factors. 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 and the Human Rights Policy cover the aspects of fair employment, anti-harassment and non-discrimination, which are available at:

https://cdn.syngeneintl.com/2020/11/10171740/Code-of-Ethics-and-Business-Conduct-2018.pdf

https://cdn.syngeneintl.com/2022/11/23165312/Syngene-Human-Rights-Policy.pdf

5. **Return to work and Retention rates of permanent employees and workers* that took parental leave.**

Permanent employees		
Gender	Return to work rate	Retention rate
Male	100% (334 of 334)	90.4% (302 of 334)
Female	99.3% (146 of 147)	85.0% (125 of 147)
Total	**99.8% (480 of 481)**	**88.8% (427 of 481)**

**Retention rate is number of active employees as on closing of financial year to employees who took parental leave. 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 worker? If yes, give details of the mechanism in brief.**

Permanent employees	Permanent employees, associates, trainees, and interns, can raise their concerns through the following channels: **(i) Integrity Committee (Vigil Mechanism)** Purpose: to make protected disclosures of any actual or suspected incidents of unethical practices, violation of applicable laws and regulations including the Code of Ethics & Business Conduct. Committee Constitution – CHRO, Head of Legal and Chief of Staff (one female member mandatory) Whistleblower Contacts: Hotline: 0008000502115 for India & (844)9053016 for United States Website: www.syngeneintl.ethicspoint.com Email: Chairman.Auditcommittee@syngeneintl.com **(ii) 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 **(iii) 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. The 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 mechanism as permanent employees
Permanent Workers	Not Applicable (The Company doesn't have any permanent workers)
Other than Permanent Workers	Same mechanism 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	FY24					FY23				
	Current Financial Year					Previous Financial Year				
	Total no of Manpower (A)	On Health and safety measures		On Skill upgradation		Total no of Manpower (D)	On Health and safety measures		*On Skill upgradation	
		No. (B)	% (B) / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	4791	4712	98.35	4341	91	4965	4476	90	4476	90
Female	1719	1698	98.77	1583	92	1882	1729	92	1729	92
Total	**6510**	**6410**	**98.46**	**5924**	**91**	**6847**	**6205**	**91**	**6205**	**91**
Workers										
Male	973	932	95.7	932	95.7	1243	1167	93.9	1167	93.9
Female	207	193	93.2	193	93.2	211	192	91	192	91
Total	**1180**	**1125**	**95.3%**	**1125**	**95.3%**	**1454**	**1359**	**93.5**	**1359**	**93.5**

**Employee includes Permanent & Other than Permanent employees*

9. Details of performance and career development reviews of employees and workers:

Category	FY24			FY23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	3972	3972	100	3540	3540	100
Female	1449	1449	100	1375	1375	100
Total	**5421**	**5421**	**100**	**4915**	**4915**	**100**
Workers						
Male	Nil					
Female						
Total						

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. The operating facilities are certified for ISO 14001:2015 - Environmental management systems (EMS) and 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 Aspect Impact Management (AIM) and Hazard Identification and Risk Assessment (HIRA).

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 routine and non-routine activities. Risk assessments such as lab hazard analysis and process risk assessment are undertaken for routine activities in both laboratory applications and manufacturing operations. 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 work 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:

- Safety interactions and safety walks in the workplace to identify potential hazards.
- Employee participation during weekly safety hours
- Comparison of Standard Operating Procedure (SOP) with current practice.
- Reviews of incident management reports
- Reviews of safety data sheets
- 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 work-related hazards and to remove themselves from such risks.

Syngene has a well-established system to report any incident, unsafe condition, unsafe acts or work-related hazards. All employees must 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, corrective and preventive actions (CAPA) are put in place. Workers may also raise their concerns at the periodic departmental-level safety meetings or during Gemba walks.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?

Employees and contractors are covered by medical insurance for occupational as well as non-occupational healthcare services. Eligible contract workers are provided with ESI benefits per the Employees State Insurance Act. All employees and contractors are required to undergo an annual health check-up. 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	Category	FY24	FY23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.07*	0.08*
	Workers	0.00*	0.58*
Total recordable work-related injuries	Employees	2	3
	Workers	2	3
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	1

**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

Considering the significant on-site workforce, a safe and efficient building evacuation protocol is a priority. The emergency management system includes weekly mock drills for each building. The drill performance is evaluated, and corrective actions are put in place accordingly.

13. Number of Complaints on the working conditions and Health & Safety made by employees and workers during FY24 & FY23.

Nil

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working conditions	100

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

All employees have access to the company-wide portal, 'SynZero', where they can report any safety incident, near miss or unsafe act. All incidents reported in the portal are investigated, root cause analysis is undertaken, corrective and preventive actions (CAPA) are put in place with a defined target date for closure.

Examples of the corrective and preventive actions (CAPA) include: improvements in solvent handling (Earth rite system and interlocks, video-based training module); zero access machine guarding; lift management; warehouse improvement programme; construction of new cold room and Cool, Dry, ventilated (CDV) Room to store pyrophoric and highly reactive and high energy chemicals; automation of processes; etc.

Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (B) Worker?**

   Yes, the Company provides the employees Group Term Life Insurance and other applicable benefits. Casual workers (other than permanent workers) are covered under Employee's State Insurance Act.

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

   The Company has adequate mechanisms to ensure that requisite statutory dues, as applicable to the transactions of the Company with its value chain partners, are deducted and deposited in accordance with the applicable regulations and reviewed as per regular audit processes. The Company also collects necessary certificates and proofs from its contractors with respect to payment of statutory dues like PF, ESIC, etc. relating to contractual employees and workers. The Company also sets clear expectations with its value chain partners to abide by labour laws, human rights, and regulations based on the nature of the business.

3. **Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affectedemployees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY24	FY23	FY24	FY23
Employees	0	0	0	0
Workers	0	1	0	1

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?**

   Yes, Syngene does provide assistance through various programs which help employees to manage their career post retirement.

5. **Details on assessment of value chain partners:**

Indicate Input material	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices Working Conditions	35%

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

   We have taken several concrete actions to address significant risks and concerns that arose from our assessments. Our top priority is the safety and well-being of our suppliers and their employees. Therefore, we have implemented the following measures:

   1. In order to ensure that our suppliers are complying with our health and safety standards, we have included clauses related to health and safety, working conditions, and sustainability requirements into all contracts. We have also added a clause for terminating the contract with top spend suppliers who fail to meet our expectations on sustainability issues.
   2. We have updated our Supplier Code of Conduct policy document to ensure that it includes comprehensive expectations on health and safety, working conditions, and sustainability. We want to make sure that our suppliers understand our expectations and are able to comply with them.
   3. We have conducted training sessions on safety and ESG for all our suppliers. These training sessions are designed to provide our suppliers with the knowledge and skills they need to maintain a safe working environment for their employees and to promote sustainability.
   4. We have implemented a rigorous safety assessment process for all our vendors. Our team conducts thorough safety assessments of all vendors and compiles a comprehensive report highlighting various observations. Vendors are then required to submit an action plan addressing the critical observations. The team reviews and approves the proposed actions and subsequently communicates the approved plan to the vendor. The team also diligently monitors the progress of the implemented actions to ensure timely compliance. We believe that this process is essential for ensuring that our suppliers are maintaining the highest standards of safety and sustainability.

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.

Key stakeholders are identified based on their interest, involvement and impact on operations and engagement on various sustainability issues of the Company. A robust stakeholder engagement exercise was undertaken in 2021 to identify and assess critical stakeholder concerns and material issues that are relevant to Syngene's value creation process for all stakeholders. Eleven key stakeholder groups were identified to take part in the Company's first materiality assessment. These groups include a wide range of external and internal stakeholders, ranging from clients and vendors to regulators, investors, media channels and employees.

Contact details for selected stakeholder groups to connect with the Company are publicised on the Company's 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 the frequency of engagement with each stakeholder group

Stakeholder	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channel of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/Half yearly/ quarterly/others– please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
CSR partners	No	The CSR arm of the Biocon Group, Biocon Foundation, operates and implements most of the Company's CSR programs. The Company also directly engages with agencies/institutions for CSR activities.	Daily engagement led by the Biocon Foundation	Building community equity among program beneficiaries with a focus on science education, community healthcare, safety of women and children, protection of the natural environment. CSR programs primarily target the communities adjacent to Syngene campuses. Certain programs also offer employee volunteering opportunities.
R&D, manufacturing clients	No	Clients are provided with direct access to the Company through a key account management framework.	Regular engagement via the client account team and relevant project teams. The cadence of communication is determined by the nature of the project. Engagement with the Dedicated Centres is the responsibility of the management team for each centre and is agreed upon as part of the contract in each case.	Engagement takes place throughout the lifecycle of a project via multiple teams and at multiple levels in the company as required.
Vendors	No	The Strategic Sourcing team leads oversight with all vendors as part of the procurement process, including alignment with, the Company's sustainability priorities and associated performance measures.	Category managers are the first point of contact for vendors. They support with drawing up contracts and address any feedback during the delivery of the contract.	Ensuring business ethics and alignment with organizational values. Ensuring that quality of material is met as per the standards. Integration of ESG aspects into vendor operations.
Local and national authorities	No	Engagement with authorities may be through direct contact or as part of an industry body at the national level.	Engagement with local authorities is regular on an as-needed basis through teams including EHSS, HR and Regulatory. The Company plays a role in relevant industry bodies when it comes to engaging with government departments on industry developments.	Engagement relates to responses to consultations, compliance activities, clarification on licencing, import/ export guidelines and advice on technical/regulatory points, controlled correspondence.

Media	No	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. Individual engagement with trade media provides an opportunity to showcase scientific achievements.	Communications are scheduled to underpin statutory requirements to publish performance for the benefit of investors and other financial stakeholders. Other media engagement allows the company to enhance its reputation and promote new products and services.
Employees	No	Employees have various options for engaging with each other and the management, including town halls, team meetings, individual meetings and scientific engagements. Employees can approach the Human Resources (HR) team for support or use the HR chatbot for personal matters. A formal grievance process exists to handle employee complaints and an independently run whistleblower line is also provided.	Employees are invited to submit questions before town halls which are answered in person or on the intranet. Managers engage with their team members regularly. They also conduct performance reviews for each team member as well as regular coaching conversations. The HR team provides support where needed to resolve personal difficulties in the workplace.	Engagement is designed to provide employees with adequate training and development for career progression; ensure employees are aligned with organizational values and code of conduct; provide information about the Company's future plans; and resolve employee complaints in a fairly with strong institutional oversight.
Investors/ shareholders	No	The Investor Relations team conducts a series 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 meetings with the Company. The Annual General Meeting on 26 July 2023 was held virtually. Nonetheless, shareholders were able to ask questions directly to the Chairperson and other members of the Board.	The purpose of engagement is to discuss business performance and strategy. Details of the announced events and individual investor meetings are published on the website to ensure transparency and accountability
Quality stakeholders	No	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.	The pharmaceutical sector is highly regulated and quality standards are crucial and monitored constantly. The company hosted 87 audits by regulators and clients in FY24.

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   Quarterly updates and relevant feedback is provided to the Board and/or its committees based on respective operational/ functional head led stakeholder interactions. Additionally, these operational/functional heads also provide updates to the Chairperson through monthly business review meetings. Engagement with stakeholders includes: meetings with investors and potential investors; employee engagement in quarterly townhalls; community engagement through CSR programs; Client engagement in the course of projects and also through an annual survey; and regular meetings with local authorities for environment, health and safety.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   A detailed Materiality Assessment was undertaken in FY 2021 to gauge stakeholder insights to identify and prioritise material issues for the Company. Through a six-step approach, detailed insights were gathered from eleven stakeholder groups who identified the material concerns associated with the current business operations. Based on the feedback from the materiality survey, the Executive ESG Council identified the priority ESG topics that were endorsed by the Board and form part of the Company's growth strategy.

   ESG priorities are embedded in the Company's Code of ethics and business conduct, Supplier Code of Conduct, as well as other focused policies. The codes and other policies are published on the Company website so that they can be scrutinised by all interested parties.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

Engagement with vulnerable/marginalised groups occurs through Company funded CSR programs, including a mental health program, health clinics for the elderly, a program to rehabilitate vulnerable women and their children, and access to high-quality science education for economically disadvantaged children. In all cases, the engagement is led by the Biocon Foundation, the charitable arm of the Biocon group of companies and programs are carried out in partnership with a not-for-profit or specialist agency.

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:**

Category	FY24			FY23		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Permanent	6510	6445	99	6847	6847	100
Other than permanent	456	451	99	313	313	100
Total Employees	**6966**	**6896**	**99**	**7160**	**7160**	**100**
Workers						
Permanent	Nil	Nil	Nil	Nil	Nil	Nil
Other than permanent	1180	1125	95.3	1454	1360	93.5
Total Workers	**1180**	**1125**	**95.3**	**1454**	**1360**	**93.5**

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:**

The company is dedicated to ensuring that all of its employees and workers receive wages that not only meet but exceed the minimum requirement set by law. Furthermore, the company diligently follows all relevant rules and regulations to guarantee fair and lawful employment practices.

3. **Details of remuneration/salary/wages:**

a. **Median remunerations/ wages:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (Rs. In Mn)	Number	Median remuneration/ salary/ wages of respective category (Rs. In Mn)
Board of Directors (other than Executive Directors)	3	Rs. 5.97	4	Rs. 6.80
Executive Director(s)	1	Rs. 142.54	-	-
Key Managerial Personnel (other than Executive Directors)	1	Rs. 48.44	1	Rs. 6.24
Employees other than BoD and KMP	5149	Rs. 0.93	1814	Rs. 0.59
Workers	973	Rs. 0.27	207	Rs. 0.26

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.

b. **Gross wages paid to females as % of total wages paid by the Company:**

	FY24	FY23
Gross wages paid to females as % of total wages	17.07%	18.34%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

At Syngene, we understand the importance of protecting human rights, and we have established a rigorous process to prevent and address any instances of abuse or violation. Our policies and procedures are designed to ensure that all stakeholders, including community members, suppliers, customers, and others, are treated fairly and with respect. We take any allegations of violations of our policies, including the Code of Conduct, regulations, and laws, very seriously. If any individual or group believes that there has been a breach of our policies or an action that may harm our company's reputation and its employees, we encourage them to speak up and report their concerns. Our process of handling such reports is thorough and transparent. We investigate all reports promptly and impartially, and we take appropriate corrective measures to prevent any further violations. We are committed to ensuring that any concerns raised are addressed effectively and that our reputation as a responsible and ethical company is upheld. The Company's Human Rights Policy aligns with international standards and guidelines on human rights. You can find it on our website: https://cdn.syngeneintl.com/2022/11/23165312/Syngene-Human-Rights-Policy.pdf. The Integrity & Whistle-blower Policy lays out the mechanism for any individual to raise a concern about suspected unethical/ non-compliant activities and is available at: https://cdn.syngeneintl.com/2021/11/08224716/Integrity-and-Whistle-blower-Policy.pdf.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues?

Permanent employees	Permanent employees, associates, trainees, and interns, can raise their concerns through the following channels: **(i) Integrity Committee (Vigil Mechanism)** Purpose: to make protected disclosures of any actual or suspected incidents of unethical practices, violation of applicable laws and regulations including the Code of Ethics & Business Conduct. Committee Constitution – CHRO, Head of Legal and Chief of Staff (one female member mandatory) Whistleblower Contacts: Hotline: 0008000502115 for India & (844)9053016 for United States Website: www.syngeneintl.ethicspoint.com Email: Chairman.Auditcommittee@syngeneintl.com **(ii) 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 **(iii) 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. The 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 mechanism as permanent employees
Permanent Workers	Not Applicable (The Company doesn't have any permanent workers)
Other than Permanent Workers	Same mechanism as permanent employees

6. Number of Complaints on the following made by employees and workers:

	FY24			FY23		
	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	3	Nil	Nil	2	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	Nil	Nil	Nil	Nil	Nil	Nil

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

	FY24	FY23
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	2	2
Complaints on POSH as a % of female employees / workers	0.11%	0.10
Complaints on POSH upheld	100%	100%

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company condemns any discrimination, harassment, victimisation, or other unfair employment practices being adopted against a complainant. If any complainant feels that they are experiencing any reprisal or retaliation, victimisation or discrimination in nature of intimidation, pressure to withdraw the complaint, or threats for reporting, testifying or otherwise participating in the investigation proceedings, they can report the matter to the Integrity Committee. The Committee will take appropriate measures to address the situation. As per the Whistle-blower policy, the complainant will not risk losing their job or suffering a loss in any manner to obstruct the Whistle-blower's right to continue to perform their duties/functions. Syngene has zero tolerance for retaliation against whistle-blower or any employee who reports any complaint in good faith. Complete confidentiality of the complainant or the whistle-blower is ensured. 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 participating in an investigation. All complaints reported through any channels are confidential and will be shared strictly on a 'need to know' basis.

9. **Do human rights requirements form part of your business agreements and contracts?**

Yes

10. **Assessments for the year: % of your 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, wages or any other such issue**

Internal assessments were conducted seeking 100% compliance

11. **Details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.**

No significant risks or concerns were highlighted.

Leadership Indicators

1. **Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.**

There were no grievances/complaints reporting for the financial year. Our commitment to Human Rights is embedded across the organisation through our Human Rights policy. The Policy confirms our commitment to equal opportunity, non-discrimination, health and safety, free employment, fair wage and benefits, data privacy, corporate social responsibility, etc.

2. **Details of the scope and coverage of any Human rights due-diligence conducted.**

In keeping with our values, this year we strengthened our commitment to upholding human rights by formulating the Human Rights Policy. This policy aligns with the following international standards and guidelines on human rights viz. UN Global Compact, UN Guiding Principles on Business and Human Rights, ILO 1998 Declaration of Fundamental Principles and Rights at Work, OECD Guidelines for Multinational Enterprise, International Bill of Human Rights and the Universal Declaration of Human Rights (UDHR). The policy is underpinned by the Syngene Code of Conduct and Syngene Supplier Code of Conduct to ensure that fundamental human rights are embedded in all operations and those of the companies which form part of the Company's supply chain.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes. To underpin inclusivity for differently abled persons, an accessibility assessment of all our facilities was initiated in FY21 as the baseline for ensuring that differently-abled employees are not disadvantaged.

4. **Details on assessment of value chain partners:**

	% of value chainpartners (by value of business donewith such partners) that were assessed
Sexual Harassment	32%
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.**

The following measures have been implemented or are in progress to address the significant risks and concerns identified in response to Question 4:

1. We have included clauses on environmental, labor, human rights, and ethics requirements in all our contracts. We have also included a clause that allows us to terminate contracts with top spend suppliers if they fail to meet our sustainability expectations.
2. We are deploying a sustainable procurement management system across our supplier base to ensure that our suppliers meet our sustainability requirements.
3. We are assessing the operational sites of our suppliers, including manufacturing plants, offices, and other facilities.
4. We have conducted training sessions for our suppliers on social factors to ensure that they are aware of and comply with our expectations.

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	FY24	FY23	Remarks
From renewable sources			
Total electricity consumption (A) Grid Units*	3,08,434	2,66,018	Unit (Giga Joules)
Total fuel consumption (B)	17,571	0	
Energy consumption through other sources (C)	0	0	
Total energy consumed from renewable sources (A+B+C)	**3,26,005**	**2,66,018**	Unit (Giga Joules)
From non-renewable sources			
Total electricity consumption (D)Grid Units	61,049	83,713	Unit (Giga Joules)
Total fuel consumption (E)	43,175	66,536	
Energy consumption through other sources (F) Green Energy (Wind, Hydro, Solar)	0	0	
Total energy consumption from non-renewable sources (D+E+F)	1,04,224	1,50,249	
Total energy consumed (A+B+C+D+E+F)	**4,30,229**	**4,16,267**	
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.0000123323	0.0000130374	
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP*) (Total energy consumed / Revenue from operations adjusted for PPP)	0.000282	0.000298	
Energy intensity in terms of physical output (Giga Joules/Permanent Employee)	61.76	59.76	

**The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88*

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? 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, in the following format:**

Parameter	FY24	FY23*
Water withdrawal by source (in kilolitres)		
(i) Surface water	2,140	1,021
(ii) Groundwater	5,911	6,624
(iii) Third party water	1,47,897	1,72,711
(iv) Seawater / desalinated water	NA	NA
(v) Others-Tankers & clean utility	31,542	NA
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,87,490	1,80,356
Total volume of water consumption (in kilolitres)	**1,87,490**	**1,80,356**

Water intensity per rupee of turnover (Water consumed / turnover)	0.0000053734	0.0000056487
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP@) (Total water consumption / Revenue from operations adjusted for PPP)	0.000122	0.000129
Water intensity in terms of physical output (Kilolitres/Permanent Employee)	26.91	25.89

**The data for FY23 is being reaffirmed based on the findings of the assurance of the Company's ESG report undertaken by DNV*
@The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88

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

4. Details related to water discharged:

Parameter	FY24	FY23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties*		
- No treatment	NA	NA
- With treatment – please specify level of treatment -pH and Ammonia correction	6,883.7 KL	4,641 KL
(v) Others	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	**6,883.7 KL**	**4,641 KL**

**The following information pertains to the Hyderabad location of the company.*

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Syngene has zero-liquid discharge treatment systems at its Bangalore and Mangalore facilities, while in Hyderabad effluent is pretreated for pH and ammonia correction before being sent to Jedimetla Effluent Treatment Limited (JETL) for further treatment.

6. Details of air emissions (other than GHG emissions) by the entity, in the following format:

FY 2024							
S. No.	**Other air emissions**	**Bangalore**			**Mangalore**	**Hyderabad**	
		Biocon Park	**CLD**	**Unit 2**		**Neovantage / MN Park**	**Innopolis**
1	NOX	21.44	20.43	20.82	14.74	20.41	20.19
2	SOX	10.38	9.35	8.99	12.90	14.58	14.13
3	Persistent organic pollutants	NA	NA	NA	NA	NA	NA
4	Volatile organic compounds	Below Detection Level	Below Detection Level	Below Detection Level	Below Detection Level	NA	NA
5	Hazardous air pollutants	NA	NA	NA	NA	NA	NA
6	Particulate matter (PM10)	68.92	68.99	68.81	45.08	61.57	61.92

Any other							
7	Particulate matter (PM2.5)	26.11	25.22	28.07	29.03	23.37	23.30
8	Ozone	4.99	5.39	5.30	Below Detection Level	16.33	15.73
9	Ammonia	6.54	6.52	6.53	Below Detection Level	26.07	26.68

FY 2023							
Sr. No.	**Other air emissions**	**Bangalore**			**Mangalore**	**Hyderabad**	
		Biocon Park	**CLD**	**Unit 2**		**M N Park**	**Innopolis**
1	NOX	17.97	17.75	16.80	16.28	17.10	20.38
2	SOX	7.83	7.81	8.04	14.77	13.90	13.04
3	Persistent organic pollutants	NA	NA	NA	NA	NA	NA
4	Volatile organic compounds	Below Detection Level	Below Detection Level	Below Detection Level	Below Detection Level	Below Detection Level	Below Detection Level
5	Hazardous air pollutants	NA	NA	NA	NA	NA	NA
6	Particulate matter (PM10)	70.85	66.60	67.82	45.91	55.90	57.81
	Any other						
7	Particulate matter (PM2.5)	23.08	23.80	24.05	26.99	22.80	21.72
8	Ozone	4.47	4.51	4.39	Below Detection Level	13.20	12.49
9	Ammonia	5.78	5.83	5.40	Below Detection Level	18.80	24.48

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. **Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY24	FY23*
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH4, N_2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO_2 equivalent	6,101 MT	6,003 MT
Total Scope 2 emissions* (Break-up of the GHG into CO_2, CH4, N_2O, HFCs, PFCs, SF_6, NF3, if available)	Metric tonnes of CO_2 equivalent	13,012 MT	18,765 MT
Total Scope 1 and Scope 2 emissions per rupee of turnover (Kgs) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	tCO_2e/ Revenue from operations	0.0000005479 Kgs	0.0000007757Kgs
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP@) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	tCO_2e/ Revenue from operations adjusted for PPP	0.0000125	0.0000177
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO_2e/ Permanent employee	2.74	3.55

**The data for FY23 is being reaffirmed based on the findings of the assurance of the Company's ESG report undertaken by DNV*
@The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency. No

8. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Yes, the following projects have been undertaken related to reducing Green House Gas emission:

- Energy conservation projects that have resulted in savings of 3.15 million units per annum in FY24 and avoided 2255 MT CO_2e emissions.
- Installation of 212KW rooftop solar panels at MSEZ in FY24, generating renewable solar power of 1.4 Lakh units per annum and avoiding 100 MT CO_2e emissions.
- A total of 85.67 million units were received from renewable sources from previous years' projects, avoiding 61258 MT CO_2e emissions in FY24.

9. **Details related to waste management by the entity:**

Parameter	FY24	FY23
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	147.94	230
E-waste **(B)**	3.38	3.82
Bio-medical waste **(C)**	127.16	109.51
Construction and demolition waste **(D)**	NA	NA
Battery waste **(E)**	32.00	3.70
Radioactive waste **(F)**	0.006	0.030
Other Hazardous waste. Please specify, if any. **(G)**	2,585.14	2,310.74
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	1,315.24	1,226.47
Total (A+B + C + D + E + F + G + H)	**4,210.86**	**3,884.27**
Waste intensity per rupee of turnover (Total waste generated/ Revenue from operations)	0.0000001207	0.0000001217
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP*) (Total waste generated / Revenue from operations adjusted for PPP)	0.00000276	0.00000278
Waste intensity in terms of physical output (waste in Metric tonnes/Permanent employee)	0.60	0.56
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	4,038.62	3,524.97
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	Nil	Nil
Total	**4,038.62**	**3,524.97**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	172.24	329.94
(ii) Landfilling	Nil	29.33
(iii) Other disposal operations	Nil	Nil
Total	**172.24**	**359.27**

**The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by World Bank for India which is 22.88*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency. No

10. **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 segregated and stored in the central waste yard and disposed to State Pollution Control Board (SPCB) 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 hydrantsystem, 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 3R's (Reuse and Recycle) in the operations. It also follows an integrated Inventory management system to minimise waste generation.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? If no, the reasons thereof and corrective action taken, if any.
None of the Syngene operations are in ecologically sensitive areas			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.

No such projects were undertaken by the Company.

13. 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.

The Company is in compliance with applicable environmental norms, environmental law/ regulations/ guidelines in India.

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Not Applicable

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY24	FY23*
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH4, N_2O, HFCs, PFCs, SF_6, NF3, if available)	Metric tonnes of CO_2 equivalent	48,780	89,418
Total Scope 3 emissions per rupee of turnover	$MTCO_2$ e/Rs Mn	1.36	2.74

**The data for FY23 is being reaffirmed based on the findings of the assurance of the Company's ESG report undertaken by DNV*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency. No

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

None of the Syngene sites are operational in ecologically sensitive areas.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-withsummary)	Outcome of the initiative
1	Utilisation of renewable power	-	82% of the power consumption is from renewable sources
2	Sapling plantation drive	Plantation drives were organized as a part of World environmental day 2023. Planted 3400 saplings across all the Syngene sites (Bangalore, Mangalore, Hyderabad)	Helps to reduce the carbon footprint through plantation of saplings.
3	Awareness program on Waste management	Waste segregation dustbins (20 Nos) distributed for schools (Thirupalya & Hennagara ,Govt School Bangalore) as a part of World environmental day 2023.	Promoting the awareness on the waste management by waste segregation at the source.
4	Waste to Energy	96% of total hazardous and non-hazardous waste recycled, utilizing as an alternative energy (we have eliminated 825 metric tons of waste in FY 24).	Utilization of the waste to produce energy as a fuel reduction initiative.
5	Zero Waste to landfill	We achieved zero waste to landfill at all our facilities	Elimination of land pollution.

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

   Syngene's Business Continuity Planning is integrated with its Risk Management framework, which is vital for organizational resilience. It is a tiered approach with identification of top ten threats that could potentially disrupt operations and robust business continuity plans to address them. Further, each operating unit and essential function has developed a plan of how it would respond to an incident thereby avoiding disruptions in the business operations. It includes recovery plans to be able to resume the most critical functions and return to typical business operations as quickly as possible. Additionally, comprehensive disaster recovery plans are established for all IT-related processes

6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

   We are in a process of assessing our value chain partners through Ecovadis and DNV on the impact on the environment due to their operations. No significant adverse impact to the environment arising from the value chain has been reported during FY24

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

   35%

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 is affiliated with 13 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.	Confederation of Indian Industry (CII)	National
2.	Global Compact Network-UNGC	International
3.	Association for Assessment and Accreditation of Laboratory Animal Care (AAALC)	International
4.	International Society for Pharmaceutical Engineering (ISPE)	International
5.	Indian Society for Clinical Research (ISCR)	National
6.	Association of Biotechnology Led Enterprises (ABLE)	National
7.	Society of Toxicology (SOT)	International
8.	International Society for Study of Xenobiotics (ISSX)	International
9.	Karnataka Employers Association (KEA)	State
10.	Center for Chemical Process Safety (CCPS)	International

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Not Applicable

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

The company actively engages with external stakeholders, such as industry associations, government entities, and regulatory bodies, and stays compliant and advocates for public policy initiatives in the following key areas:

- **Regulatory Streamlining:** Syngene advocate for policies that streamline regulatory processes for drug development, clinical research, and manufacturing. This includes advocating for clear guidelines, efficient approval mechanisms, and harmonization of regulations to reduce time-to-market for innovative medicines for the benefit of manufacturers and end consumers.

- **Innovation Support:** Syngene advocates for policies that support and incentivize innovation in the pharmaceutical and biotechnology sectors. This could include opportunity to have visibility in international platforms, funding support for research and development (R&D), tax incentives for investments in innovative technologies, and policies that encourage collaboration between industry and academia for breakthrough discoveries.

- **Data Protection and Privacy:** Given the importance of data in drug development and clinical research, Syngene advocates for robust data protection and privacy regulations. This includes advocating for robust data security standards.

- **Talent Development:** Syngene advocates for policies that promote talent development and retention in the life sciences sector. This includes advocating for STEM education initiatives, research programs for biotech professionals, and policies that facilitate the recruitment and retention of highly skilled workforce in India's biopharmaceutical and specialty chemical industry.

By advocating for these positions, Syngene as a CRDMO keeps contributing towards creating a conducive regulatory environment that fosters innovation, supports the healthcare and allied sectors, protects data privacy, and nurtures talent development in the life sciences ecosystem.

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. **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 Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

3. **Describe the mechanisms to receive and redress grievances of the community.**

Mechanisms to address the grievances have been integrated into CSR initiatives. The strategy is to address this through regular stakeholders' meetings, structured monitoring, and evaluation of all programs, with assessment of stakeholder perceptions, either through regular surveys or third-party impact assessment.

Hosting community meetings, conducting outpatient exit surveys, installation of suggestion/complaint boxes at our health centres are some examples of the channels through which issues can be safely raised by our stakeholders. Once received through various channels, grievances are reviewed and redressed based on the findings in an appropriate and timely manner. Details of action taken are duly documented. Effective communication to communities, beneficiaries, public officials, and partners is at the heart of this strategy.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY24	FY23
Directly sourced from MSMEs/ small producers	46%	48%
Sourced directly from within the district and neighbouring districts	70%	67%*

** We have expanded our calculation to include spend from Mangalore and Hyderabad, resulting in an increased number.*

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:**

Location	FY24	FY23
Rural	0	0
Semi-urban	0	0
Urban	2.20%	2.37%
Metropolitan	97.80%	97.63%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Leadership Indicators

1. Details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above).

Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (in INR)
1.	Karnataka	Yadgiri	4.6 Lakh

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No)

The Company follows an unbiased approach in the selection of its suppliers and its procurement processes, which are driven by the Company's Sustainable Procurement Policy and Supplier Code of Conduct.

(b) From which marginalized /vulnerable groups do you procure?

The Company does not consider the criteria for marginalised / vulnerable groups during the selection of its suppliers

(c) What percentage of total procurement (by value) does it constitute?

Nil

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Not Applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Nil

6. Details of beneficiaries of CSR Projects:

S. No.	CSR project	No. of persons benefitted from CSR programs	%age of beneficiaries from vulnerable and marginalized groups
1.	Sustainable urban mobility solution – Biocon-Hebbagodi Metro Station	Not Applicable (under construction)	Not Applicable
2.	Median gardens and pier wall painting of Namma Metro	Not Applicable (under construction)	Not Applicable
3.	eLAJ Smart Clinics – Outpatient care	53,008	100%
	eLAJ Smart Clinics – Specialists clinics	1,427	100%
	eLAJ Smart Clinics – Community health outreach	22,755	100%
4.	Bengaluru Urban Mental Health Initiaitve - promotion of mental health self-care	1,770	100%
5.	Antimicrobial resistance (AMR) tracker	Not Applicable (development of m-health application in progress)	Not Applicable

6.	Home medical kits to households in the villages along the international boarder and terror infested areas of Jammu & Kashmir	6,600	100%
7.	COVID waste-water surveillance	Not Applicable (research under progress)	Not Applicable
8.	IISc Post Graduate Medical School & Hospital	Not Applicable (under construction)	Not Applicable
9.	Mobile science labs – experiential science exposures for government school students	6,700	100%
10.	Lab on a bike - experiential Science exposures for government school students	1,700	100%
11.	Inter-school science quiz competitions & smart classrooms for government schools	8,170	100%
12.	Parihar – support to women and children in distress	1,917	100%
13.	STEM scholarships & mentorship for women	30	100%
14.	Construction of classrooms in government schools	500	100%
15.	Children's Park	1400	100%
16.	Biocon Academy	184	Not Applicable

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 directly 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 FY24 and FY23:**

   Nil. The company specializes in contract research services and its primary focus is on providing research services to other businesses, rather than 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? (Yes/No) If available, provide a web-link of the Policy.**

   Yes, Syngene has extensive cyber security and data privacy, and data breach & privacy incident management policies. Additionally, the privacy notice pertaining to Syngene's personal data processing is available on: https://syngene-aws-storage01.s3.ap-south-1.amazonaws.com/wp-content/uploads/2020/11/18173741/Syngene-Website-PrivacyNotice.pdf

   We have our focussed learning modules on Data Privacy and Personal Data Breach, which is mandatory for the entire organisation.

   We also have a designated Data Privacy Officer, whose key responsibility is to ensure data privacy guidelines are followed and all grievances related to data privacy are addressed. We also disclose the email address of the DPO (HYPERLINK "mailto:DPO@syngeneintl.com"DPO@syngeneintl.com) in the privacy notices on our website to which all data privacy related grievances can be addressed.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   No penalties/regulatory action has been levied or taken with respect to the above listed matters.

7. **Provide the following information relating to data breaches:**
   - **Number of instances of data breaches along with impact -** Nil
   - **Percentage of data breaches involving personally identifiable information of customers –** Nil
   - **Impact, if any, of the data breaches –** Not Applicable

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   Following are the platforms where information on products and services of the Company can be accessed:

   LinkedIn: https://www.linkedin.com/company/syngene-international-limited/

   Twitter: https://twitter.com/SyngeneIntl

   Facebook: https://www.facebook.com/syngeneintl?mibextid=ZbWKwL

   Website: https://www.syngeneintl.com/

   YouTube: https://www.youtube.com/@Syngene

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   Not Applicable

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   Not Applicable

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole?**

   Not Applicable

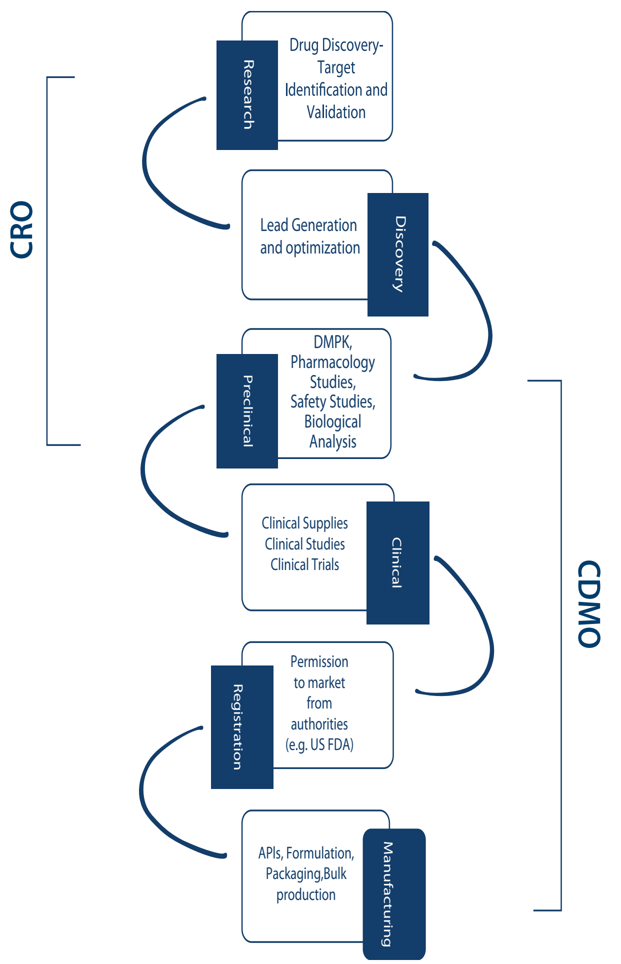
Management Discussion and Analysis

Syngene Overview

Syngene is a contract research, development, and manufacturing services company that offers a broad range of scientific services from the earliest stages of discovery to commercial supplies. This positions the Company as an end-to-end service provider within its sector. With more than 5600 skilled scientists, advanced technological capabilities and in-depth scientific expertise, Syngene stands out as a preferred partner for biopharmaceutical companies seeking integrated drug discovery, development and manufacturing services. Although its primary focus is on the pharmaceutical sector, Syngene also collaborates with companies in nutrition, animal health, consumer products, and specialty chemicals. The Company has worked with some 400 clients primarily situated in the United States, Europe and the UK.

The drug discovery value chain and Syngene's role as a service provider (CRO and CDMO)

Syngene provides end-to-end services as a Contract Research Organization (CRO) and a growing range of services as a Contract Development and Manufacturing Organization (CDMO) for large and small molecules.



As a CRO, the Company offers discovery research services and dedicated facilities which are designed and ring-fenced to meet a client's exclusive requirements. The dedicated centers house multi-disciplinary scientific teams and essential services with infrastructure tailormade to meet the client specifications.

In Discovery Services, the Company provides end-to-end research services from target selection and high throughput screening to drug candidate delivery for development.

As a CDMO, the Development Services division delivers services required for clinical supplies to support clinical trial programs and provides clinical studies relating to safety, efficacy, and tolerability of the chosen drug candidates. Our modern, high performance manufacturing plants for large and small molecules, combined with our expertise in managing products from the early stages of development through to commercial-scale manufacturing, make us an attractive partner for clients seeking a single, reliable provider of services to progress their product to market.

The Company offers different collaboration models ranging from long-term relationships with dedicated R&D facilities to Full-Time Equivalent (FTE) and Fee-for-Service (FFS) arrangements.

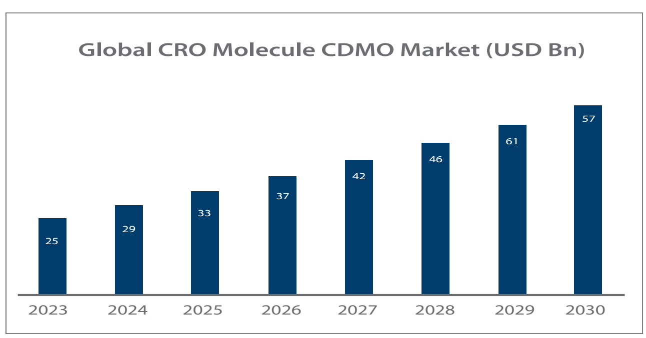
Contract Research Organizations (CRO)

Contract Research Organizations (CROs) provide research services to the pharmaceutical, biotechnology, medical device and other industries in the form of services outsourced on a contract basis.

From basic research to candidate selection, a wide range of activities are outsourced to CROs, including assay development, target validation, lead optimization, genetic engineering, hit exploration and safety and efficacy tests in animal models. The contract research industry has experienced rapid growth over the past decade with the pharmaceutical industry continuing to invest heavily in R&D, with a focus on developing innovative therapies to address unmet medical needs. The pharmaceutical industry is facing increasing pressure to reduce the time and costs associated with drug development. As a result, many companies are exploring new approaches to R&D including the use of digital technologies and collaborations with external partners.

(i) Contract Research Services - market size and attributes

The global CRO market size was valued at USD 25 bn in 2023 and is expected to expand at a CAGR of 12% to USD 57 bn in 2030[1]. The growth of the CRO market is driven by factors such as increasing R&D activities in the pharmaceutical and biotechnology industries, rising demand for outsourcing activities and a growing trend in strategic partnerships and collaborations.

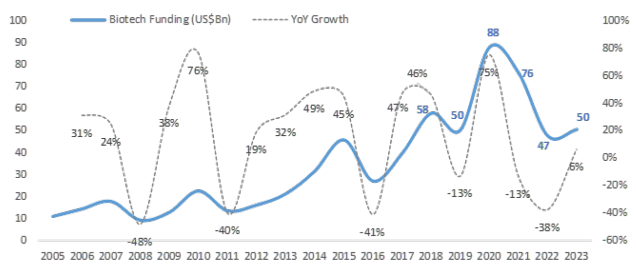


[1] *Goldman Sachs : India: Healthcare: Custom Research and Manufacturing Services*

(ii) Key industry trends

Biotech funding:

The pandemic triggered an unprecedented surge in funding within the biotech sector resulting in increased outsourcing of research projects. As the macro-economic landscape changed, biotech funding has returned to normalized levels. This decrease in funding has prompted numerous biotech companies to prioritize late-stage programs, diverting resources away from early-stage discovery and causing a slowdown in the outsourcing of early-stage services. Nevertheless, the current cyclical trend in biotech funding mirrors patterns seen over the last two decades. While 2023 was challenging for biotech funding, January to March 2024 funding levels were the highest in last 14 quarters - at levels similar to those in 2020/21. While the recovery in biotech funding is at an early stage, the long term trend indicates that biotechnology could be one of the most attractive investment destinations for capital, with a trajectory that has accelerated over the last decade.



[2] *US biotech funding*

Inflation Reduction Act:

It is premature to draw definitive conclusions about the effects of the Inflation Reduction Act; a thorough analysis over time is necessary. Nevertheless, concerns about its potential impact could generate ripple effects on new drug innovation.

Diversification of supply chains:

The COVID-19 pandemic and recent geopolitical events have highlighted the risks linked with dependency on a single supply source. Disruptions induced by the pandemic gave rise to supply chain challenges across multiple sectors, including the pharmaceutical industry. Consequently, companies are exploring options for their supply requirements to increase the resilience of their supply chains. This involves diversifying their supplier base to mitigate the risks associated with possible disruptions ensuring uninterrupted continuity of the supply chain.

Geopolitical shifts are currently favouring outsourcing in the contract research sector to countries such as India. While factors such as global trade policies, political and economic stability, low operating cost advantage, growing technical expertise and availability of skilled labour in emerging markets all influence the choice of an outsourcing destination, we believe India is well positioned to gain from this shift.

Considering these and other demand drivers for the CRO industry, we are optimistic about the growth opportunity for outsourcing of R&D services.

iii) Syngene's Research Services

The Company offers its Research Services through various flexible models, which include shared resources and infrastructure as well as the option of a dedicated facility. These are referred to as Discovery Services and Dedicated R&D Centres, respectively.

Discovery Services

a) About the services

Our Discovery research services span the entire spectrum of early-stage research from target identification to delivery of drug candidates for further development. Syngene's flexible approach enables clients to choose functional services or Integrated Drug Discovery solutions from our experienced SynVent team. In functional areas, our services cover Chemistry, Biology, Safety Assessment & Toxicology, and Computational & Data Sciences. Our integrated drug discovery service, SynVent, encompasses the functional domains with a program management approach across various stages of the drug discovery process.

The Discovery Chemistry team provides a diverse range of platform capabilities including synthetic and medicinal chemistry, library synthesis, analytical support, and purification. We bring to the table deep expertise in PROTACs, antibody drug conjugates, peptides, and oligonucleotides. The Discovery Biology team works on cutting-edge research into cell engineering, antibody discovery, protein sciences, assay biology, ***in vivo*** pharmacology, genomics, and translational sciences. We also offer a full DMPK suite, both in vitro ADME and ***in vivo*** PK studies.

The Safety Assessment team offers exploratory studies as well as full GLP packages. We also offer specialty studies such as ***in vitro*** cytotoxicity, skin irritation, phototoxicity, skin sensitization, as well as medical device testing.

All our Discovery Services are supported by an advanced informatics capability that enables faster, more efficient decision-making. Our computational and data science capabilities extend across target intelligence, multi-omics data analysis, systems modelling, molecular modelling, drug repurposing, predictive modelling, and multiparameter optimization.

b) Syngene's strategy

Our strategy is to provide end-to-end therapeutic discovery capabilities including differentiating technologies and platforms spanning all disciplines, disease areas, and therapeutic modalities. The Company delivers high-value innovation using its platforms and scientific capabilities. A key priority is ensure world class productivity through investment in digitization and automation. Having supported a client candidate identification, we aim to retain the client through the later stages of development and manufacturing by offering rapid and smooth transitions at every stage in the value chain.

c) progress made during the year

We continue to strengthen our end-to-end suite of capabilities to take client projects through the entire discovery and preclinical development paradigm for a range of modalities, including traditional small molecules, specialty chemistry platforms such as peptides, oligonucleotides, and PROTACs, biologics, antibody-drug conjugates (ADCs), and cell and gene therapy.

We also strengthened our SynVent leadership team and improved the operating model. SynVent™ offers clients an alternative to the traditional model for outsourcing integrated drug discovery (IDD) in which the client takes responsibility for the project leadership and holds accountability for defining and delivering objectives. Instead, The SynVent experts will design the discovery process, project manage completion and provide feedback and advice as the project progresses.

Discovery Services enabled several clients to achieve key milestones including identification of: a small molecule therapeutic candidate for a rare endocrine disorder; four bi-specific antibodies advanced into IND-enabling studies within 15 months of project initiation; two novel biologics lead molecules for an additional program. Syngene scientists were listed as co-inventors in four patents.

Planning for future growth, the Company acquired 17 acres of land in Genome Valley, Hyderabad, close to the current research campus.

d) Capability and capacity additions during the year

- The biologics discovery platform was expanded through creation of Syngene's first proprietary, naive camelid antibody library. We launched the Induced Pluripotent Stem Cells (iPSCs) platform to provide an alternative to animal models of disease for predicting efficacy outcomes in human clinical trials.
- Additional chemistry laboratories were added and local operations of both assay biology and in vitro drug metabolism and pharmacokinetic (DMPK) functions were opened on the Hyderabad campus. The co-location of chemistry, biology, and DMPK enables more effective cross-functional collaboration on integrated projects and reduces turnaround time for the Design-Make-Test-Analyse drug discovery cycle.
- A centralized compound management facility which serves as a central storage facility for all compounds synthesized by Syngene was commissioned in Hyderabad.
- In vivo pharmacology validated new ***in vivo*** models - two models for collagen-induced arthritis and a cystitis model
- The DMPK team developed sensitive bioanalytical methods for measuring quantities of antisense oligonucleotides (ASOs), a drug class of increasing interest to the discovery community. The methods developed enable measurement of both ASOs and their metabolites in different matrix samples such as blood plasma, cerebrospinal fluid and brain homogenate, in support of regulatory submissions.

Dedicated R&D Centers

(i) About the centers

The Dedicated R&D Centers offer a "turn-key" solution to clients. They provide everything required to advance research projects, including highly trained scientific personnel, management, cutting-edge infrastructure, operating systems, processes and procedures that comply with regulatory requirements. These Dedicated Centers are exclusively operated for a single client and are set within a scientific ecosystem that facilitates fast scaling up of operations when needed.

The facilities are usually part of long-term strategic partnerships for five years or longer. Client representatives are co-located in the Dedicated Center premises, thereby creating a truly collaborative environment with real-time and continuous exchange of ideas which fosters creativity and learning for all stakeholders

Syngene currently operates dedicated R&D centers for three clients: Bristol-Myers Squibb, Baxter Inc. and Amgen Inc. These collaborations have expanded consistently over the duration of the contracts.

(ii) Syngene's strategy

Extend and expand the dedicated R&D centres

The Company remains focused on continuing to strengthen the existing partnerships with Amgen, Bristol Myers Squibb and Baxter through the dedicated centers. Such partnerships provide revenue visibility over the medium to long-term with predictable cash flows. The Company is also exploring opportunities to expand the partnerships with these clients beyond the dedicated center model.

Progress made during the year

A new kilo laboratory was inaugurated as an extension of the Syngene Amgen R&D Center (SARC) in Bangalore which will accelerate the advancement of Amgen R&D projects.

Revenue from Research services (Dedicated Centers+ Discovery Services) - was flat compared with last year. While Dedicated Centers grew at a steady pace, Discovery services was impacted by the slow down in biotech funding in the US resulting in spend optimization by clients. The contribution to total Syngene revenue from Research Services was at approx. 60% for the year compared to 65% in the previous year.

Overall outlook for Research Services:

The year was challenging for the research services industry as a whole as US biotech funding challenges impacted client spending on research projects. However, we have seen a return to biotech funding with January to March 2024 funding levels being the highest in last 14 quarters, similar to funding levels in 2020/21. With increasing R&D spend and propensity to outsource by our clients, we believe that the long term growth drivers for the industry are intact. Furthermore, India's concerted effort to position itself as an attractive outsourcing destination, coupled with a strategic drive to increase supply chain resilience, may yield long-term advantages. While short-term challenges may arise due to funding issues or pharmaceutical companies focusing their efforts on late-stage pipeline projects, the sustained investment in pipeline development is expected to persist in the long run.

In the dedicated centers, the Company will continue to focus on the needs of its long-term strategic partners through investment in new capabilities and continuous improvement in services.

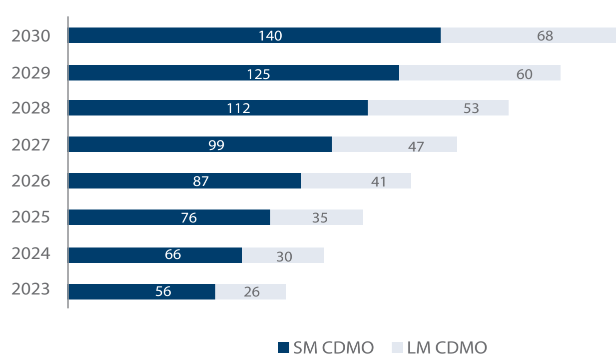
Contract Development and Manufacturing Services (CDMO)

CDMOs specialize in the development, scale-up and manufacturing of drug products for clinical trials and commercial distribution. They offer a range of services that include drug development, process development, analytical testing, formulation development, scale-up, manufacturing, packaging and distribution. These services can be provided on a stand-alone basis, or as part of a complete end-to-end service offering.

i) Contract development and manufacturing services – market size and attributes

The global CDMO market (comprising small and large molecules) was valued at USD 82 bn in 2023[1] and is expected to grow at a CAGR of 14% to reach a market size of USD 208 Bn in 2030. Like the CRO market, the growth in CDMO activity has accelerated, driven by the increased outsourcing.

Global Pharmaceutical CDMO Market Size (USD Bn)

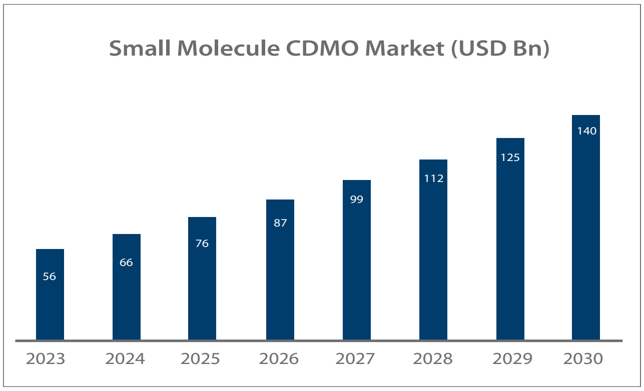


[3] *Goldman Sachs India Healthcare: Custom Research and Manufacturing Service Report dated April 2024*

(ii) Small molecule development and manufacturing services market

A typical small molecule CDMO offers services in clinical scale drug substance and drug product development, clinical scale manufacturing services and commercial scale development and manufacturing services.

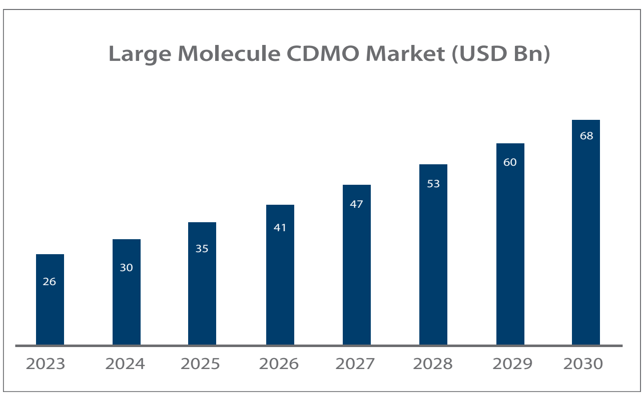
The global small molecule CDMO market stood at USD 56 bn in 2023 and is expected to grow at a CAGR of 14% to reach a market size of USD 140 Bn by 2030[2].



[4] Goldman Sachs India Healthcare: Custom Research and Manufacturing Service report dated April 2024

(iii) Large molecule development and manufacturing services market

The large molecule market size is currently estimated at USD 26 bn[3] and is forecast to grow at a CAGR of 15% to reach the market size of USD 68 bn in 2030.



[5] Goldman Sachs : India: Healthcare: Custom Research and Manufacturing Service report dated April 2024

Drug development for large molecules can be divided into two sections: drug product (DP) development, which includes filling the drug substance into the primary container and drug substance (DS) development, which includes the development of master and working cell banks, manufacturing process development, and scale-up.

(iv) Syngene's development and manufacturing services

Development Services:

In Development Services, Syngene offers preclinical development, API and drug product development for both small and large molecules. We engage in drug development services from lead generation to clinical supplies of drug substance and drug product. We also support our clients in drug filing with US FDA and other regulatory authorities.

Syngene's Development Services strategy

a) Integrated approach leveraging existing capabilities:

Providing end-to-end chemical manufacturing control (CMC) support for a drug development requires many specialized resources. 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 studies while maintaining tight control over quality and expenditure. Syngene's credentials include delivery of integrated CMC programs, including moving drug candidates from lead optimization to IND dossier submission in under 12 months.

b) Progress made during the year

We maintained our focus on integrating the Development Services division, solidifying our position as a comprehensive provider of CMC services. Throughout the year, we acquired additional scientific expertise and capabilities, demonstrated through the successful execution of projects for our clients. Development Services has consistent demand from repeat orders and upholds high standards of operational delivery.

We demonstrated our scientific excellence leading to enhanced yields, resolution of complex issues, successful crystallization, and delivery of complex dosage forms for multiple clients.

Capability and capacity additions during the year:

- A process research and development laboratory was opened and integrated with a process safety laboratory, an analytical laboratory, and a kilo laboratory. This integrated facility aims to decrease turnaround time and facilitate a quicker transition from early-stage research to production of viable drug candidates. A new non-GMP capability center was established to address the market's need for agile, cost-effective early-phase development and scale-up services.
- To enable end-to-end delivery of High Potent and Chiral compounds, Supercritical Fluid Chromatography (SFC) for purification was introduced.

Syngene has attracted a growing interest from animal health clients seeking collaboration on projects related to API development and manufacturing. In response to this demand, the Company has established a dedicated facility exclusively for animal health, focusing on the manufacturing of cGMP-grade APIs. This dedicated manufacturing facility manufacturing for Animal Health positions the company as a leading supplier for animal health discovery, development and manufacturing services.

Syngene's Manufacturing Services:

Manufacturing Services completes the integrated approach available to our customers for both small and large molecule projects.

Small molecule commercial manufacturing services –

The Company has an integrated small molecule offering including process development, nGMP supplies and clinical and commercial supplies. The Company has a state-of-the-art small molecule commercial manufacturing facility in Mangalore which has successfully completed the US Food and Drug Administration (US FDA) approval, an important building block for the company's small molecule commercial manufacturing strategy.

Syngene offers current Good Manufacturing Practices (cGMP) manufacturing from benchtop volume to commercial scale as well as end-to-end solutions from GLP-Tox batches to clinical supplies, scale-up, launch and commercial manufacturing.

Large molecule development and manufacturing services

The Company is a fully integrated custom biomanufacturer. Our solutions include mammalian and microbial capabilities for clinical and commercial supplies. We have a strong track record in terms of experience and know-how across monoclonal antibodies, bispecific, antibody fragments, recombinant proteins, glycoproteins, mRNA, microbial (E. coli and Pichia) and microbiome Live Biotherapeutic Product (LBP).

Our biologics manufacturing facility can accommodate multi-product production campaigns simultaneously, based on a single-use technology platform. It is designed to support clients during long-term commercial manufacturing campaigns. Our facility has a wide range of the latest technology combined with rich experience in handling cell culture-based products.

(a) Strategy: (Provide end-to-end solutions for development and manufacturing

We aim to focus on quality of service, delivery speed and cost efficiency, with modern infrastructure allowing for competitive pricing in small molecules manufacturing.

The Company also aims to capitalize on high demand for both biologics and biosimilars manufacturing at clinical and commercial scale. Monoclonal antibodies (mAbs) continue to dominate the biologics market and will be a key area for growth. To excel as a biologics Contract Development and Manufacturing Organization (CDMO), our strategy involves achieving the status of the most cost-efficient manufacturer per gram by leveraging three factors: a high-performing cell line with a target titer of 5-10 g/L; adept management of staffing and facility automation at the recently acquired biologics manufacturing facility; and securing a competitive supply chain. Additionally, we will explore backward integration for certain costly components to enhance cost competitiveness.

Progress made during the year

Our plan to deliver commercial biologics manufacturing solutions materialized with a ten-year agreement with animal health specialist, Zoetis, in 2022. Starting in the fourth quarter of FY2023, the commercial production of drug substance is underway with the team executing scheduled batches throughout FY24.

Beyond enhancing our expertise in monoclonal antibodies, our portfolio was broadened to include service offerings for Good Manufacturing Practice (GMP) manufacturing of plasmid DNA and mRNA.

(b) Capability and capacity

- The acquisition of the multi-modal biologics manufacturing facility from Stelis Biopharma Ltd was completed at gross value of Rs 617 crores. Once operational, the acquisition will add 20,000 litres of biologics drug substance manufacturing capacity to the Company's existing capabilities. The acquisition also includes a commercial scale, high speed, fill-finish unit, an essential capability for drug product manufacturing. The facility is expected to be operational in the second half of FY25, subject to regulatory approvals.
- Processes for GMP manufacturing were developed for mRNA-based product therapies in the context of advanced therapy medicinal products (ATMP) from microbial platforms
- A state of the art, digitally-enabled Quality Control Laboratory was commissioned to support our growing biologics operations

Overall, Development and Manufacturing Services revenue grew by 26%. The share of Development and Manufacturing Services was 40% of total revenue from operations in FY24, compared to 35% in the previous year.

Outlook for Development and Manufacturing Services:

The fundamentals of the Company's small molecule CDMO Services are robust including an integrated platform for development and commercial manufacturing. The small molecule GMP will help capture potential commercial manufacturing opportunities for novel molecules. The Company also has capability and capacity for non-GMP manufacturing of small molecules to provide greater flexibility and speed for clients.

For large molecules, the Company is well-positioned to capture its share of the increasing demand for biologics development and manufacturing. Our capacity of ~30KL delivered via single use reactors positions us competitively in the mid-sized biologics segment (100 – 600 kgs of Active Biologic Ing redient/yr).

Essential Functions

Quality:

Determined to operate as a world-class quality organization with the benefit of evolving technology, The Company has continued to invest in capability building with a new state-of-the-art biologics QC and microbiology lab equipped with an interconnected digital infrastructure and cutting-edge technology. This is the latest step in the ongoing digitization journey as part of which key initiatives like electronic batch records, automation in preventive maintenance, a paperless validation system, and the use of artificial intelligence in investigations has been implemented.

Moving towards paperless operations, the new quality facilities have been designed as paperless facilities, and new digitization initiatives have made an additional contribution. The new systems not only enhance data management and reduce human errors, but also reduce the cumulative carbon footprint and deliver cost saving by reducing paper usage.

The operational excellence program, including green and black belt projects, has also contributed to achieving efficiency and consistency while significantly improving productivity.

Successful completion of the US FDA inspection of the Mangalore manufacturing facility with no 483 observations is a testimony to our quality systems and processes.

IT:

Significant strides were made in digital transformation across the organization. Notably, the adoption of Electronic Laboratory Notebooks (ELNs) was completed within both the Development and Manufacturing services divisions, following the prior transitioning of our Discovery Services labs to 100% digital environments with ELNs in the previous financial year.

As part of our pharma 4.0 efforts, we completed the implementation of the electronic Batch Manufacturing Records (eBMR) in our manufacturing units. The incorporation of paper on glass and integration with shop floor equipment has facilitated real-time data capture and analysis, fostering enhanced productivity and accuracy within our manufacturing operations.

In the fourth quarter, we implemented Material Requirement Planning (MRP) with a focus on inventory optimization. Through improved planning processes, facilitated by MRP, we aim to minimize excess inventory, thus effectively reducing costs and enhancing operational efficiency.

The artificial intelligence/machine learning (AI/ML) journey in Quality Control began with the implementation of an AI-based tool, leveraging natural language processing (NLP), to expedite the review of investigation reports. We anticipate reducing the number of investigation report review cycles from 5 to 2 using this tool.

Multiple proof-of-concept pilots for employing generative AI across various use cases were undertaken, including the generation of Quality SOPs, equipment validation documents, and a GenAI-based lead generation tool. While some of these use cases have already been implemented, others are in progress.

The compound management and registration technology was installed during the year. This platform offers compound registration, storage, distribution, and tracking capabilities. The service has opened a new avenue of business for the Company and the first client has already signed up with a contract including the hosting of 70,000 compounds.

We are continuously investing to upgrade HR processes (Employee lifecycle: hire to retire) to improve the employee experience in terms of HR support. As part of this, we have implemented SAP SuccessFactors, a comprehensive solution designed to oversee the entire employee lifecycle. Modules including: Recruitment, Onboarding, Performance Management, Compensation & Benefits, and Learning Management and Employee Central which aims to empower employees with self-service capabilities, have already been implemented.

Strategic sourcing

Strategic sourcing demonstrated resilience amid global disruptions as a result of our multi-source supplier base complemented by a strengthened local supply ecosystem. The establishment of local warehouses for global suppliers in discovery services and development of alternate sources for other goods has resulted in a decreased delivery lead time. Developing a local partner network in niche chemistry areas for development services has helped to reduce dependency on China. Within manufacturing services, efforts to optimize raw material delivery schedules and cost competitiveness while strengthening GMP compliance continue. Multi-year agreements with freight forwarders, AEO (Authorized Economic Operator) Tier 3 accreditation and alternate routing options in face of disruption add to the speed and resilience of our supply chain.

In the context of the Science Based Targets initiative (SBTi) to decarbonize supply chain, we have committed to work with ~200 key suppliers to reduce their greenhouse gas emissions. The Company conducted its annual supplier summit in November 2023 as part of our supplier relationship management program to nurture strategic partnerships for mutual growth and the achievement of common goals.

Operational excellence

Embedding operational excellence in our operations is a daily responsibility for leaders at every level in the Company. Safety, quality and integrity are values that underpin everything we do. Beyond this, we used recognized operational excellence techniques such as Lead and Six Sigma to eliminate waste and drive efficiency in every operation.

This year marked significant achievements in strengthening our systems and processes using multiple approaches: our Lean Six Sigma academy; implementation of 5S to create a tidy, well-organized workplace; fostering innovation and idea management through the Japanese Kaizen process; problem-solving with Why-Why analysis; and efficient operations management using SQDECC (Syngene's in-house process to monitor and improve Safety, Quality, Delivery, Engagement, Compliance, and Cost).

Our Lean Six Sigma academy has educated 32 Black Belts, 121 Green Belts, 81 Yellow Belts, and 2500+ White Belts across the organization during the year. The SQDECC teams conducted almost 300 problem-solving Why-Why analyses and employees generated more than 5000 Kaizen ideas this year.

Our dedication to operational excellence has been recognized at external forums with 21 awards in national and regional competitions organized by the American Society of Quality (ASQ), Confederation of Indian Industry (CII) and Quality Circle Forum of India (QCFI). One of our projects also qualified for consideration in the International Convention on Quality Control Circles (ICQCC) 2024.

Human Resources

Syngene operates with a highly skilled workforce, composed predominantly of scientists, who make up 88% of our team. This year, the company continued to invest in its workforce by recruiting and developing talent to maintain our capacity for sustainable growth.

Syngene hired both seasoned professionals from the industry and new graduates. These fresh recruits play a vital role in our talent pipeline and we are committed to investing in their professional development. Through the Syngene Training Academy (STA), we equip them with the essential skills required for high-performance in an industrial science setting. The STA provides technical and life skills training over a six-month period, ensuring a solid foundation for their careers.

Our talent development strategy was invigorated by the introduction of "My Future Plan," a transformative initiative to develop a high-performance culture. "My Future Plan" revolutionizes our approach to performance reviews and talent development discussions. By moving beyond traditional evaluations, it encourages a forward-looking dialogue about each individual's career progression.

Our commitment to continuously improving the employee experience is underpinned by our annual employee experience survey. The insights gathered from this survey are analyzed to formulate action plans that address key findings and enhance overall workplace satisfaction. This systematic approach ensures that we are responsive to the needs of our workforce and are consistently working towards an enriching and fulfilling work environment.

FY24 Financial Performance

The consolidated financial performance of the Company for FY24 (in Rs Mn) is discussed below.

Particulars	FY24	FY23	Change (%)
Revenue from operations	34,886	31,929	9%
Other income (refer note 1)	906	709	28%
Reported revenue	35,792	32,638	10%
Costs of chemicals, reagents and consumables consumed	9,302	8,602	8%
Employee benefits expense	9,607	8,876	8%
Other expenses	5,275	4,689	13%
Foreign exchange fluctuation gain/(loss), net	(558)	(418)	34%
EBITDA	11,050	10,053	10%
Depreciation and amortisation expenses	4,259	3,665	16%
EBIT	6,791	6,388	6%
Finance costs	472	452	4%
PBT	6,319	5,936	6%
Tax (refer note 2)	1,133	1,292	-12%
PAT before exceptional item	5,186	4,644	12%
Exceptional item (refer note 3)	86	0	N/a
PAT after exceptional item	5,100	4,644	10%
Normalized PAT (before exceptional items/one-offs) (refer note 4)	**4,827**	**4,644**	4%
Other comprehensive income for the year	1,426	(972)	N/a
Total comprehensive income for the year	6,526	3,672	78%

FY24 financial performance includes the following adjustments:

Note 1. The Company recorded interest income on an income tax refund of Rs 158 Mn pursuant to an Income Tax Tribunal order for Financial Years 2009-10 and 2010-11. This has been presented as income in the financial results under the heading 'Other Income'.

Note 2. Reversal of income tax provision amounting to Rs 232 Mn based on favourable tax assessment orders received during the year.

Note 3. Exceptional item (net of tax) in FY24 pertains to transaction costs relating to the acquisition of the multi-modal facility from Stelis Biopharma Limited.

Note 4. Normalized PAT for FY24 is after adjusting interest income referred to in Note 1 (net of tax Rs 127 Mn) and reversal of income tax provision of Rs 232 Mn.

Particulars	FY24	FY23	Change (%)
Revenue from operations	34,886	31,929	9%
EBITDA from the operations	10,144	9,344	9%
PAT before exceptional items	5,186	4,644	12%
Normalized PAT (before exceptional items/one-offs)	4,827	4,644	4%

Revenue

Revenue from operations increased by 9%, from Rs 31,929 Mn in FY23 to Rs 34,886 Mn in FY24. This growth was driven by strong performance in Development and Manufacturing Services and steady performance from our dedicated centers. The share of development and manufacturing services grew from 35% last year to around 40% in FY24, while the share of Dedicated Centres was maintained at 26%. Challenging funding environment for US Biotech companies impacted the demand growth in Discovery Services leading to slower overall growth compared to the previous year.

Syngene's approach of building robust and diversified business model across the CRO and CDMO services, along with a strong focus on execution, enabled the company to be resilient during the period.

Other income for the period increased by 28% to Rs 906 Mn. This was primarily due to interest income from an income tax refund, which was partially offset by lower interest income on liquid investments as our cash balance reduced due to the payment for the acquisition of the manufacturing facility from Stelis Biopharma and repayment of the ECB loan.

Including the other income, total revenue growth for the year was at 10% year on year, increasing from Rs 32,638 Mn in FY23 to Rs 35,792 Mn in FY24.

Cost of materials consumed

The cost of materials consumed in FY24 increased by 8% to Rs 9,302 Mn, accounting for 27% of revenue from operations similar to the % of revenue in FY23. Efficiency gains driven by implementation of Sales Inventory and Operation Process and yield improvements enabled the company to optimize the material cost despite increase in share of revenue from Development and Manufacturing Services which inherently have higher material cost to revenue % compared to research services.

Employee benefits expense

The employment costs was Rs 9,607 million during the year reflecting an increase of 8%. The Company maintained a consistent employee cost-to-revenue ratio at approximately 28%, similar to the preceding year. Headcount declined compared to the previous year as we adjusted the recruitment strategy in response to the slowdown in demand growth for discovery services, which was partially offset by annual salary increments.

Other expenses

Other expenses recorded a 13% rise compared to the previous year, attributed to repair and maintenance costs driven by new assets added in previous years, along with increased administrative and selling expenses as the company continued to invest in commercial activities.

Partially offsetting this increase were reduced direct costs, primarily in power and utility expenses, which demonstrated a year-on-year decline. This favorable trend is indicative of reduced utility input costs and an uptick in the utilization of green energy across our facilities.

Foreign exchange fluctuation

The Company made an exchange loss of Rs 558 Mn during FY23 as against an exchange loss of Rs 418 Mn in the previous year. The loss was largely on account of the hedge rates being lower than the prevailing market rates.

Depreciation and amortisation expense

Depreciation and amortization increased to Rs 4,259 Mn from Rs 3,665 Mn in FY23. This is driven primarily by asset additions over the last 12 months and new building leases entered during the period.

Finance costs

The Finance costs increased by 4% to Rs 472 Mn in FY24 compared to Rs 452 Mn in FY23 driven by the increase in interest rates, exchange rate difference on foreign currency borrowings and the interest component of lease liabilities on new properties taken on lease. This is partially offset by reduced interest expense due to repayment of ECB during the year.

Tax expenses

Tax expenses for the year stood at Rs 1,133 Mn in FY24 in comparison to Rs 1,292 Mn (before exceptional items) in FY23.

The effective tax rate decreased from 21.8% in FY23 to 17.9% in FY24. This decrease is due to a tax provision reversal related to the previous year of Rs 232Mn. Adjusted for that, the underlying tax rate for the year was around 21.6%.

Profitability

The Company's reported Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) in FY24 grew by 10% to Rs 11,050 Mn compared to Rs 10,053 Mn in FY23.

EBITDA margin for the year was at 30.9% compared to 30.8% in FY23.

Excluding other income, EBITDA from operations was at Rs 10,144 Mn in FY24 compared to Rs 9,344 Mn in FY23, an increase of 9% year-on-year, resulting in a margin of 29.1% of revenue from operations for the year as compared to 29.3% in the previous year.

Profit After Tax before exceptional items increased by 12% from Rs 4,644 Mn to Rs 5,186 Mn. Adjusted for two tax related one-offs: the tax provision reversal in the fourth quarter; and interest income on income tax refunds in Q3 FY24, the profit after tax grew by 4%.

Profit After Tax (PAT) after exceptional items increased by 10% to Rs 5,100 Mn, as against Rs 4,644 Mn in FY23.

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, 2024 and 31st March, 2023:

(in Rs Mn)

	31 Mar 2024	31 March 2023	Change (%)
ASSETS			
Non-current assets			
Property, plant and equipment	23,783	23,834	0%
Capital work-in-progress	8,368	1,769	373%
Right-of-use assets	4,024	2,169	86%
Investment property	411	481	-14%
Other intangible assets	282	185	52%
Intangible assets under development	13		NA
Financial assets	2,578	3,293	-22%
Deferred tax assets (net)	407	696	-42%
Income tax assets (net)	1,923	1,381	39%
Other non-current assets	137	249	-45%
Total non-current assets	41,926	34,057	23%
Current assets			
Inventories	2,385	3,328	-28%
Financial assets	16,083	19,866	-19%
Other current assets	1,122	1,059	6%
Total current assets	19,590	24,253	-19%
Total assets	**61,516**	**58,310**	**5%**

EQUITY AND LIABILITIES			
Equity			
Equity share capital	4,020	4,014	0%
Other equity	38,557	32,166	20%
Total equity	42,577	36,180	18%
LIABILITIES			
Non - current liabilities			
Financial liabilities	4,651	7,247	-36%
Provisions	407	437	-7%
Other non-current liabilities	2,438	2,564	-5%
Total non-current liabilities	7,496	10,248	-27%
Current liabilities			
Financial liabilities	4,131	4,659	-11%
Provisions	727	510	43%
Current tax liabilities (net)	476	147	223%
Other current liabilities	6,109	6,566	-7%
Total current liabilities	11,443	11,882	-4%
Total equity and liabilities	**61,516**	**58,310**	**5%**

Non-current assets

The increase in non-current assets was primarily due to investments in tangible assets in research services including buying new land in Hyderabad, automated compound management facility and DMPK biology lab. Other investments were made in Development and Manufacturing Services, including the acquisition of multimodal biomanufacturing facility from Stelis Biopharma Limited, support infrastructure such as a quality control and testing laboratory for biologics manufacturing and additional capabilities for the small molecule business.

Working Capital (Current assets, less current liabilities)

Working capital decreased to Rs 8,148 Mn in FY24 from Rs 12,372 in FY23. This decrease is attributable to focused programs on working capital improvement across receivables, inventory and payables. While the Company built up inventory during the pandemic to de-risk the business which is now being optimized, the Company implemented Sales Inventory and Operations Process that also enabled in working capital management.

Equity share capital

The Company's equity share capital comprises of approximately 402 million 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 FY 24 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 a 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 2024 is almost negligible (0.03) compared to 0.16 as on 31 March 2023 due to repayment of ECB loan of $50 million.

Net Cash position:

Taking into account 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 2024. The net cash position decreased from Rs 9,561 Mn as of 31st March 2023 to Rs 9,353 Mn as of 31st March 2024.

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 6,321 Mn as of 31 March 2024 in comparison with Rs 6,219 Mn as of 31 March 2023. The above includes income tax disputes of Rs. 6,194 Mn (FY09, FY12 to FY22), while the assessment order for FY19 is pending.

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 owner, in addition to providing a quarterly update on the mitigation status, also leads a full risk review once a year with the Board risk committee.

The Enterprise Risk Management framework is aligned to SEBI regulations and risks have been categorized into sectoral, operational, sustainability/ESG, financial, and information/cyber security risks. In line with the strategy update five additional risks were identified and have been included in the table below.

The following table provides a summarized view of the major risks and mitigation plans in the risk framework. Risk classification is based on probability, velocity and impact of the risk on the business.

Risks and mitigation plan in action

	Risks	Risk mitigation actions
	Sectoral Risks	
1	Risk arising from customer concentration – risk of loss of revenue in the event of the loss of a key customer	The company's commercial strategy emphasizes acquiring new clients, thereby diminishing reliance on any one customer. A key objective is to fortify relationships with major clients through the establishment of long-term contractual agreements, fostering a deep connection that enhances longevity and mutual interdependence. Customer-centricity is at the core of the company values and initiatives have been rolled out focusing on performance management, customer engagement, and process simplification, to further improve customer satisfaction.
2	Risk arising from failure to keep pace with emerging client technology requirements Scientific research is evolving rapidly with innovative technology driving product advancement and new therapeutic approaches. Syngene's clients, which operate at the forefront of innovation, choose Syngene for its access to the latest skills and technology, enhancing the speed and effectiveness of their discovery research.	Throughout the year, the Science and Technology committee of the board convened four times to oversee technological advancements. The company has strategically invested in cutting-edge technology, including artificial intelligence, new scientific developments, automation and expanded capabilities. This investment program ensures the company remains at the forefront of innovation, equipped to provide its customers with the latest and most advanced technological solutions.
3	Risk of loss of business to competition arising from decisions taken with inadequate understanding of competition.	Enhancing our market intelligence capability is a strategic priority, where insights serve as a foundational element in the development of all new business cases and service offerings.

	Risks	Risk mitigation actions
4	Risk arising from not being aligned with clients' sustainability goals thereby getting excluded from clients' consideration.	The Company successfully determined and submitted science-based targets in 2023 which are currently awaiting review. The Company monitors and reports progress so that stakeholders can track progress.
	Operational Risks	
5	**Risk arising from lack of progress in biologics/large molecules development and manufacturing services leading to potential loss of business opportunities and inadequate return on investment.** 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.	The Company successfully completed the US FDA audit of the biologics manufacturing facility to enable the execution of the long-term collaboration with Zoetis and has delivered batches at the full run rate since Q4 FY23. A new biologics manufacturing unit was acquired to provide additional contract manufacturing capacity. The facility will be equipped with the latest manufacturing technology. It is expected to be operational in the second half of FY25. The Company has an active biologics process development capability which will continue to focus on delivering high yielding titers as a competitive advantage.
6	**Risk arising from failed execution of the Integrated Drug Discovery (IDD) strategy** Clients opting for an asset-light model, preferring to outsource the entire drug discovery value chain, find the IDD capability to offer IDD attractive. This approach is commonly adopted by venture capital-funded biotech firms, and larger biopharma companies are increasingly embracing it to maintain flexibility in capital investment.	Significant investments have been made to enhance capabilities and leadership in strategic, scientific, and program management areas to drive the design and implementation of Integrated Drug Discovery (IDD) programs. The commercial strategy includes a comprehensive client engagement plan aimed at fostering portfolio and revenue growth.

	Risks	Risk mitigation actions
7	Risks arising from ineffective execution of projects in development services	The deployment of a project management framework using the in-house SynPro tool, underpins the successful execution of client projects. Projects are monitored with QUOTIF (Quality, On-time, In Full) as a measure of project completion to client specifications. Ongoing efficiency enhancement initiatives and improved operational integration contribute to consistent and sustained project delivery.
8	Risk arising from inability to establish a world class, global sales / marketing / commercial operation. Syngene serves a global clientele, predominantly situated in North America, Europe, and Japan. To establish and sustain strong relationships with existing and prospective customers, an efficient and customer-centric commercial organization is essential.	Syngene has built a seasoned, global sales team led by experienced leaders located in key markets worldwide. The team provides proximity to clients, resulting in improved customer engagement, streamlined access, and heightened responsiveness. Ongoing initiatives continue to simplify and enhance processes at all customer touchpoints.
9	Risk arising from inadequate infrastructure planning and execution Investing in state-of-the-art infrastructure is essential for growth of all divisions. Timely delivery of this infrastructure is crucial as any delays jeopardize our capacity to achieve the planned growth.	Regular assessments of short-term and long-term infrastructure needs are conducted through a company-wide executive-level infrastructure committee, overseen by the Chief Financial Officer. Incorporating infrastructure planning as a vital component of the annual planning process, the capex budget is allocated to accommodate infrastructure expansion in alignment with our 5-year plan.
	Risks	**Risk mitigation actions**
10	Risk arising from inability or delay in obtaining pharma regulatory approvals that could potentially lead to loss of business or delayed revenue.	In a highly regulated sector, engagement with regulators at both the state and national levels is essential. This includes closely monitoring applications to ensure timely approvals and promptly addressing any queries raised. We aim to align with government entities on the regulatory requirements specific to the CRO/CDMO industry. This entails having a structured advocacy campaign through industry associations to communicate industry needs and promote collaboration. To enhance governance, we advocate for the implementation of digital tracking systems for licences and permits. These systems would enable efficient monitoring of applications, as well as the tracking of expiry dates and compliance with license conditions.
11	Risk arising from the inability to create a commercially viable business in small molecules from early-stage development to commercial manufacturing	Syngene has made investments in a cutting-edge manufacturing facility compliant with both US FDA and EMA standards, featuring cGMP operations, systems, and processes. The USFDA audit was completed in May 2023 with zero observations. We are currently expecting to start pilot projects which precede substantial multi-year contracts if successful.
12	Risk arising from inadequate project management leading to project delays, client dissatisfaction and loss of business. As a component within an time-sensitive value chain, it is imperative that customer projects are executed with the appropriate level of quality and adherence to committed timeframes. Achieving this necessitates a company-wide program management capability to ensure on-time and high-quality operations.	Investments in creating a program management capability with extensive experience and proficiency, coupled with technology upgrades and staff training, are ensuring the consistent and effective management of projects across the organization. The enhancement of capabilities and institutionalized changes has led to a continual improvement in project delivery, thereby enhancing customer satisfaction.

13	Risks arising from ineffective execution of scalable systems, processes, technologies, consistent with creating a scalable global organization.	A scalable global organization design and operating model are pivotal for operating as an international business. We prioritize implementing systems and policies that bolster global operations, ensuring seamless functionality across regions. Additionally, we establish a robust sourcing model to fortify our global supply chain for optimized efficiency and resilience. Upholding compliance with global laws and regulations is essential to safeguard our operations and reputation. We are committed to executing our agreed global hiring plan, emphasizing integration and retention strategies to maximize the potential of talent recruited for various business roles. Furthermore, we proactively implement tax-efficient corporate structures to enhance operational effectiveness. Central to our approach is providing cross-cultural training and education to employees, fostering understanding, inclusivity, and effective collaboration within our diverse global workforce. Through these concerted efforts, we solidify our position as a globally competitive and culturally sensitive organization.
14	Risk arising from inability to attract, train and retain a skilled workforce	Syngene's operations are delivered by a highly trained, experienced workforce, of which ~69% are scientists. Throughout the year, the company continued to recruit, develop and retain employees, ensuring the necessary capabilities for scalable and sustained growth. In addition to bringing in experienced industry professionals, the Company initiated campaigns and collaborations with universities and institutions to attract recent graduates, who now represent a substantial portion of new hires at Syngene. The company invests in the training and development of these fresh hires, providing them with a strong foundation for their scientific careers. The relationship with an immediate supervisor is an important one. In order to enhance skills in this area, a company-wide management development program has been implemented to foster leadership skills. The Company remains committed to ensuring equal opportunities and fair compensation for all employees, regularly conducting salary benchmarking and calibration to maintain competitive pay and reward levels within the labor markets in which we operate.
15	Risk arising from disruption in operations caused by shortage of water Water plays a crucial role in our operational processes. Bearing in mind the water constraints in Bangalore, the company monitors and manages the use of freshwater onsite and conducts forward planning in terms of installation and use of water storage capacity.	The company has adopted a blend of approaches to guarantee water supply for all operational plants. These methods encompass the extensive recycling of used water, rainwater harvesting, and the installation of on-site water tanks to mitigate potential disruptions in external supplies. Aligned with its sustainability goals, the company has invested in innovative techniques to curtail water consumption, resulting in a notable 46% reduction in freshwater demand. As part of a strategic risk mitigation plan, Syngene strategically distributes its operations across multiple geographies to counteract potential resource disruptions in any specific location.

	Risk	Mitigation
16	Risk arising from failure to adhere to Standard Operating Procedures (SOP) and meet industry compliance and operating norms Biopharma, and the broader spectrum of life science operations, are subject to rigorous regulations and demand meticulous attention to maintain consistent output quality. Standard Operating Processes must be followed rigorously without any deviation in all operations.	The Company has established a comprehensive industry and regulatory standard SOP framework ensuring staff undergo periodic training and testing on SOPs. Line management, aided by a digital platform, actively monitors operational adherence.
17	Risk arising from lack of inventory planning and management leading to material wastage, delays in project execution and higher costs of operations	Enhanced emphasis on minimizing inventory days by employing advanced materials and operations planning methods and processes. In manufacturing, the Sales Inventory & Operating Process facilitates demand-driven material ordering to effectively manage inventory levels through a material resources planning tool.
18	Lack of scalable, simple and digitized processes leading to inefficient ways of working and customer dissatisfaction	Simplifying and digitizing processes will optimize efficiency, improve productivity and increase agility and responsiveness to market dynamics. Awareness and training in streamlined processes is provided to our workforce, fostering a collective drive towards continuous improvement and operational excellence.
19	Risk arising from inability to ensure adequate management of safety hazards within operations. Our operations involve inherent risks associated with the handling of hazardous chemicals and sensitive biological entities. Additional safety concerns include working with heavy engineering, at height and with high temperatures.	Safety is a paramount concern throughout the organization. Various initiatives have been implemented to instill a safety culture and instigate a "safety first" mentality from the day an employee joins the Company and throughout their tenure. Responsibility for safety sits with leaders at all levels and across all parts for the Company. A Company-wide safety program, KAVACH, features a governance framework that monitors shifts in mindset and behavior in every operating unit and function and these are examined alongside other safety metrics in the quarterly executive safety meetings. Safety awareness is promoted through communication campaigns and reinforced through closely monitored safety operating protocols. Encouraging near-miss reporting, the organization fosters an environment where learnings are openly discussed and shared across all levels.
	Risk	**Mitigation**
20	Risk arising from disruption in the global supply chain leading to delayed delivery of client projects Efficient operations are dependent on a robust and reliable supply chain. Any disruption to supply chain operations, such as a global pandemic or geopolitical events, can affect our capacity to deliver client projects.	Taking account of recent events, enhancing resilience in sourcing and logistics has been of primary importance, leading to investments in global category management processes and the expansion of partnerships with a diverse range of global suppliers and logistics partners. An important part of this was the establishment of a network of vendor partners, in collaboration with other companies, to build a local ecosystem that can supplement global sourcing efforts.
21	Risk arising from failure to uphold high standards of business integrity and ethics	The Anti-Bribery and Anti-Corruption (ABAC) policy is applicable to everyone in our workforce as well as our vendors. The standards are included in the Code of Conduct that forms part of the contract of employment. There is also a mandatory employee training refresher to ensure complete understanding. Vendors are required to adhere to the company's ABAC compliance standards, covered in the Vendor Code of Conduct. Vendors also undergo training during onboarding and periodic refreshers. ABAC compliance is integral to governance reviews with all active vendors subjected to the ABAC compliance verification program.
22	Risk arising from non-compliance with Environmental / Health/ Safety regulations	The Company systematically oversees all regulations concerning environment, health, and safety through its governance process to guarantee continuous compliance. The compliance assurance process is streamlined through an internal portal and reinforced by a dedicated legal and regulatory help desk. Daily compliance monitoring is overseen by a team of EHSS professionals who conduct Gemba safety walks as part of an ongoing improvement process to regularly assess and ensure adherence. In addition, all non-compliances reported by employees are addressed using the CAPA (corrective action, protective action) approach.

23	Risk from inadequate management capability: ineffective leadership, poor decision-making, talent gaps, and operational challenges.	The Company has an ongoing program to strengthen leadership capabilities through targeted programs that enhance the skills of both current and emerging leaders. To ensure continuity, we implement rigorous succession planning processes and attract external leaders to fill critical management gaps. Clear job descriptions aligned with organizational goals promote accountability, while performance management based on well-defined KPIs drives continual improvement. Through focused training and coaching, we empower our managers and leaders to excel, fostering a culture of success and driving organizational growth.
	Financial Risks	
24	Risk arising from adverse outcomes relating to tax positions	The Company adopts a prudent approach to tax planning, relying on the insights of multiple tax experts to ensure strict adherence to tax laws and regulations. When required, the Company retains the right to challenge unfavorable tax rulings and seeks guidance from professional advisors as deemed necessary.
25	Risk arising from non-compliance with laws due to inadequate governance framework for regulatory compliance management and reporting	Substantial investments have been made to establish a comprehensive system for overseeing and maintaining compliance. This is backed by guidance from specialized experts. To ensure convenient access to expert advice and stay current with legal and regulatory mandates, the company has instituted a dedicated legal and regulatory help desk. Furthermore, third-party audits are routinely conducted to evaluate the efficacy of the company's compliance governance.
	Information/Cyber Security Risks	
	Risks	Risk mitigation actions
26	Risk arising due to failure to comply with data privacy and confidentiality requirements related to personal and client data	The Company has formulated a data privacy policy aligning with top industry standards and global regulations on data privacy. To uphold policy compliance, a governance framework has been instituted to record data privacy details. Additionally, a thorough communication and training initiative has been implemented to educate all employees about the policy.
27	Risk arising from inadequate cybersecurity controls leading to loss of data	The Company has adopted a multi-layered cybersecurity strategy, employing cutting-edge solutions to avoid cyber-attacks. This framework undergoes regular reviews and upgrades to stay abreast of emerging threats. For robust cybersecurity management, the company has instituted governance aligned with international standards, including ISO27001, and conducts routine vulnerability assessments to rigorously test the system. Furthermore, an ongoing education and awareness program has been initiated for employees to enhance their understanding of cyber threats and phishing risks.

28	Risk arising from failure to implement the identified digital initiatives as per IT strategy and plan leading to an adverse impact on future growth The Company has embraced digitization throughout its core operations and essential functions to enhance productivity, streamline processes, and augment capabilities in data-based analytics and control. Deviation from the timeline in implementing digital initiatives may have adverse effects on operations.	As described in the Company's approved IT strategy and plan, numerous digital initiatives have been deployed across the organization. The plan prioritizes the digitization of transactional processes, automation, the integration of process flows, and the enhancement of deep data analytics capabilities. To oversee the implementation of various IT programs, a governance structure and periodic reviews have been established.
29	Lack of redundant, robust infrastructure to sustain the new digital initiatives needs	As new digital initiatives are implemented, it is crucial to prioritize the deployment of redundant infrastructure to minimize the risk of single points of failure. This involves strategically deploying backup systems and resources to ensure continuous operation and prevent any disruption. By doing so, the reliability and resilience of our digital ecosystem are enhanced, underscoring our commitment to delivering uninterrupted services and maintaining operational excellence.

Environment, Social Governance (ESG)

The Company is committed to delivering shared value to all stakeholders. It has established an Environment, Social and Governance (ESG) framework, which is delivered by the Executive ESG Council under the oversight of the Stakeholder and ESG Committee of the Board.

The company reports on its sustainability journey with reference to the Global Reporting Initiative (GRI) Universal Standards 2021. Where applicable, it also indicates alignment with the United Nations Sustainable Development Goals and the Sustainability Accounting Standards Board disclosures.

The Company's stakeholders, which include investors, the workforce, clients, suppliers, regulators, media, and government organizations, participated in a materiality assessment in 2021 to determine critical concerns linked to the company's ongoing business operations. Keeping these concerns in mind, the Executive ESG Council identified the following material ESG topics for reporting purposes:

- Environment: energy consumption and efficiency; water consumption and efficiency; waste management
- Social: occupational health & safety; talent acquisition and retention; diversity, equity, and inclusion; and community investment
- Governance: corporate governance and business ethics; digitization and cybersecurity; supply chain; regulatory

The Executive ESG Council, comprising the Managing Director & Chief Executive Officer, Chief Financial Officer, Chief Human Resources Officer, and Head of Corporate Affairs, have reviewed proposed 5-year targets for all material issues.

An Environmental Management System (EMS) certified under ISO 14007, ensures that environmental protection is embedded at all levels of the organization, and environment metrics are tracked to ensure continuous improvement. During the year, the company has explored new avenues and technologies to help minimize its environmental impact through improving energy efficiency, effective waste management, discharge control, and the protection of valuable resources.

During the year, the Company took an important step forward in its contribution towards protecting the planet. The company committed to Science Based Targets (SBTi), which will involve reducing its near-term greenhouse gas (GHG) emissions by 50% by 2033 to align with the Paris Agreement limiting global warming to 1.5°C. The 10-year targets underpinning the SBTi commitment will be monitored annually and progress reported through the annual Carbon Disclosure Project (CDP) submission. As part of committing to these targets, the company conducted its first externally verified Greenhouse Gas Emission (GHG) audit to identify its major contributors to its Scope 1, 2, and 3 emissions.

The social dimension focuses on the Company's relationships with various stakeholders, including employees and the communities where it operates. As a service-oriented company, the Company recognizes the importance of being a responsible employer and values talent acquisition, retention, diversity, equity, and inclusion. Building and maintaining strong relationships with adjacent communities is also a vital aspect of the Company's sustainability efforts.

The Company's governance framework emphasizes transparency, compliance, and accountability at all levels to establish a strong foundation for effective management. One of its essential governance activities involves setting standards for suppliers. The supplier code of conduct outlines the company's expectations for corporate behavior, human rights, labor standards, and environmental practices. All suppliers must comply with the code of conduct, and their performance is evaluated using a third-party ESG framework.

The Company is a member of the United Nations Global Compact and its progress is tracked annually by ESG rating agencies, including EcoVadis, CDP, Sustainalytics and MSCI.

The Company publishes an annual ESG report, highlighting initiatives and achievements related to environmental, social, and governance topics. The ESG FY23 Report was independently assured for the first time.

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.

The Company'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 an 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 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information (herein referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

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.

Revenue from operations

Refer Note 2(j) and 18 to the standalone financial statements

The key audit matter

- The Company's revenue is derived from contract research, development and manufacturing activities.
- Overstatement of revenue is a presumed fraud risk considering the Company has pressure to meet external market expectations of reporting higher revenues.
- The Company has various contractual arrangements with customers which are entered into at various stages of research and development. The Company, in line with Ind AS 115 recognises revenue based on the contractual terms and performance obligations with customers.
- The Company, in certain instances, also has bill and hold arrangements that meet the criteria mentioned for such arrangements under Ind AS 115: Revenue from Contracts with Customers, wherein revenues are recognized prior to the physical transfer of the goods on the basis of specific requests from the customers to hold back the delivery of goods at period end.
- The above factors result in revenue being identified as a key audit matter.

How the matter was addressed in our audit

Our audit procedures in relation to revenue recognition includes the following:

- We have assessed the appropriateness of the Company's revenue recognition accounting policies and assessed compliance with the policies in terms of applicable accounting standards.
- We tested the design and implementation, operating effectiveness of the Company's controls around revenue recognition including general IT controls and key IT application controls.
- We have performed substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year and verifying the underlying documents, which includes sales invoices/contracts, shipping and delivery documents.
- We have tested the specific requests from customers at the period end to evaluate transfer of control relating to the bill and hold arrangements. We evaluated the timing of recognition of revenue from these arrangements proposed by the Company for compliance with Ind AS 115: Revenue from Contracts with Customers.
- We have assessed manual journal entries posted to revenue to identify unusual items not already covered by our audit testing.

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 the Management Reports such as Board's Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility and Sustainability Report, but does not include the financial statements and auditor's report thereon, which we obtained prior to the date of this auditor's report, and the remaining sections of the Company's Annual Report, which are expected to be made available to us after that date.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections of the Annual Report (other than those mentioned above), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Independent Auditor's Report (Continued)

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 Company/Trust and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the respective Management and Board of Directors/ Board of Trustees are responsible for assessing the ability of the Company/Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the 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 the Company/Trust.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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 except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

.d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 01 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f .he modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

a. The Company has disclosed the impact of pending litigations as at 31 March 2024 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 39(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 person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii.) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 39(vi) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii). Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 45(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.

f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software:

i For data changes performed by users having privileged access (debug)

ii. At the application level for certain fields / tables relating to all the significant financial processes

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

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

A. 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.:101248W/W-100022

G Prakash

Partner

Membership No.: 099696

ICAI UDIN:24099696BKGPRR9841

Place: Bengaluru

Date: 24 April 2024

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Syngene International Limited for the year ended 31 March 2024

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(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 material discrepancies were noticed on such verification.

(c). According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d). According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including right of use assets) or intangible assets or both during the year.

(e) .According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii). (a) he inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. However, since there was no requirement in sanction letters to file quarterly returns/statements with the bank, filing of quarterly returns or statements with the banks as per 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 investments in companies, in respect of which the requisite information as stated in clause (iii)(b) below. The Company has not made any investments in firms, limited liability partnership or any other parties.

(a) .Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity during the year. Accordingly, provisions of clauses 3(iii)(a)(A) and (B) of the Order are not applicable to the Company.

(b). According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investment made during the year are, prima facie, not prejudicial to the interest of the Company. There are no guarantees provided, security given or loans and advances in the nature of loans provided to any party.

(c). According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not given any loans and advances in the nature of loans to any party during the year. Accordingly, provisions of clause 3 (iii)(c) of the order is not applicable to the Company.

(d) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not given any loans and advances in the nature of loans to any party during the year. Accordingly, there are no amounts overdue and the provisions of clause 3 (iii)(d) of the order is not applicable to the Company.

(e). According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company does not have any loans or advances in the nature of loans that have fallen due during the year. Accordingly, the provisions of clause 3 (iii)(e) of the order is not applicable to the Company.

(f) .According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Accordingly, the provisions of clause 3 (iii)(f) of the order is not applicable to the Company.

(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 contract research and manufacturing services and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Employees State Insurance, Income-Tax, Duty of Customs or Cess or 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 and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount disputed (INR in millions)	Amount paid under protest (INR in millions)	Period to which the amount relates	Forum where dispute is pending
Income Tax	Income Tax	6,	1,292	2008-09,	Commissio
Act, 1961		194		2011-12 to	ner of
				2018-19 and	Income
				2020-21 to	Tax
				2021-22	(Appeals)
Finance Act,1994	Service Tax (including interest)	7	1	2009-17	Customs, Excise and Service Tax Appellate Tribunals
Goods and Service Tax Act, 2017	Goods and Service Tax (including interest)	120	8	2017-18	Joint Commissio ner of Appeals

(viii) .According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix).(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b). According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c). According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d). According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that 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 subsidiaries as defined under the Act.

(f). According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).

(x).(a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi).(a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) .According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c). We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii). According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii). In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv).(a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv). In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi).(a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c). The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d). The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii). There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements to the extent available, 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. Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the sections of the annual report, other than those already made available, is expected to be made available to us after the date of this auditor's report.

(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) n 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 ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

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

Chartered Accountants

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

G Prakash

Partner

Place: Bengaluru

Membership No.: 099696

Date: 24 April 2024

ICAI UDIN:24099696BKGPRR9841

Annexure B to the Independent Auditor's Report on the standalone financial statements of Syngene International Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

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

Opinion

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

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

G Prakash
Partner
Membership No.: 099696
ICAI UDIN:24099696BKGPRR9841

Place: Bengaluru
Date: 24 April 2024

Standalone Balance Sheet as at March 31, 2024

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

Particulars	Note	31 March 2024	31 March 2023
Assets			
Non-current assets			
Property, plant and equipment	3 (a)	20,656	21,402
Capital work-in-progress	3 (a)	7,583	1,262
Right-of-use assets	3 (b)	1,874	558
Investment property	3 (c)	411	481
Other intangible assets	4 (a)	238	158
Intangible assets under development	4 (b)	13	-
Financial assets			
(i) Investments	5(a)	4,350	1,164
(ii) Derivative assets		1,847	841
(iii) Other financial assets	6(a)	325	1,358
Deferred tax assets (net)	7	498	795
Income tax assets (net)		1,889	1,368
Other non-current assets	8(a)	136	249
Total non-current assets		**39,820**	**29,637**
Current assets			
Inventories	9	2,340	3,328
Financial assets			
(i) Investments	5(b)	4,926	8,244
(ii) Trade receivables	10	4,275	4,844
(iii) Cash and cash equivalents	11(a)	666	721
(iv) Bank balances other than (iii) above	11(b)	4,616	4,372
(v) Derivative assets		656	460
(vi) Other financial assets	6(b)	293	629
Other current assets	8(b)	747	955
		18,519	**23,553**
Assets classified as held for sale	42	-	5,290
Total current assets		**18,519**	**28,843**
Total assets		**58,339**	**58,480**

Standalone Balance Sheet as at March 31, 2024

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

Particulars	Note	31 March 2024	31 March 2023
Equity and Liabilities			
Equity			
Equity share capital	12 (a)	4,020	4,014
Other equity	12 (b)	37,895	32,175
Total equity		**41,915**	**36,189**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13(a)	1,000	4,890
(i)(a) Lease liabilities	34	1,619	513
(ii) Derivative liabilities		-	215
Provisions	14(a)	381	417
Other non-current liabilities	15(a)	2,438	2,564
		5,438	**8,599**
Current liabilities			
Financial liabilities			
(i) Borrowings	13(b)	417	863
(i)(a) Lease liabilities	34	288	120
(ii) Trade payables	16		
total outstanding dues of micro and small enterprises		190	166
total outstanding dues of creditors other than micro and small enterprises		2,350	2,438
(iii) Derivative liabilities		9	377
(iv) Other financial liabilities	17	562	438
Provisions	14(b)	678	481
Current tax liabilities (net)		462	127
Other current liabilities	15(b)	6,030	6,563
		10,986	**11,573**
Liabilities associated with assets classified as held for sale	42	-	2,119
Total current liabilities		**10,986**	**13,692**
Total equity and liabilities		**58,339**	**58,480**

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

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

G Prakash
Partner
Membership number: 099696

Bengaluru
Date: 24 April 2024

for **and on behalf of the Board of Directors of Syngene International Limited**

Kiran Mazumdar Shaw
Chairperson
DIN: 00347229

Jonathan Hunt
Managing Director and Chief Executive Officer
DIN: 07774619

Sibaji Biswas
Executive Director and Chief Financial Officer
DIN: 06959449

Priyadarshini Mahapatra
Company Secretary
FCS Number: F8786

Bengaluru
Date: 24 April 2024

Standalone Statement of Profit and Loss for the year ended 31 March 2024

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

Particulars	Note	Year ended 31 March 2024	Year ended 31 March 2023
Income			
Revenue from operations	18	32,031	31,935
Other income	19	880	709
Total income		**32,911**	**32,644**
Expenses			
Cost of chemicals, reagents and consumables consumed	20	8,391	9,022
Changes in inventories of finished goods and work-in-progress	21	566	(420)
Employee benefits expense	22	7,612	8,122
Finance costs	23	295	452
Depreciation and amortisation expense	24	3,689	3,591
Other expenses	25	6,112	5,450
Foreign exchange fluctuation loss/ (gain), net		562	418
Total expenses		**27,227**	**26,635**
Profit before tax and exceptional items		5,684	6,009
Exceptional items	35	111	-
Profit before tax		**5,573**	**6,009**
Tax expense	30		
Current tax		998	1,047
Deferred tax			
MAT credit entitlement		46	109
Other deferred tax		(136)	123
Total tax expense		**908**	**1,279**
Profit for the year		**4,665**	**4,730**
Other comprehensive income			
(i) Items that will not be reclassified subsequently to profit or loss			
Re-measurement on defined benefit plans		(21)	61
Changes in the Fair Value of equity investments at FVTOCI		(94)	109
Income tax effect		38	(37)
(ii) Items that will be reclassified subsequently to profit or loss			
Effective portion of gains/(losses) on hedging instrument in cash flow hedges		1,995	(1,444)
Income tax effect		(487)	339
Net other comprehensive income to be reclassified subsequently to profit or loss		**1,431**	**(972)**
Total comprehensive income for the year		**6,096**	**3,758**
Earnings per equity share	37		
Basic (in Rs)		11.62	11.81
Diluted (in Rs)		11.61	11.72

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

G Prakash
Partner
Membership number: 099696

Bengaluru
Date: 24 April 2024

for **and on behalf of the Board of Directors of Syngene International Limited**

Kiran Mazumdar Shaw
Chairperson
DIN: 00347229

Jonathan Hunt
Managing Director and Chief Executive Officer
DIN: 07774619

Sibaji Biswas
Executive Director and Chief Financial Officer
DIN: 06959449

Priyadarshini Mahapatra
Company Secretary
FCS Number: F8786

Bengaluru
Date: 24 April 2024

Standalone Statement of Changes in Equity for the year ended as at March 31, 2024

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

(A) Equity share capital	**31 March 2024**	**31 March 2023**
Opening balance	4,014	4,008
Issue of shares during the year	6	6
Closing balance	**4,020**	**4,014**

(B) Other equity [refer note 12(b)]

	Reserves and surplus							Items of other comprehensive income		
Particulars	**Securities premium**	**Capital reserve**	**Treasury shares**	**Retained earnings**	**Re-measurement on defined benefit plans**	**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 2022	**1,711**	**-**	**(41)**	**25,733**	**(33)**	**-**	**870**	**672**	**-**	**28,912**
									-	
Profit for the year	-	-	-	4,730	-	-	-	-	-	4,730
Other comprehensive income, net of tax	-	-	-	-	48	-	-	(1,105)	85	(972)
Total comprehensive income for the year	**-**	**-**	**-**	**4,730**	**48**	**-**	**-**	**(1,105)**	**85**	**3,758**
Transactions recorded directly in equity							-		-	-
Exercise of share options	456	-	-	-	-	-	(456)	-	-	-
Purchase of treasury shares	-	-	(7)	-	-	-	-	-	-	(7)
Dividend including dividend distribution tax	-	-	-	(401)	-		-	-	-	(401)
Share based payment	-	-	-	-	-	-	214	-	-	214
Transfer to SEZ reinvestment reserve	-	-	-	(1,100)	-	1,100	-	-	-	-
Transfer from SEZ reinvestment reserve	-	-	-	1,100	-	(1,100)	-	-	-	-
Impact of common control business combination (refer note 41)	-	-	-	(301)	-	-	-	-	-	(301)
Balance as at 31 March 2023	**2,167**	**-**	**(48)**	**29,761**	**15**	**-**	**628**	**(433)**	**85**	**32,175**
							-		-	-
Profit for the year	-	-	-	4,665		-	-	-	-	4,665
Other comprehensive income, net of tax	-	-	-	-	(16)	-	-	1,508	(61)	1,431
Total comprehensive income for the year	**-**	**-**	**-**	**4,665**	**(16)**	**-**	**-**	**1,508**	**(61)**	**6,096**
Transactions recorded directly in equity										
Profit of the Trust	-	-	-	38	-	-				
Exercise of share options	510	-	-	-	-	-	(510)	-	-	-
Purchase of treasury shares	-	-	(6)	-	-	-	-	-	-	(6)
Dividend including dividend distribution tax	-	-	-	(503)	-	-	-	-	-	(503)
Share based payment	-	-	-	-	-	-	56	-	-	56
Transfer to SEZ reinvestment reserve	-	-	-	(650)	-	650	-	-	-	-
Transfer from SEZ reinvestment reserve	-	-	-	650	-	(650)	-	-	-	-
Impact of business combination (refer note 43)	-	39	-	-	-	-	-	-	-	39
Balance as at 31 March 2024	**2,677**	**39**	**(54)**	**33,961**	**(1)**	**-**	**174**	**1,075**	**24**	**37,895**

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

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

for **and on behalf of the Board of Directors of Syngene International Limited**

G Prakash
Partner
Membership number: 099696

Kiran Mazumdar Shaw
Chairperson
DIN: 00347229

Jonathan Hunt
Managing Director and Chief Executive Officer
DIN: 07774619

Sibaji Biswas
Executive Director and Chief Financial Officer
DIN: 06959449

Priyadarshini Mahapatra
Company Secretary
FCS Number: F8786

Bengaluru
Date: 24 April 2024

Bengaluru
Date: 24 April 2024

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

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

		Year ended 31 March 2024	Year ended 31 March 2023
I	**Cash flows from operating activities**		
	Profit for the year	4,665	4,730
	Adjustments to reconcile profit after tax to net cash flows		
	Depreciation and amortisation expense	3,689	3,591
	Loss on assets scrapped	25	75
	Provision for doubtful receivables	19	(17)
	Bad debts written off	6	10
	Share based compensation expense	(7)	214
	Interest expense	275	344
	Unrealised foreign exchange loss	(33)	245
	Net gain on sale of current investments	(130)	(106)
	Interest income	(591)	(603)
	Interest on income tax refund	(158)	-
	Reversal of inventory provisions due to change in accounting estimate	(203)	-
	Tax expenses	908	1,279
	Operating profit before working capital changes	**8,465**	**9,762**
	Movements in working capital		
	Decrease/ (increase) in inventories	1,191	(1,534)
	Decrease/ (increase) in trade receivables	588	71
	Decrease/ (increase) in other assets	1,040	(791)
	Increase/ (decrease) in trade payables, other liabilities and provisions	(1,166)	2,213
	Cash generated from operations	**10,118**	**9,721**
	Income taxes paid (net of refunds)	(984)	(1,337)
	Net cash flow generated from operating activities	**9,134**	**8,384**
II	**Cash flows from investing activities**		
	Payment for acquisition of business, net of cash acquired	(5,532)	(182)
	Receipt towards slump sale of business operations	3,171	-
	Purchase of property, plant and equipment	(3,509)	(5,214)
	Sale of property, plant and equipment	216	-
	Purchase of intangible assets	(163)	(117)
	Investment in equity shares	(3,780)	(249)
	Investment in bank deposits and inter corporate deposits	(12,346)	(11,282)
	Redemption/ maturity of bank deposits and inter corporate deposits	17,793	8,759
	Interest received	812	540
	Proceeds from sale of current investments	25,164	17,169
	Purchase of current investments	(25,660)	(16,306)
	Net cash flow used in investing activities	**(3,835)**	**(6,882)**
III	**Cash flows from financing activities**		
	Proceeds/ (repayments) of long term borrowings	(3,904)	-
	Proceeds/ (repayments) from short term borrowings, net	(452)	(2,581)
	Repayment of lease liabilities (principal), net	(322)	(76)
	Dividend paid	(503)	(401)
	Interest paid	(182)	(344)
	Net cash flow used in financing activities	**(5,363)**	**(3,402)**
IV	**Net increase/ (decrease) in cash and cash equivalents (I+II+III)**	**(64)**	**(1,900)**
V	Effect of exchange difference on cash and cash equivalents held in foreign currency	9	31
VI	Cash and cash equivalents at the beginning of the year	721	2,590
VII	**Cash and cash equivalents at the end of the year (IV+V+VI)**	**666**	**721**
	Components of cash and cash equivalents as at the end of the year		
	Cash on hand	- *	- *
	Balances with banks	666	721
	Total cash and cash equivalents [refer note 11(a)]	**666**	**721**
	Restricted cash balance [refer note 11 (ii)]	1	25

* Less than Rs. 0.5 million.

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

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

Change in liability arising from financing activities	1 April 2023	Cash Flow	Non cash movement	31 March 2024
Borrowings (including current maturities)	5,753	(4,356)	20	1,417
Lease liability (including current)	633	(322)	1,596	1,907
	6,386	**(4,678)**	**1,616**	**3,324**

	1 April 2022	Cash Flow	Non cash movement	31 March 2023
Borrowings (including current maturities)	7,896	(2,581)	438	5,753
Lease liability (including current)	2,320	(249)	(1,438)	633
	10,216	**(2,830)**	**(1,000)**	**6,386**

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 number: 101248W/W-100022

G Prakash
Partner
Membership number: 099696

Bengaluru
Date: 24 April 2024

for **and on behalf of the Board of Directors of Syngene International Limited**

Kiran Mazumdar Shaw
Chairperson
DIN: 00347229

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Managing Director and Chief Executive Officer
DIN: 07774619

Sibaji Biswas
Executive Director and Chief Financial Officer
DIN: 06959449

Priyadarshini Mahapatra
Company Secretary
FCS Number: F8786

Bengaluru
Date: 24 April 2024

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

1. Company Overview

1.1 Reporting entity

Syngene International Limited ("Syngene" or "the Company"), is engaged in providing contract research and manufacturing services from lead generation to clinical supplies to pharmaceutical and biotechnology companies worldwide. Syngene's services include integrated drug discovery and development capabilities in medicinal chemistry, biology, in vivo pharmacology, toxicology, custom synthesis, process R&D, cGMP manufacturing, formulation and analytical development along with Clinical development services. The Company is a public limited company incorporated and domiciled in India and has its registered office in Bengaluru, Karnataka, India. The Company's shares are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) in India.

1.2 Basis of preparation of financial statements

a) *Statement of compliance*

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

These standalone financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, 31 March 2024. These standalone financial statements were authorised for issuance by the Company's Board of Directors on 24 April 2024.

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

b) *Functional and presentation currency*

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

c) *Current/non-current distinction*

An entity shall classify an asset as current when:

(a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle

(b) it holds the asset primarily for the purpose of trading

(c) it expects to realise the asset within twelve months after the reporting period or

(d) the asset is cash or a cash equivalent (as defined in Ind AS 7, Statement of Cash Flows) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets shall be classified as non-current.

An entity shall classify a liability as current when:

(a) it expects to settle the liability in its normal operating cycle

(b) it holds the liability primarily for the purpose of trading

(c) the liability is due to be settled within twelve months after the reporting period or

(d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities shall be classified as non-current.

The operating cycle of an entity is the time between the acquisition of assets for processing and their realisation in the form of cash or cash equivalents. Where the entity's normal operating cycle is not clearly identifiable, its duration is assumed to be 12 months.

d) *Basis of measurement*

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

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

e) *Use of estimates and judgements*

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

Judgements

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

- Note 2(a) and 28 — Financial instruments;
- Note 2(b), 2 (c) and 2(d) — Useful lives of property, plant and equipment, investment property and other intangible assets;
- Note 2(j) and 18 — Revenue Recognition: whether revenue from sale of compounds is recognised over time or at a point in time;
- Note 2(m), 30 and 31 — Provision for income taxes and related tax contingencies;
- Note 2(o) and 34 — Leases;
- Note 2(e) and 43 — Business Combination;

1.3 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a potentially significant impact in the year ended 31 March 2024 is included in the following notes:

— Note 2(g)(i) and 28 – impairment of financial assets;

— Note 2(g)(ii) – impairment of non-financial assets;

— Note 2(h) and 27 – measurement of defined benefit obligations: key actuarial assumptions;

— Note 7 and 30 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used; and

— Note 14 and 31 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

— Note 33 – share based payments.

1.4 Measurement of fair values

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

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

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

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

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

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

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

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

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

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

— Note 2(a) and 28 – financial instruments;

— Note 2(c) and 3(c) – investment property; and

— Note 33 – share based payments.

2. Material accounting policies

a) Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated and are measured at the transaction price. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

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

— amortised cost;

— Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or

— Fair Value through Profit or Loss (FVTPL).

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

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

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

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

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

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

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

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

Equity investments

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

Investments in subsidiaries

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss. However, see Note 28 for derivatives designated as hedging instruments.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses classifiable as borrowing costs in accordance with Ind AS 23, "Borrowing Costs" are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

iii. Derecognition

Financial assets

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

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

Financial liabilities

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

iv. Offsetting

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

v. Derivative financial instruments and hedge accounting

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

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

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

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

Cash flow hedges

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

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

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

vi. Treasury shares

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

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

vii. Cash and cash equivalents

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

Cash dividend to equity holders

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

b) Property, plant and equipment

i. Recognition and measurement

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

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

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

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

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

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

ii. Depreciation

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

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

Asset	Asset classification	Management estimate of useful life	Useful life as per Schedule II
Building	Building	25-30 years	30 years
Plant and equipment (including electrical installation and laboratory equipment)	Plant and equipment	9-14 years	8-20 years
Computers and servers	Plant and equipment	3 years	3-6 years
Office equipment	Office equipment	3 years	5 years
Furniture and fixtures	Furniture and fixtures	6 years	10 years
Vehicles	Vehicles	6 years	6-10 years
Leasehold improvements	Building or Plant and equipment	Useful life or lease period whichever is lower	

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

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

iii. Reclassification to investment property

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

c) Investment property

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

Based on technical evaluation and consequent advice, the management believes a period of 3 to 25 years as representing the best estimate of the period over which investment property (which are quite similar) are expected to be used. Accordingly, the Company depreciates investment property over a period of 3 to 25 years on a straight-line basis. The estimated useful life of assets in investment property are different from the indicative useful lives of relevant type of asset mentioned in Part C of Schedule II to the act as follows:

Asset	Management estimate of useful life	Useful life as per Schedule II
Building	25 years	30 years
Plant and equipment (including electrical installation and laboratory equipment)	9-11 years	8-20 years
Computers	3 years	3-6 years
Office equipment	3 years	5 years
Furniture and fixtures	6 years	10 years

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

d) Other intangible assets

Internally generated: Research and Development:

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

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

Others

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

i. Subsequent expenditure

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

ii. Amortisation

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

— Computer software 5 years

— Intellectual property rights 5-10 years

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

e) Business combination

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

Business combinations - common control transactions

Business combinations involving entities that are controlled by the Company are accounted for using the pooling of interests method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

- The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

f) Inventories

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

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

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

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

g) Impairment

i. Impairment of financial assets

In accordance with Ind AS 109 'Financial Instruments', the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets measured at amortised cost.

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

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

ii. Impairment of non-financial assets

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

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

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

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

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

h) Employee benefits

i. Short-term employee benefits

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

ii. Long-term employment benefit obligations:

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

Gratuity

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

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

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

Provident Fund

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

iii. Compensated absences

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

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

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

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

iv. Share-based compensation

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

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

i) Provisions (other than for employee benefits)

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

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

Onerous contracts

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

j) *Revenue recognition:*

i. Contract research and manufacturing services income

The Company derives revenues primarily from Contract research and manufacturing services. Revenue is recognised upon transfer of control of promised services or compounds to customers in an amount that reflects the consideration we expect to receive in exchange for those services or compounds.

Arrangement with customers for Contract research and manufacturing services income are either on a time-and-material basis or fixed price.

In respect of contracts involving research services, in case of 'time and materials' contracts, contract research fee are recognised as services are rendered, in accordance with the terms of the contracts. Revenue from contracts are recorded net of allowances for estimated rebates and cash discounts, as per contractual terms.

Revenues relating to fixed price contracts are recognised based on the milestones completion and for manufacturing services (large molecules) revenue is recognised based on the percentage of completion method determined based on cost incurred as a proportion to total estimated cost. The Company monitors estimates of total contract revenue and cost on a routine basis throughout the contract period. The cumulative impact of any change in estimates of the contract revenue or costs is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.

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

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

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

The Company collects Goods and Services Tax (GST) as applicable, on behalf of the Government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

ii. Rental income

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

iii. Contribution received from customers towards property, plant and equipment

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

iv. Dividends

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

v. Interest Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

k) *Government grants*

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

l) *Foreign currency Transactions and translations:*

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

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

m) *Income taxes*

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

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

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

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

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

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

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

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

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

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

n) *Borrowing cost*

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

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

o) *Leases*

(i) The company as lessee:

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

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

At the date of commencement of lease, the company recognises a Right-of-use assets ("ROU") and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with the term of twelve months or less (short term leases) and low value leases. For short term and low value leases, the company recognises the lease payment as an operating expense on straight line basis over the term of lease.

Certain lease agreements include an option to extend or terminate the lease before the end of lease term. ROU assets and the lease liabilities includes these options when it is reasonably certain that they will be exercised.

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

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

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

(ii) The Company as a Lessor:

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

p) Earnings per share

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

q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

r) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

s) Exceptional items

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

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

(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 2022	703	6,520	27,631	192	724	39	35,809	3,464
Additions	-	368	5,413	2	227	2	6,012	4,316
Assets classified as held for sale		(122)	(2,773)	(12)	(133)	(1)	(3,041)	(507)
Disposals / other adjustments	-	(101)	(179)	(1)	-	(14)	(295)	(6,012)
At 31 March 2023	**703**	**6,665**	**30,092**	**181**	**818**	**26**	**38,485**	**1,262**
Additions(refer note 43)	-	141	2,629	2	68	17	2,857	9,178
Disposals	-	(7)	(1,441)	(9)	(38)	(5)	(1,500)	(2,857)
At 31 March 2024	**703**	**6,799**	**31,280**	**174**	**848**	**38**	**39,842**	**7,583**
Accumulated depreciation								
At 1 April 2022	-	1,314	12,673	167	404	22	14,580	-
Depreciation for the year	-	263	2,903	17	108	4	3,295	-
Assets classified as held for sale	-	(10)	(493)	(12)	(35)	(0)	(550)	-
Disposals	-	(72)	(156)	(1)	-	(13)	(242)	-
At 31 March 2023	-	1,495	14,927	171	477	13	17,083	-
Depreciation for the year	-	267	2,987	8	96	5	3,363	-
Disposals	-	(5)	(1,207)	(9)	(38)	(0)	(1,259)	-
At 31 March 2024	-	1,757	16,707	170	535	18	19,186	-
Net carrying amount								
At 31 March 2023	**703**	**5,170**	**15,164**	**10**	**339**	**13**	**21,402**	**1,262**
At 31 March 2024	**703**	**5,042**	**14,573**	**4**	**313**	**20**	**20,656**	**7,583**

Notes

a) Land includes land held on lease under perpetual basis: Gross carrying amount - Rs. 661 (31 March 2023 - Rs. 661).

b) Plant and equipment includes computers.

c) Buildings with a gross carrying amount of Rs. 4,312 as at 31 March 2024 (as at 31 March 2023 - Rs. 4,187) have been constructed on leasehold land obtained by the Company on lease basis from Biocon Limited, the holding Company.

d) Additions to property, plant and equipment includes additions related to borrowing cost amounting to Rs. 3 (31 March 2023 - Rs. 72).

e) Refer note 13(i) and 13(ii) for secured borrowings obtained for Property, plant and equipment.

f) Refer note 31 (ii) 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 31 March 2024

(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 2024	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	7,449	82	50	3	7,584
	7,449	**82**	**50**	**3**	**7,584**

31 March 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	981	224	30	27	1,262
	981	**224**	**30**	**27**	**1,262**

(i) There are no capital work-in-progress whose completion has exceeded its cost compared to its original plan as on 31 March 2024 and as on 31 March 2023.

(ii) Capital work-in-progress whose completion is overdue to its original plan:

31 March 2024	Less than 1 year	1-2 years	2-3 years	More than 3 years	Expected Capitalisation date
Project 3	3	32	33	-	31 March 2025

31 March 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Expected Capitalisation date
Project 3	73	-	-	-	30 September 2023
Project 4	297	-	-	-	30 June 2023
Project 5	21	-	-	-	31 October 2023

3 (b) Right-of-use assets

	Land	Buildings	Vehicles	Total
Gross carrying amount				
At 1 April 2022	367	2,096	55	2,518
Additions	-	110	37	147
Assets classified as held for sale		(1,757)	-	1,757
Disposals	-	(10)	(27)	(37)
At 31 March 2023	**367**	**439**	**65**	**871**
Additions	-	1,474	30	1,504
Disposals	-	-	(8)	(8)
At 31 March 2024	**367**	**1,913**	**87**	**2,367**
Accumulated depreciation				
At 1 April 2022	59	257	14	330
Depreciation for the year	39	116	16	170
Assets classified as held for sale		(175)		(175)
Disposals	-	1	(11)	(7)
At 31 March 2023	**98**	**199**	**19**	**313**
Depreciation for the year	28	130	24	184
Disposals	-	-	(5)	(5)
At 31 March 2024	**126**	**329**	**38**	**492**
Net carrying amount				
At 31 March 2023	**269**	**240**	**47**	**558**
At 31 March 2024	**241**	**1,584**	**49**	**1,874**

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

(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 2022	**111**	**16**	**4**	**479**	**610**
Additions	35	42	0	87	164
At 31 March 2023	**146**	**58**	**4**	**566**	**774**
Additions	-	-	0	1	1
At 31 March 2024	**146**	**58**	**4**	**567**	**775**
Accumulated depreciation					
At 1 April 2022	**10**	**5**	**1**	**209**	**225**
Depreciation for the year	6	9	1	53	68
At 31 March 2023	**16**	**14**	**2**	**262**	**293**
Depreciation for the year	6	10	1	54	71
At 31 March 2024	**21**	**24**	**3**	**316**	**364**
Net carrying amount					
At 31 March 2023	**130**	**44**	**2**	**304**	**481**
At 31 March 2024	**125**	**34**	**1**	**251**	**411**

Particulars	31 March 2024	31 March 2023
Rental Income (Refer Note 18 "Other Operating Revenue")	278	336
Other Operating Income (Refer Note 18 "Other Operating Revenue")	68	67
Direct Operating Expenses (including repairs and maintenance) from property that generated rental income (Refer Note 25 "Other Expense")	(64)	(63)
Profit from investments before depreciation	**282**	**340**
Depreciation pertaining to property which generated rental income (Refer Note 24 "Depreciation")	(39)	(42)
Depreciation pertaining to property which did not generate rental income (Refer Note 24 "Depreciation")	(32)	(26)
Profit from Investment Properties	**212**	**272**

Note:

(a) Investment property with a gross carrying amount of Rs. 146 (31 March 2023 : Rs. 146) have been constructed on leasehold land obtained by the Company on lease basis from Biocon Limited.

(b) Refer note 31 (ii) for disclosure of contractual commitments for the acquisition of investment property.

(c) The fair value of investment property is Rs.411 (31 March 2023: Rs 481) based on market observable data. The Company has not engaged any registered valuer for determining the fair value

(d) The fair value measurement for investment property has been categorised as a level 3.

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

(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 2022	**378**	**120**	**498**
Additions	117	-	117
Assets classified as held for sale	(38)	-	(38)
Disposals	-	-	-
At 31 March 2023	**457**	**120**	**577**
Additions	150	-	150
Disposals	(1)	-	(1)
At 31 March 2024	**606**	**120**	**726**
Accumulated amortisation			
At 1 April 2022	**252**	**120**	**372**
Amortisation for the year	57	-	57
Assets classified as held for sale	(10)	-	(10)
Disposals	-	-	-
At 31 March 2023	**299**	**120**	**419**
Amortisation for the year	70	-	70
Disposals	(1)	-	(1)
At 31 March 2024	**369**	**120**	**488**
Net carrying amount			
At 31 March 2023	**158**	**-**	**158**
At 31 March 2024	**237**	**-**	**238**

(a) Refer note 31 (ii) for disclosure of contractual commitments for the acquisition of intangible assets.

4 (a) Intangible assets under development

	Total
Carrying amount	
At 1 April 2023	-
Additions	60
Disposals	(48)
At 31 March 2024 13	**13**

There were no intangible assets under development during the previous financial year.

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

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

	31 March 2024	31 March 2023
5. Investments		
(a) Non-current investments		
Unquoted equity instruments of wholly owned subsidiary at cost:		
500 (31 March 2023: 500) Equity shares of USD 100 each in Syngene USA Inc., USA	3	3
84,000,000 (31 March 2023: 21,000,000) Equity shares of Rs. 10 each in Syngene Scientific Solutions Limited	840	210
1,000,000 (31 March 2023: 1,000,000) Equity shares of Rs. 10 each in Syngene Manufacturing Solutions Limited	10	10
Unquoted preference shares of wholly owned subsidiary at cost:		
315,000,000, (31 March 2023: Nil) 0.01% optionally convertible redeemable preference shares (OCRPS) of Rs 10 each in Syngene Scientific solutions Limited [refer note(iv) below]	3,150	-
Unquoted equity instruments carried at fair value through other comprehensive income:		
2,020 (31 March 2023: 2,020) Equity shares of Rs. 10 each in Immuneel Therapeutics Private Limited [refer note(i) below]	229	323
4,922,663 (31 March 2023: 4,922,663) Equity shares of Rs. 10 each in HR Kaveri Private Limited	49	49
Unquoted - In Others		
Investments carried at fair value through profit or loss:		
123,203 (31 March 2023: 123,203) Equity shares of Rs. 100 each in Four EF Renewables Private Limited	12	12
246,406 (31 March 2023: 246,406) Compulsory convertible preference shares of Rs. 100 each in Four EF Renewables Private Limited [refer note(ii) below]	25	25
858,000 (31 March 2023: 858,000) Equity shares of Rs. 10 each in O2 Renewable Energy II Prviate Limited	9	9
0.01% 20,020 (31 March 2023: 20,020) Compulsory convertible debentures of Rs. 1,000 each in O2 Renewable Energy II Prviate Limited [refer note(iii) below]	20	20
1,333,333 (31 March 2023: 150) Equity shares of Rs. 10 each in Ampyr Renewable Energy Resources Prviate Limited	13	- *
2,666,667 (31 March 2023: Nil) Compulsory convertible preference shares of Rs. 10 each in Ampyr Renewable Energy Resources Prviate Limited [refer note(v) below]	27	-
Less:Dimunition in the value of investments	(40)	-
Investments carried at amortized cost:		
Inter corporate deposits with financial institutions #	3	503
	4,350	**1,164**
Aggregate value of unquoted investments	**4,350**	**1,164**

**Less than Rs. 0.5 million.*

Note:

(i) In the year ended 31 March 2021, the Company invested Rs. 100 in Immuneel Therapeutics Private Limited (Immuneel). In the year ended 31 March 2022, additional funding from external investors were received by Immuneel resulting in a dilution of the Company's equity interest. The gain on fair valuation from Rs. 100 to Rs. 214 was recognised in other comprehensive income. During the year ended 31 March 2023, the Company, based on fair valuation recorded a fair value increase in its investment carrying value by Rs. 109. During the year ended 31 March 2024, the Company based on a fair valuation recorded a fair value decrease in its investment carrying value by Rs. 94.

(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.

(iii) Terms of conversion: 1 compulsory convertible debentures of face value Rs. 1000/- each will convert to 1 equity share of face value Rs. 100/- at end of the tenure of 20 years from allotment.

(iv) Terms of conversion/redemption: 1 optionally convertible redeemable preference shares of Rs 10 each will convert to 1 equity share of face value Rs. 10/- at any time during the tenure of 10 years from allotment. Redeemable at any time during the tenure of the OCRPS at its face value.

(v) Terms of conversion: 1 compulsory convertible preference share of face value Rs. 10/- each will convert to 1 equity share of face value Rs. 10/- at end of the tenure of 20 years from allotment.

Inter corporate deposits with financial institutions yield fixed interest rate.

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

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

(b) Current investments

	31 March 2024	31 March 2023
Quoted - Investment in mutual funds at fair value through profit or Loss	2,102	1,476
Unquoted - In others - at amortised cost		
Inter corporate deposits with financial institutions *	2,824	6,768
	4,926	**8,244**
* Inter corporate deposits with financial institutions yield fixed interest rate.		
Aggregate book and market value of quoted investments	2,102	1,476
Aggregate value of unquoted investments	**2,824**	**6,768**

6. Other financial assets

	31 March 2024	31 March 2023
(a) Non-current		
Security deposits	323	108
Bank deposits with maturity of more than 12 months	2	1,250
	325	1,358
(b) Current		
Other receivables (refer note 26)	129	236
Interest accrued but not due	164	393
	293	**629**

7. Deferred tax assets (net) (refer note 30(b))

	31 March 2024	31 March 2023
Deferred tax assets		
MAT credit entitlement	1,571	1,618
Employee benefit obligations	194	164
Derivatives, net	-	154
Others	18	80
	1,783	**2,016**
Deferred tax liabilities		
Property, plant and equipment, investment property and other intangible assets, net	952	1,221
Derivatives, net	333	-
	1,285	**1,221**
Deferred tax assets (net)	**498**	**795**

8. Other assets

(Unsecured considered good, unless otherwise stated)

	31 March 2024	31 March 2023
(a) Non-current		
Capital advances	76	154
Balances with statutory / government authorities	15	15
Prepayments	46	80
	136	**249**
(b) Current		
Advances other than capital advances	387	292
Balances with statutory / government authorities	195	351
Prepayments	164	312
	747	**955**

9. Inventories

	31 March 2024	31 March 2023
Chemicals, reagents and consumables	1,968	2,390
Work-in-progress	239	733
Finished goods	133	205
	2,340	**3,328**

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

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

Inventory obsolecence amounted to Rs 159 (31 March 2023: Rs 65) were recognised as an expense during the year and included in 'changes in inventories of finished goods and work-in-progress' in statement of profit and loss.

As the Company's business has now expanded into manufacturing and based on Company's experience, a revised inventory provisioning policy specific to manufacturing has been created with effect from 1 January 2024. Prior to this, the Company was applying its research inventory provisioning policy also to manufacturing. The impact of this change is to reverse inventory provisions created in prior quarters resulting in a net reversal of Rs 203 in the quarter ended 31 March 2024 which is a change in accounting estimate. Under the old policy, the manufacturing inventory provision as at 31 March 2024 would have been higher by Rs 578.

10. Trade receivables

	31 March 2024	31 March 2023
Unsecured *		
Considered good	4,275	4,844
Credit impaired	102	83
	4,377	**4,927**
Allowance for credit losses	(102)	(83)
	4,275	**4,844**

* Includes receivables from related parties [refer note 26]

(a) Aging schedule

31 March 2024	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	494	2,918	741	64	58	4,275
Undisputed trade receivables - credit impaired	-	-	13	31	58	102
	494	**2,918**	**752**	**95**	**116**	**4,377**

31 March 2023	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	988	2,996	735	112	13	4,844
Undisputed trade receivables - credit impaired	-	-	33	37	13	83
	988	**2,996**	**769**	**149**	**26**	**4,927**

(b) All trade receivables are current and undisputed.

(c) Trade receivables oustanding for period above 2 years from due date of payment is Rs. Nil (31 March 2023: Rs. Nil) for the year ended 31 March 2024.

(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 2024	31 March 2023
(a) Cash and cash equivalents		
Cash on hand	- *	- *
Balances with banks (on current accounts)	666	721
	666	**721**
(b) Bank balances other than above		
Deposits with remaining maturity of less than 12 months from year end	4,616	4,372
Total cash and bank balances	**5,282**	**5,093**

* 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. 1 (31 March 2023: Rs. 25). The restrictions are primarily on account of bank balances held under Employee Welfare Trust.

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

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

12(a).Equity share capital

	31 March 2024	31 March 2023
Authorised		
500,000,000 (31 March 2023: 500,000,000) equity shares of Rs 10 each (31 March 2023: Rs 10 each)	5,000	5,000
Issued, subscribed and fully paid-up		
402,015,000 (31 March 2023: 401,434,500) equity shares of Rs 10 each (31 March 2023: Rs 10 each)	4,020	4,014
	4,020	**4,014**

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

Equity shares	31 March 2024		31 March 2023	
	No.	Rs	No.	Rs
At the beginning of the year	401,434,500	4,014	400,796,500	4,008
Issue of shares [refer note 40]	580,500	6	638,000	6
At the end of the year	**402,015,000**	**4,020**	**401,434,500**	**4,014**

(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 2024		31 March 2023	
	No.	% holding	No.	% holding
Equity shares of Rs. 10 each fully paid				
Biocon Limited (holding company) [includes issue of bonus shares Biocon Limited [refer note (vi) below]	219,185,608	54.52%	219,185,608	54.60%

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

	31 March 2024		31 March 2023	
	No.	% holding	No.	% holding
Equity shares of Rs 10 each fully paid				
Biocon Limited (holding company) [includes issue of bonus shares Biocon Limited [refer note (vi) below]	219,185,608	54.52%	219,185,608	54.60%

(v) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
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 33.

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

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

(viii) Shares held by promoters

Promoter Name	At 1 April 2023	Change during the year	At 31 March 2024	% of Total Shares	% change during the year
Kiran Mazumdar Shaw	21,964	-	21,964	0.01%	0.00%
Ravi R Mazumdar	8,806	-	8,806	0.00%	0.00%
Dev Mazumdar	13,686	-	13,686	0.00%	0.00%
Biocon Limited	219,185,608	-	219,185,608	54.52%	0.00%
Biocon Employee Welfare Trust	1,091,447	(37,814)	1,053,633	0.26%	-0.01%
	220,321,511	**(37,814)**	**220,283,697**	**54.79%**	**-0.01%**

Promoter Name	At 1 April 2022	Change during the year	At 31 March 2023	% of Total Shares	% change during the year
Kiran Mazumdar Shaw	15,276	6,688	21,964	0.01%	0.00%
Yamini R Mazumdar	20,060	(20,060)	-	0.00%	0.00%
Ravi R Mazumdar	2,120	6,686	8,806	0.00%	0.00%
Dev Mazumdar	7,000	6,686	13,686	0.00%	0.00%
Biocon Limited	280,974,772	(61,789,164)	219,185,608	54.60%	-15.39%
Biocon Employee Welfare Trust	1,178,733	(87,286)	1,091,447	0.27%	-0.02%
	282,197,961	**(61,876,450)**	**220,321,511**	**54.88%**	**-15.41%**

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.

Capital Reserve

The amount represents surplus of fair value of tangible assets and other balances taken over compared to the purchase price in relation to the acquisition through slump sale of Unit 3 biologics manufacturing facility in Bangalore, India, from Stelis Biopharma Limited (SBL)(refer note 43).

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.

Re-measurement on defined benefit plans

The amount represents re-measurements of defined benefit plans owing to Actuarial (gain) / loss arising from: Demographic assumptions, Financial assumptions and Experience adjustment along with re-measurement on account of return on plan assets, excluding amounts included in interest expense / (income).

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. Any reclassification of amounts from other comprehensive income to profit and loss will reduce the cumulative effective portion.

Other Items of other comprehensive income

Other Items of other comprehensive income represents re-measurements of the equity instruments at fair value through OCI.

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

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

13. Borrowings

	31 March 2024	31 March 2023
(a) Non-current borrowings		
Term loans from banks		
External commercial borrowings (secured) [refer note (i) below]	-	3,493
Foreign currency term loan (secured) [refer note (ii) below]	1,000	1,397
	1,000	**4,890**
(b) Current borrowings		
Term loans from banks:		
External commercial borrowings (secured) [refer note (i) below]	-	616
Foreign currency term loan (secured) [refer note (ii) below]	417	247
	417	**863**
The above amount includes		
Secured borrowings	1,417	5,753
Unsecured borrowings	-	-
	1,417	**5,753**

Notes:

(i) The Company entered into an external commercial borrowing agreement dated September 21, 2020, to obtain a USD 50 million (Rs. 4,109) term loan facility. This facility was utilized to finance capital expenditures at the Bengaluru, Hyderabad, and Mangaluru premises of the Company, as intended. The loan carried an interest rate of Libor + 1.30% and was scheduled to be repaid in three installments: USD 7.5 million in September 2023, USD 12.5 million in September 2024, and USD 30 million in September 2025. The facility was secured by a first priority pari passu charge on fixed assets (movable plant and machinery) and a second charge on the Company's current assets. The Company remained compliant with the financial covenants stipulated under the agreement. The first installment was paid as per the schedule. However, the remaining loan amount was pre-closed on October 3, 2023.

(ii) The Company had entered into a foreign currency term loan agreement dated March 30, 2021, to borrow USD 20 million (Rs. 1,644) for a term loan facility. The facility is borrowed to incur capital expenditure at the Bengaluru, Hyderabad and Mangaluru premises of the Company and was used for this specific purpose. The facility carries an interest rate of 6M SOFR + 1.17% and is to be paid in three instalments of 15%, 25% and 60% from the end of 3 years, 4 years and 5 years respectively from the origination date. 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.

14. Provisions

	31 March 2024	31 March 2023
(a) Non-current		
Provision for employee benefits		
Gratuity (refer note 27)	381	417
	381	**417**
(b) Current		
Provision for employee benefits		
Gratuity (refer note 27)	191	73
Compensated absences (refer note 27)	486	408
	678	**481**

15. Other liabilities

	31 March 2024	31 March 2023
(a) Non-current		
Deferred revenues	2,438	2,564
	2,438	**2,564**
(b) Current		
Advances from customers	4,986	5,310
Deferred revenues	511	743
Others		
- Statutory dues	177	172
- Other dues	356	338
	6,030	**6,563**

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

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

16. Trade payables

	31 March 2024	31 March 2023
Trade payables [refer note (a) below and note 26]		
Total outstanding dues of micro and small enterprises	190	166
Total outstanding dues of creditors other than micro and small enterprises	2,350	2,438
	2,540	**2,604**

(a) Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development Act, 2006 ("MSMED Act")

	31 March 2024	31 March 2023
(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	190	166
- Interest due on above	-*	-*
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	205	395
(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	-*	-*
(v) Interest remaining due and payable in succeeding years, in terms of Section 23 of the MSMED Act, 2006	12	12

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 2024	Unbilled	Not due	Outstanding for following periods from due date of payment: Less than 1 year	More than 1 year	Total
Total outstanding dues of micro and small enterprises	-	188	1	*	190
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,546	592	203	10	2,350
	1,546	**780**	**204**	**10**	**2,540**

31 March 2023	Unbilled	Not due	Outstanding for following periods from due date of payment: Less than 1 year	More than 1 year	Total
Total outstanding dues of micro and small enterprises	-	166	-	-	166
Total outstanding dues of creditors other than micro and small enterprises	1,468	621	341	7	2,438
	1,468	**787**	**341**	**7**	**2,604**

* Less than Rs. 0.5 million.

(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.

17. Other financial liabilities

	31 March 2024	31 March 2023
Current		
Payable for capital goods	462	438
Payable towards purchase consideration	100	-
	562	**438**

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

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

18. Revenue from operations

	Year ended 31 March 2024	Year ended 31 March 2023
Contract research and manufacturing services income	30,635	30804
Other operating revenues		
Scrap sales	31	50
Others [refer note (a) below]	1,364	1,081
	32,031	**31,935**

Note:

(a) 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.

(b) The company does not have any allowances or returns. Hence no reconciliation of variable consideration is presented.

18.1 Disaggregated revenue information

Set out below is the disaggregation of revenue:

	Year ended 31 March 2024	Year ended 31 March 2023
Revenues from Contract research and manufacturing services income by geography		
India	830	722
United States of America	20,411	22,288
Europe	7,718	5,711
Rest of the world	1,676	2,083
	30,635	**30,804**
Revenue from other sources		
Other operating revenues	1,395	1,131
	1,395	**1,131**
Total revenue from operations	**32,031**	**31,935**

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

	Year ended 31 March 2024	Year ended 31 March 2023
Revenues from Contract research and manufacturing services income by		
Timing of recognition		
Revenue recognised at a point of time	26,875	31,866
Revenue recognised over a period of time	5,156	69
Total revenue from operations	**32,031**	**31,935**
	1,395	1,131

18.2 Contract balances

	Year ended 31 March 2024	Year ended 31 March 2023
Trade receivables [refer note (i) below]	4,275	4,844
Contract liabilities [refer note (ii) below]	7,935	8,617

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 31 March 2024

(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 2024	Year ended 31 March 2023
Balance at the beginning of the year	**8,617**	7,302
Add: Increase due to invoicing during the year	5,610	8,679
Less: Revenue recognised from advances from customers and deferred revenue at the beginning of the year	(5,007)	(3,482)
Less: Amounts recognised as revenue during the year	(1,286)	(3,882)
Balance at the end of the year	**7,935**	**8,617**
Expected revenue recognition from remaining performance obligations:		
- Within one year	5,497	6,053
- More than one year	2,438	2,564
	7,935	**8,617**

18.4 Reconciliation of revenue recognised with contract price:

	Year ended 31 March 2024	Year ended 31 March 2023
Revenue as per contracted price	**32,068**	**31,971**
Adjustments for:		
Discount/Rebates	(38)	(36)
Total Revenue from contract with customers	**32,031**	**31,935**

18.5 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 2024	Year ended 31 March 2023
Interest income on:		
Deposits with banks and financial institutions	582	594
Lease deposits	9	9
Tax refunds	158	-
Net gain on sale of current investments	130	106
Other non-operating income	1	-
	880	**709**

20. Cost of chemicals, reagents and consumables consumed

	Year ended 31 March 2024	Year ended 31 March 2023
Inventory at the beginning of the year	2,390	1,276
Add : Purchases	7,969	10,136
Less: Inventory at the end of the year	(1,968)	(2,390)
	8,391	**9,022**

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

(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 2024	Year ended 31 March 2023
Inventories at the beginning of the year		
Work-in-progress	733	397
Finished goods	205	121
	938	**518**
Inventories at the end of the year		
Work-in-progress	239	733
Finished goods	133	205
	372	**938**
	566	**(420)**

22. Employee benefits expense

	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus	6,774	7,033
Contribution to provident fund and other funds	315	319
Gratuity expenses (refer note 27)	111	108
Share based compensation expense (refer note 33)	(7)	214
Staff welfare expenses	419	448
	7,612	**8,122**

23. Finance costs

	Year ended 31 March 2024	Year ended 31 March 2023
Interest expense on:		
Borrowings	182	182
Lease liabilities [refer note 34]	92	162
Exchange difference to the extent considered as an adjustment to borrowing cost	21	108
	295	**452**

24. Depreciation and amortisation expense

	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation of property, plant and equipment [refer note 3 (a)]	3,363	3,296
Depreciation of right-of-use assets [refer note 3 (b)]	184	170
Depreciation of investment property [refer note 3 (c)]	71	68
Amortisation of other intangible assets [refer note 4]	70	57
	3,687	**3,591**

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

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

25. Other expenses

	Year ended 31 March 2024	Year ended 31 March 2023
Rent	53	44
Communication expenses	36	76
Travelling and conveyance	432	434
Professional charges	1,850	1,093
Payments to auditors [refer note (a) below]	11	9
Directors' fees including commission	67	56
Power and fuel	542	692
Facility charges	282	317
Insurance	232	234
Rates and taxes	78	102
Repairs and maintenance		
Plant and machinery	1,312	1,119
Buildings	101	91
Others	507	556
Selling expenses		
Freight outwards and clearing charges	15	34
Sales promotion expenses	147	146
Provision for doubtful receivables	19	-
Bad debts written off	6	10
Less: Provision no longer required written back	-	(17)
Printing and stationery	35	39
Clinical trial expenses	72	100
Corporate social responsibility expenses (refer note 36)	101	98
Loss on assets scrapped	25	75
Miscellaneous expenses	192	142
	6,112	**5,450**
(a) Payments to auditors:		
As an auditor:		
Statutory audit	6	5
Tax audit	1	1
Limited review	3	2
In other capacity:		
Other services (certification fees)	-*	-*
Reimbursement of expenses	1	1
	11	**9**

* Less than Rs. 0.5 million.

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

(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
Jonathan Hunt	Managing Director and Chief Executive Officer
Catherine Rosenberg	Non-executive director
Carl Decicco	Independent director (till 28 February 2022)
	Non-executive director (from 01 March 2022 till 25 October 2023)
Sharmila Abhay Karve	Independent director
Paul Blackburn	Independent director
Vijay Kuchroo	Independent director
Vinita Bali	Independent director
Kush Parmar	Independent director
Nilanjan Roy	Independent director (w.e.f. 01 April 2024)
Sibaji Biswas	Chief Financial officer
	Executive director (w.e.f.01 April 2024)
Priyadarshini Mahapatra	Company Secretary
B. Holding company	
Biocon Limited	Holding Company
C. Subsidiaries	
Syngene USA Inc.,	Wholly-owned subsidiary
Syngene Scientific Solutions Limited	Wholly-owned subsidiary (w.e.f. 10 August 2022)
Syngene Manufacturing Solutions Limited	Wholly-owned subsidiary (w.e.f. 26 August 2022)
D. Fellow subsidiaries	
Biocon Biologics Limited	Fellow subsidiary
Biocon SDN. BHD	Fellow subsidiary
Biocon Biologics UK Limited	Fellow subsidiary
Biocon Biologics Inc.,	Fellow subsidiary
Biocon Biologics Do Brasil Ltda	Fellow subsidiary
Biocon Biologics FZ-LLC	Fellow subsidiary
Biocon Biologics Healthcare Malaysia SDN. BHD (formerly known as Biocon Healthcare SDN. BHD)	Fellow subsidiary
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
Biocon FZ LLC	Fellow subsidiary
Biocon Academy	Fellow subsidiary
Biosimilar Collaborations Ireland Limited	Fellow subsidiary (w.e.f 29 November 2022)
Biosimilar Newco Limited,UK	Fellow subsidiary (w.e.f 29 November 2022)
Biocon Biologics Canada Inc.	Fellow subsidiary (w.e.f 20 March,2023)
Biocon Biologics Germany GmBH	Fellow subsidiary (w.e.f 29 March,2023)
Bicon Biologics France S.A.S	Fellow subsidiary (w.e.f 14 April,2023)
Biocon Biologics Spain, S.L	Fellow subsidiary (w.e.f 21 April,2023)
Biocon Biologics Switzerland AG	Fellow subsidiary (w.e.f 25 April,2023)

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

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

Particulars	Nature of relationship
Biocon Biologics Belgium BV	Fellow subsidiary (w.e.f 28 April,2023)
Biocon Biologics Finland OY	Fellow subsidiary (w.e.f 10 May,2023)
Biocon Generics Inc.	Fellow subsidiary (w.e.f 07 July,2023)
Biocon Biologics Morocco S.A.R.L.A.U	Fellow subsidiary (w.e.f 24 July,2023)
Biocon Biologics Greece SINGLE MEMBER P.C	Fellow subsidiary (w.e.f 27 July,2023)
Biocon Biologics South Africa (PTY) Ltd	Fellow subsidiary (w.e.f 11 August,2023)
Bicon Biologics (Thailand) Co. Ltd	Fellow subsidiary (w.e.f 08 September,2023)
Bicon Biologics Italy S.R.L	Fellow subsidiary (w.e.f 27 December,2023)
Bicon Biologics Philippines Inc.	Fellow subsidiary (w.e.f 25 October,2023)
Bicon Biologics Croatia LLC	Fellow subsidiary (w.e.f 18 January,2024)
E. Other related parties	
Bicara Therapeutics Inc.	Associate of Holding Company
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
NeoBiocon FZ LLC	Joint venture of Holding Company

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

(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 and balances

Particulars	Transactions / Balances	31 March 2024	31 March 2023
Key management personnel	Salary and perquisites [refer note (i) & (ii) below]	222	176
	Sitting fees and commission	62	56
	Outstanding as at the year end		
	- Trade and other payables	12	14
	- Provision for gratuity and compensated absences [Refer note (i)]	19	-
Holding company	Rent	144	56
	Power and facility charges [refer note (iii) below]	277	313
	Purchase of goods	-	3
	Other expenses reimbursed by the company	181	176
	Sale of services	23	8
	Other expenses incurred on behalf of Holding company	4	1
	Guarantee given to Central Excise Department	-	148
	Outstanding as at the year end		
	- Rent deposits	21	23
	- Trade and other payables	160	103
	- Trade and other receivables	33	13
Wholly-owned subsidiaries	Business support services received	607	443
	Other expenses incurred on behalf of Wholly-owned subsidiaries	218	48
	Other expenses reimbursed by the company	- *	- *
	Purchase of goods	282	-
	Rent and facility services	- *	- *
	Sale of services	177	-
	Remittance of collection from trade receivables of wholly owned subsidiary	471	-
	Investment in wholly owned subsidiaries	3,780	220
	Outstanding as at the year end		
	- Trade and other payables	235	117
	- Trade and other receivables	257	73
	- Rent deposits	- *	- *
Fellow subsidiaries	Business purchase-	-	182
	Sale of services	90	156
	Rent and facility services	303	314
	Other expenses incurred on behalf of fellow subsidiaries	84	92
	Other expenses reimbursed by the company	-	13
	Purchase of goods	-	10
	Outstanding as at the year end		
	- Trade and other payables	3	-
	- Trade and other receivables	155	268
Other related parties	Sale of services	922	440
	Health services availed	2	3
	Contribution towards CSR	87	112
	Staff welfare expenses	3	3
	Provision for doubtful receivables	-	(88)
	Revaluation of investment	(94)	-
	Outstanding as at the year end		
	- Trade and other payables	-	-
	- Trade and other receivables	190	210

* Less than Rs. 0.5 million

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

(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 were earlier determined on an actuarial basis for the Company as a whole. However, the Company has undertaken actuarial valuations for the provisions made for gratuity and compensated absences attributable to the key managerial personnel as at 31 March 2024 amounting to Rs. 19.

(ii) Share based compensation expense allocable to key management personnel is Rs. 25 (31 March 2023 : Rs. 53), which is 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. 193 (31 March 2023 : Rs. 282) and power charges (including other charges) of Rs. 84 (31 March 2023 : Rs. 31) have been charged by Biocon Limited for the year ended 31 March 2024.

(iv) Fellow subsidiary companies with whom the Company did not have any transactions -

-Biocon Biologics Inc.
-Biocon Biologics Do Brasil Ltda
-Biocon Biologics FZ-LLC
-Biocon Pharma UK Limited
-Biocon Biosphere Limited
-Biocon Pharma Inc.
-Biosimilar Newco Limited
-Biocon Biologics Canada Inc.
-Biocon Biologics Germany GmBH
-Bicon Biologics France S.A.S.
-Biocon Biologics Spain, S.L
-Biocon Biologics Switzerland AG
-Biocon Biologics Belgium BV
-Bicon Biologics Italy S.R.L
-Bicon Biologics Philippines Inc.
-Biocon Pharma Ireland Limited
-Biocon Pharma Malta Limited
-Biocon Pharma Malta I Limited
-Biocon Biologics Healthcare Malaysia SDN. BHD
-Biocon SA
-Biocon FZ LLC
-Biosimilar Collaborations Ireland Limited
-Biocon Biologics Finland OY
-Biocon Generics Inc.
-Biocon Biologics Morocco S.A.R.L.A.U
-Biocon Biologics Greece SINGLE MEMBER P.C
-Biocon Biologics South Africa (PTY) Ltd
-Biocon Biologics (Thailand) Co. Ltd
-Bicon Biologics Croatia LLC

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

(vi) All outstanding balances are unsecured and repayable in cash.

(vii) Effective from 01 April 2023, the company entered into slump sale arrangement with Syngene Scientific Solutions Limited ("SSSL"), a wholly owned subsidiary of the Company for the transfer of operations of the Company in Hyderabad (Refer Note 42).

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 7.31% p.a. (31 March 2023: 7.31% p.a.). The Company actively monitors how the duration and expected yield of the investments are matching the expected outflows arising from the employee benefit obligations.

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

The Company expects to pay INR 191 in contributions to its defined benefit plans in 2024-25.

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

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

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 2023	**493**	**(3)**	**490**
Current service cost	73	-	73
Interest cost	38	- *	37
Amount recognised in Statement of profit and loss	**111**	**-**	**111**
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense / (income)	-	- *	- *
Actuarial (gain) / loss arising from:			
Demographic assumptions	-	-	-
Financial assumptions	4	-	4
Experience adjustment	17	-	17
Amount recognised in other comprehensive income	**21**	**-**	**21**
Benefits paid	(49)	-	(49)
Liability Transferred Out/ Divestments	-	-	-
Balance as at 31 March 2024	**576**	**(3)**	**573**

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/liability
Balance as on 1 April 2022	**521**	**(3)**	**518**
Current service cost	78	-	78
Interest cost	30	-	30
Amount recognised in Statement of profit and loss	**108**	**-**	**108**
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense / (income)	-	- *	-*
Actuarial (gain) / loss arising from:			
Demographic assumptions	(10)	-	(10)
Financial assumptions	(50)	-	(50)
Experience adjustment	(1)	-	(1)
Amount recognised in other comprehensive income	**(61)**	**-**	**(61)**
Benefits paid	(58)	-	(58)
Liability acquired through slump sale	8	-	8
Liabilities associated with assets classified as held for sale	(20)	-	(20)
Balance as at 31 March 2023	**493**	**(3)**	**490**

* Less than Rs. 0.5 million.

	31 March 2024	31 March 2023
Non current	381	417 #
Current	191	73
	572	**490**

Excludes the grautity classified as held for sale for Rs. 20. Refer note 42

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

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

(ii)

The assumptions used for gratuity valuation are as below:	31 March 2024	31 March 2023
Interest rate	7.3%	7.3%
Discount rate	7.3%	7.3%
Expected return on plan assets	7.3%	7.3%
Salary increase	8.0%	8.0%
Attrition rate (based on Age of the Employee)	9% - 22%	9% - 22%
Retirement age - Years	58	58

Assumptions regarding future mortality experience are set in accordance with published statistics and mortality tables.

The weighted average duration of the defined benefit obligation was 6 years (31 March 2023 - 6 years).

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

(iii) Sensitivity analysis

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

	31 March 2024		31 March 2023	
Particulars	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount rate	(27)	30	(24)	27
Salary increase	29	(27)	26	(24)
Attrition rate	(3)	4	(3)	3

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

Maturity profile of defined benefit obligation

Particulars	31 March 2024	31 March 2023
1st Following year	86	73
2nd Following year	73	69
3rd Following year	66	63
4th Following year	69	57
5th Following year	61	59
Years 6 to 10	233	210
Years 11 and above	299	268

(iv) Risk Exposure

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

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

b) 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.

c) 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 2024	31 March 2023
Compensated absences	486	408#

Excludes the compensated absences classified as held for sale for Rs. 29. Refer note 42

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

(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 2024	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments (non-current)#	66	278	3	347	-	-	344	344
Derivative assets (non-current)	-	1,847	-	1,847	-	1,847	-	1,847
Other financial assets (non-current)	-	-	325	325	-	-	-	-
Investments (current)	2,102	-	2,824	4,926	2,102	-	-	2,102
Trade receivables	-	-	4,275	4,275	-	-	-	-
Cash and cash equivalents	-	-	666	666	-	-	-	-
Bank balances other than above	-	-	4,616	4,616	-	-	-	-
Derivative assets (current)	-	656	-	656	-	656	-	656
Other financial assets (current)	-	-	293	293	-	-	-	-
	2,168	**2,781**	**13,002**	**17,950**	**2,102**	**2,503**	**344**	**4,949**
Financial liabilities								
Borrowings (non-current)	-	-	1,000	1,000	-	-	-	-
Lease liabilities (non-current)	-	-	1,619	1,619	-	-	-	-
Derivative liabilities (non-current)	-	-	-	-	-	-	-	-
Borrowings (current)	-	-	417	417	-	-	-	-
Lease liabilities (current)	-	-	288	288	-	-	-	-
Trade payables	-	-	2,540	2,540	-	-	-	-
Derivative liabilities (current)	-	9	-	9	-	9	-	9
Other financial liabilities (current)	-	-	562	562	-	-	-	-
	-	**9**	**6,426**	**6,435**	**-**	**9**	**-**	**9**

31 March 2023	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments (non-current)#	66	372	503	1,164	-	-	438	438
Derivative assets (non-current)	-	841	-	841	-	841	-	841
Other financial assets (non-current)	-	-	1,358	1,358	-	-	-	-
Investments (current)	1,476	-	6,768	8,244	1,476	-	-	1,476
Trade receivables	-	-	4,844	4,844	-	-	-	-
Cash and cash equivalents	-	-	721	721	-	-	-	-
Bank balances other than above	-	-	4,372	4,372	-	-	-	-
Derivative assets (current)	-	460	-	460	-	460	-	460
Other financial assets (current)	-	-	629	629	-	-	-	-
	1,542	**1,673**	**19,195**	**22,633**	**1,476**	**1,301**	**438**	**3,215**
Financial liabilities								
Borrowings (non-current)	-	-	4,890	4,890	-	-	-	-
Lease liabilities (non-current)	-	-	513	513	-	-	-	-
Derivative liabilities (non-current)	-	215	-	215	-	215	-	215
Borrowings (current)	-	-	863	863	-	-	-	-
Lease liabilities (current)	-	-	120	120	-	-	-	-
Trade payables	-	-	2,604	2,604	-	-	-	-
Derivative liabilities (current)	-	377	-	377	-	377	-	377
Other financial liabilities (current)	-	-	438	438	-	-	-	-
	-	**592**	**9,428**	**10,020**	**-**	**592**	**-**	**592**

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

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

Level 3 investments comprises of unquoted equity instruments. The fair value of Level 3 investments are based on the market comparable approach of similar companies using discounted revenue multiples and considering the same on a pre-revenue development stage. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

(a) The carrying amount of financial assets and financial liabilities measured at amortised cost in the Standalone Financial Statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

(b) There has been no transfers between level 1, 2 and 3.

(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.

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 values.

Particulars	FVTPL	FVTOCI	Total
Balance as at 01 April 2023	66	372	438
Gain included in OCI			
- Net change in fair value(unrealised)	-	(94)	(94)
Investment made in the current year			
- In equity instruments	13	-	13
- In preference shares	27	-	27
- In debt instruments	-	-	-
Loss included in P&L			
- Dimunition in the value of investments	(40)	-	(40)
Balance as at 31 March 2024	**66**	**278**	**344**

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 2024	31 March 2023	31 March 2024	31 March 2023
Movement in spot rate of the foreign currency				
INR/USD - Increase by 1%	-	-	(594)	(654)
INR/USD - Decrease by 1%	-	-	594	657
Movement in Interest rates				
LIBOR - Increase by 100 bps	-	-	-	(120)
LIBOR - Decrease by 100 bps	-	-	-	120
Level III Equity instruments				
Adjusted market multiple (5% Increase)	-	-	(83)	125
Adjusted market multiple (5% Decrease)	-	-	83	(125)

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

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

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.

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. 4,275 (31 March 2023: Rs 4,844). The movement in allowance for impairment in respect of trade receivables during the year was as follows:

Allowance for Impairment	31 March 2024	31 March 2023
Opening balance	83	100
Impairment loss recognised	19	-
Impairment loss reversed	-	(17)
Closing balance	**102**	**83**

Note: During the year ended 31 March 2024, impairment loss reversed includes Rs.nil (31 March 2023: Rs. 17) pertaining to customer balances written off.

Details of trade receivables that are not due, past due and impaired is given below:

Particulars	31 March 2024	31 March 2023
Neither past due nor impaired	3,412	3,984
Past due but not impaired:		
Less than 180 days	741	735
180 days - 365 days	64	112
More than 365 days	58	13
Past due but impaired:	13	33
Less than 180 days	31	37
180 days - 365 days	58	13
More than 365 days		
Less: Allowance for credit losses	(102)	(83)
Total	**4,275**	**4,844**

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 single customer which which is more than 10 percent of the Company's total receivables during the current and previous financial year.

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. All these banks and financial institutions are high-rate funds of minimum AA+ and above. Investments primarily include investment in liquid mutual fund units and inter-corporate deposits with financial institutions.

(iii) Liquidity risk

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

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. In addition, the Company maintains line of credits as stated in Note 13.

Notes to the standalone financial statements for the year ended 31 March 2024
(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 2024:

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Lease liabilities (non-current)	-	255	630	1,799	2,684
Lease liabilities (current)	274	-	-	-	274
Borrowings (non-current)	-	1,000	-	-	1,000
Borrowings (current)	417	-	-	-	417
Trade payables	2,539	-	-	-	2,539
Derivative liabilities (non-current)	-	-*	-	-	-*
Derivative liabilities (current)	9	-	-	-	9
Other financial liabilities	562	-	-	-	562
Total	**3,801**	**1,255**	**630**	**1,799**	**7,484**

*Amount less than 0.5 Million

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

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Lease liabilities (non-current) *	-	106	316	242	664
Lease liabilities (current) *	104	-	-	-	104
Borrowings (non-current)	-	1,438	3,452	-	4,890
Borrowings (current)	863	-	-	-	863
Trade payables *	2,604	-	-	-	2,604
Derivative liabilities (non-current)	-	84	87	44	215
Derivative liabilities (current)	377	-	-	-	377
Other financial liabilities *	438	-	-	-	438
Total	**4,386**	**1,628**	**3,855**	**286**	**10,155**

* Excludes the financial liabilities classified as held for sale. Refer note 42.

(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 31 March 2024

(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 2024 and 31 March 2023 are as below:

31 March 2024	USD	EUR	Others
Financial assets			
Trade receivables	3,547	205	0
Cash and cash equivalents	322	57	1
Derivative assets	2,503	-	-
Other financial assets (current)	49	-	-
Financial liabilities			
Borrowings (non-current)	(1,000)	-	-
Borrowings (current)	(417)	-	-
Trade payables	(221)	(35)	(111)
Derivative liabilities	(9)	-	-
Other financial liabilities (current)	(57)	(51)	(312)
Net assets / (liabilities)	**4,718**	**176**	**(422)**

31 March 2023	USD	EUR	Others
Financial assets			
Trade receivables *	4,410	207	-
Cash and cash equivalents	351	41	1
Derivative assets	1,301	-	-
Other financial assets (current)	105	-	-
Financial liabilities			
Borrowings (non-current)	(4,890)	-	-
Borrowings (current)	(863)	-	-
Trade payables *	(400)	(25)	(198)
Derivative liabilities	(592)	-	-
Other financial liabilities (current) *	(114)	(31)	(26)
Net assets / (liabilities)	**(692)**	**192**	**(223)**

* Includes the financial assets and liabilities classified as held for sale. Refer note 42.

Exposure to currency risk (continued)

	Average rate		Year-end spot rate	
INR	31 March 2024	31 March 2023	31 March 2024	31 March 2023
USD 1	82.79	80.29	83.34	82.18
EUR 1	89.76	83.77	89.99	89.11

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 2024	31 March 2023	31 March 2024	31 March 2023
USD Sensitivity				
INR/USD - Increase by 1%	48	(6)	(546)	(660)
INR/USD - Decrease by 1%	(46)	8	548	665
EUR Sensitivity				
INR/EUR - Increase by 1%	2	2	2	2
INR/EUR - Decrease by 1%	(1)	(1)	(1)	(1)

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

(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 forcasted 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 as of 31 March 2024:

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Foreign exchange forward contracts to sell USD	218	136	142	45	541
European style option contracts	91	63	61	19	234

The following table gives details in respect of outstanding foreign exchange forward and option contracts as of 31 March 2023:

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Foreign exchange forward contracts to sell USD	232	151	146	89	618
European style option contracts	94	65	67	38	264
Interest rate swaps used for hedging LIBOR component in External Commercial Borrowings	50	-	-	-	50

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 2024 and 31 March 2023 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 2024	31 March 2023
Variable rate borrowings	1,417	1,644
Fixed rate borrowings	-	4,109
Total borrowings	**1,417**	**5,753**

The Company entered into an external commercial borrowing agreement dated September 21, 2020, to obtain a USD 50 million (Rs. 4,109) term loan facility. The loan carried an interest rate of Libor + 1.30%. However, the same has been classified as at 31 March 2023 as a fixed rate borrowing owing to the company policy to maintain its long-term borrowings at fixed rate using interest rate swaps. (Refer Note 13)

(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. 14 (31 March 2023 : Rs. 16).

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

(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 2024 and 31 March 2023 was as follows:

Particulars	31 March 2024	31 March 2023
Total equity attributable to the equity shareholders of the Company	41,915	36,189
As a percentage of total capital	97%	86%
Borrowings	1,417	5,753
Total borrowings	**1,417**	**5,753**
As a percentage of total capital	3%	14%
Total capital (Equity and Borrowings)	**43,332**	**41,942**

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

(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 2024	31 March 2023
Current tax	998	1,047
Deferred tax:		
MAT credit entitlement	46	109
Others related to:		
Origination and reversal of other temporary differences	(136)	123
Tax expense for the year	**908**	**1,279**
Reconciliation of effective tax rate		
Profit before tax and exceptional item	5,684	6,009
Add: Exceptional item	111	-
Profit before tax	5,573	6,009
Tax at statutory income tax rate 34.94% (31 March 2023 - 34.94%)	1,947	2,100
Tax effects of amounts which are not deductible / (taxable) in calculating taxable income		
Tax incentive and other deductions	(834)	(907)
Non-deductible expense	35	66
Basis difference that will reverse during the tax holiday period	-	(42)
Adjustments for current tax of prior periods	(243)	-
Others	3	62
Income tax expense	**908**	**1,279**

(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 2024	Opening balance	Recognised in profit or loss	Recognised in OCI	Recognised in equity	Closing balance
Deferred tax asset					
MAT credit entitlement	1,618	(47)	-	-	1,571
Defined benefit obligations	164	25	5	-	194
Others	80	(7)	33	88	18
Gross deferred tax assets	**1,862**	**(29)**	**(38)**	**(88)**	**1,783**
Deferred tax liability					
Property, plant and equipment, investment property and intangible assets, net	1,221	(119)	-	(150)	952
Derivatives, net	(154)	-	487	-	333
Gross deferred tax liability	1,067	(119)	487	(150)	1,285
	795	**90**	**(449)**	**62**	**498**
Deferred tax assets / (liabilities) associated with assets held for sale					
Deferred tax assets / (liabilities), net					**498**

For the year ended 31 March 2023	Opening balance	Recognised in profit or loss	Recognised in OCI	Recognised in equity	Closing balance
Deferred tax asset					
MAT credit entitlement	1,727	(109)	-	-	1,618
Defined benefit obligations	152	25	(13)	-	164
Others	24	5	(24)	-	5
Gross deferred tax assets	**1,903**	**(79)**	**(37)**	**-**	**1,787**
Deferred tax liability					
Property, plant and equipment, investment property and intangible assets, net	1,068	153	-	-	1,221

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

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

For the year ended 31 March 2023	Opening balance	Recognised in profit or loss	Recognised in OCI	Recognised in equity	Closing balance
Derivatives, net	164	-	(319)	-	(154)
Others	20	-	(20)	-	-
Gross deferred tax liability	**1,252**	**153**	**(339)**	**-**	**1,067**
	651	**(232)**	**302**	**-**	**720**
Deferred tax assets / (liabilities) associated with assets held for sale					75
Deferred tax assets / (liabilities), net					**795**

(C) During the quarter ended 31 December 2023, the Company recorded Interest income on income tax refund of Rs 158 pursuant to Income Tax Tribunal order for Financial Years 2009-10 and 2010-11 and the same has been presented as income in the financial results under the head 'Other Income'. Instead of providing a cash refund, the tax department has adjusted the refund against tax demands for Financial Years 2011-12, 2013-14, and 2015-16.

(d) Tax expenses is net of reversal of income tax provision amounting to Rs 232 based on favourable tax assessment orders received during the quarter ended 31 March 2024.

31. Contingent liabilities and commitments *(to the extent not provided for)*

	31 March 2024	31 March 2023
(i) Contingent liabilities		
(a) Claims against the Company not acknowledged as debt	**6,321**	**6,219**
The above includes:		
(I) Income tax matters under dispute for notices and orders received relating to financial year 2008-09, 2011-12 to 2018-19 and 2020-21 to 2021-22 (31 March 2023 : financial year 2008 - 09 to 2020 - 21)	6,194	6,206
(II) Indirect tax matters under dispute for notices and orders received relating to financial year 2009-10 to 2017-18 (31 March 2023 : financial year 2009 - 10 to 2017 - 18)	127	13

(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.

	31 March 2024	31 March 2023
(b) Guarantees		
Guarantees given by banks on behalf of the Company for contractual obligations of the Company.	- *	-
The necessary terms and conditions have been complied with and no liabilities have arisen.		
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances	1,666	1,836

* Less than Rs. 0.5 million.

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

(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 2024	Year ended 31 March 2023
Revenue from operations:		
India	1,458	1,223
United States of America	21,178	22,918
Europe	7,718	5,711
Rest of the World	1,676	2,083
Total	**32,031**	**31,935**

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	31 March 2024	31 March 2023
India	32,801	25,479
Outside India	-	-
Total	**32,801**	**25,479**

Note: Non-current assets excludes investments, derivative assets, financial assets and deferred tax assets.

Major customer

Revenue from two customers (31 March 2023 - one customer) of the Company's Revenue from operations aggregates to Rs.12,305 (31 March 2023 - Rs. 6,135) 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. These options are exercisable at an exercise price of Rs. 11.25 [31 March 2023 : Rs. 11.25] per share (Face Value of Rs. 10 per share).

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

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

Details of Grant

Particulars	31 March 2024 No. of options	31 March 2023 No. of options
Outstanding at the beginning of the year	6,10,191	13,42,140
Granted during the year	-	-
Forfeited / lapsed during the year	(6,306)	(30,883)
Exercised during the year	(4,69,762)	(7,01,066)
Outstanding at the end of the year	**1,34,123**	**6,10,191**
Exercisable at the end of the year	61,472	5,49,377
Weighted average exercise price	11.25	11.25
Weighted average share price at the date of exercise during the year (In Rs)	745.7	572.7

The weighted average remaining contractual life for the stock options outstanding as at 31 March 2024 is 3 years [31 March 2023 : 4 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 FY 2020. Each option entitles for one equity share. The options under this grant will vest to the employees as 25%, 25%, 25% and 25% of the total grant at the end of first, second, third and fourth year from the date of first grant, respectively, with an exercise period of 5 years for each grant. The vesting conditions include service terms and performance of the employees. These options are exercisable at an exercise price of Rs. 10 per share (Face Value of Rs. 10 per share).

Details of Grant

Particulars	31 March 2024 No. of options	31 March 2023 No. of options
Outstanding at the beginning of the year	15,73,842	26,27,537
Granted during the year	38,032	89,704
Forfeited during the year	(1,28,204)	(3,26,215)
Exercised during the year	(6,41,587)	(8,17,184)
Outstanding at the end of the year	**8,42,083**	**15,73,842**
Exercisable at the end of the year	5,61,068	5,05,928
Weighted average exercise price	10.00	10.00
Weighted average value of shares granted during the year under Black Scholes Model (In Rs)	584.5	570.0
Weighted average share price at the date of exercise during the year (In Rs)	659.8	569.8

The weighted average remaining contractual life for the stock options outstanding as at 31 March 2024 is 3.34 years [31 March 2023 : 4.34 years].

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

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour

Particulars	31 March 2024	31 March 2023
Dividend yield (%)	0.0%	0.0%
Exercise Price (In Rs)	10	10
Volatility	30.4%	30.4%
Life of the options granted (vesting and exercise period) [in years]	3.5	4.5
Average risk-free interest rate	7.2%	7.3%

Syngene Long Term Incentive Performance Share Plan 2023

The Board of Directors of the Company on 22 March 2023 and the Shareholders of the Company on 23 April 2023 approved the Syngene Long Term Incentive Performance Share Plan 2023. Each option entitles for one equity share. The plan comprises of 3 metrics basis which performance is evaluated and the units shall vest on 31 May after the close of the third financial year for which the performance is being considered i.e. 31 May 2025, with an exercise period of 5 years for each grant. The vesting conditions include service terms of the employees. These options are exercisable at an exercise price of Rs. 10 per share (Face Value of Rs. 10 per share).

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

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

Details of Grant

Particulars	31 March 2024 No. of options	31 March 2023 No. of options
Outstanding at the beginning of the year	-	-
Granted during the year	2,58,254	-
Forfeited during the year	-	-
Exercised during the year	-	-
Outstanding at the end of the year	**2,58,254**	**-**
Exercisable at the end of the year	-	-
Weighted average exercise price	-	-
Weighted average value of shares granted during the year under Black Scholes Model (In Rs)	905.7	-
Weighted average share price at the date of exercise during the year (In Rs)	-	-

The weighted average remaining contractual life for the stock options outstanding as at 31 March 2024 is 1.17 years [31 March 2023 : Nil].

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

Particulars	31 March 2024	31 March 2023
Dividend yield (%)	0.0%	-
Exercise Price (In Rs)	10	-
Volatility	26.2%	-
Life of the options granted (vesting and exercise period) [in years]	6.17	-
Average risk-free interest rate	7.1%	-

Syngene Long Term Incentive Outperformance Share Plan 2023

The Board of Directors of the Company on 22 March 2023 and the Shareholders of the Company on 23 April 2023 approved the Syngene Long Term Incentive Outperformance Share Plan 2023. The performance assessment period for the said plan is FY 2023 to FY 2027 (i.e. 5 years). However, no grants were given to any employees during the year ended 31 March 2024. Accordingly, no accounting has been done in the current financial year.

Syngene Employee Welfare Trust

The assets and liabilities of the aforesaid trust have been accounted for as the assets and liabilities of the Company on the basis that such trust is merely acting as the agent of the company (as given in the table below).

Particulars	31 March 2024	31 March 2023
Assets		
Investments	37	5
Other current assets	5	2
Liabilities		
Reserves	(38)	(27)
Current liabilites	(4)	(5)
Cash and bank balance	**1**	**25**

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 2038. Gross payments for the year aggregate to Rs. 322 (31 March 2023 - Rs. 249).

The weighted average borrowing rate of 8% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

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

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

The following is the movement in lease liabilities during the year ended 31 March 2024:

Particulars	Land	Buildings	Vehicles	Total
Balance at the beginning	316	274	43	633
Additions during the year	-	1,474	30	1,504
Finance cost accrued during the period	21	67	4	91
Deletions	-	-	-	-
Payment of lease liabilities	(38)	(255)	(29)	(322)
Balance at the end	**298**	**1,559**	**48**	**1,905**

The following is the movement in lease liabilities during the year ended 31 March 2023:

Particulars	Land	Buildings	Vehicles	Total
Balance at the beginning	328	1,962	30	2,320
Additions during the year	16	94	38	148
Finance cost accrued during the period	7	152	3	162
Deletions	-	-	(6)	(6)
Lease liabilities associated with assets classified as held for sale	-	(1,743)	-	(1,743)
Payment of lease liabilities	(35)	(192)	(22)	(249)
Balance at the end	**316**	**274**	**43**	**633**

* Less than Rs. 0.5 million.

The following is the break-up of current and non-current lease liabilities:

	31 March 2024	31 March 2023
Current	288	120
Non-current	1,617	513
Total	**1,905**	**633**

* Exclude lease liabilities of Rs. 1,743 classified as held for sale. Refer note 42.

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

	31 March 2024	31 March 2023
Less than one year	274	104
One to five years	885	422
More than five years	1,799	242
Total	**2,958**	**768**

Excludes the undiscounted contractual maturities classified as held for sale. Refer note 42.

The following are the amounts recognised in the statement of profit or loss:

	31 March 2024	31 March 2023
Depreciation expenses on right of use-assets	184	170
Interest expenses on lease liabilities	91	162
Rent (Refer note 25)	53	44
Total	**329**	**376**

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

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

35. Exceptional items

The Company has incurred transaction costs of Rs 111 relating to the acquisition of multi modal facility (Unit 3) from Stelis Biopharma Limited (SBL) and the same has been presented under Exceptional items in this Standalone financial statement for the year ended 31 March 2024

36. 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.

	31 March 2024	31 March 2023
(a) Amount required to be spent by the Company during the year	101	98
(b) Amount unspent of previous years shortfall	31	70
(c) Amount spent during the year (in cash)		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	122	137
(d) Amount unspent and carried forward to next year	10	31

(e) Details of unspent obligations:

Details of ongoing project and other than ongoing project

In case of Section 135(5) of the Companies Act, 2013 (Ongoing project)

Opening balance as at 1 April 2023		Amount required to be spent during the year	Amount spent during the year		Closing balance as at 31 March 2024	
With Company	In Separate CSR Unspent		From Company's bank account	From Separate CSR Unspent account	With Company	In Separate CSR Unspent account
-	31	3	-	21	-	10

In case of Section 135(5) of the Companies Act, 2013 (Other than ongoing project)

Opening Balance as at 1 April 2023	Amount deposited in specified fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance as at 31 March 2024
-	-	-	-	-

In case of Section 135(5) of the Companies Act, 2013 (Ongoing project)

Opening balance as at 1 April 2022		Amount required to be spent during the year	Amount spent during the year		Closing balance as at 31 March 2023	
With Company	In Separate CSR Unspent		From Company's bank account	From Separate CSR Unspent account	With Company	In Separate CSR Unspent account
-	60	-	-	45	-	31

In case of Section 135(5) of the Companies Act, 2013 (Other than ongoing project)

Opening Balance as at 1 April 2022	Amount deposited in specified fund of Schedule VII within 6 months	Amount required to be spent during the year		Amount spent during the year		Closing balance as at 31 March 2023
-	-	-		-		-

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

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

37. Earnings per equity share (EPS)

	31 March 2024	31 March 2023
Earnings		
Profit for the year	4,665	4,730
Shares		
Basic outstanding shares	402,015,000	401,434,500
Add: number of shares vested but not yet exercised	608,429	1,050,649
Less: Weighted average shares held with the ESOP Trust	(1,243,697)	(1,826,721)
Weighted average shares used for computing basic EPS	**401,379,732**	**400,658,428**
Add: Effect of dilutive options granted but not yet exercised / not yet eligible for exercise	591,816	2,961,829
Weighted average shares used for computing diluted EPS	**401,971,548**	**403,620,257**
Earnings per equity share		
Basic (in Rs.)	11.62	11.81
Diluted (in Rs.)	11.61	11.72

38. Financial ratios:

Ratio	Numerator	Denominator	31 March 2024	31 March 2023	Variance %
(a) Net profit ratio	Profit for the year *	Total income	15%	14%	0.1%
(b) Return on equity ratio	Profit for the year *	Average equity	12%	14%	-11%
(c) Debt equity ratio	Borrowings	Equity	3%	16%	-79%
(d) 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	2.08	3.31	-37%
(e) Return on investment	Interest income on deposits + Net gain on mutual funds	Average Investment in deposits and mutual funds	6%	5%	16%
(f) Return on capital employed	Earnings before interest and taxes* = Net profit before tax and exceptional item + Finance costs	Capital Employed = Tangible Net Worth (Total equity - Intangibles assets) + Total Borrowings - Deferred Tax Asset	14%	16%	-10%
(g) Net capital turnover ratio	Revenue from operations	Average Working capital Current assets – Current liabilities	3.28	2.94	12%
(h) Current ratio	Current assets	Current liabilities	1.69	2.04	-17%
(i) Inventory turnover ratio	Cost of chemicals sold = Purchases of chemicals, reagents and consumable + Changes in inventories	Average inventory	3.16	3.36	-6%
(j) Trade receivable turnover ratio	Revenue from operations	Average trade receivable	7.03	6.43	9%
(k) Trade payable turnover ratio	Total supply purchases = Purchases of chemicals, reagents and consumables + Changes in inventories + Other expenses	Average trade payables	5.86	5.67	3%

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

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

(j) Trade receivable turnover ratio	Revenue from operations	Average trade receivable	7.03	6.43	9%
(k) Trade payable turnover ratio	Total supply purchases = Purchases of chemicals, reagents and consumables + Changes in inventories + Other expenses	Average trade payables	5.86	5.67	3%

* excludes exceptional items in the computation of operational performance ratios

Explanation for variance more than 25% in the above ratios:

(i) Improvement in debt equity ratio is due to repayment of borrowings for Rs. 4,356 during the year ended 31 March 2024.

(ii) Decline in debt service coverage ratio is primarily due to repayment of borrowings for Rs. 4,356 during the year ended 31 March 2024.

39. 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 classifed as wilful defaulter by Reserve Bank of India.

(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.

40. On 26 April 2023, the Board of Directors of the Company have approved an allotment of 580,500 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 FY 2020.

41. Acquisition through slump sale :On 02 August 2022, the Company's Board of Directors approved the acquisition of certain laboratory facilities along with a team of scientists from Biofusion Therapeutics Limited, a fellow subsidiary, through a slump sale of assets and liabilities for a consideration of Rs. 182. In accordance with Ind AS 103, Business combinations, the acquisition qualified to be a business combination between entities under common control. Accordingly, acquisition was accounted for at book values with the difference between consideration paid and balances taken over being recorded in reserves as an adjustment to retained earnings of Rs.302. The financial information, in respect of prior periods, as if the business combination had occurred from the beginning of the preceding period in these standalone financial statements have not been restated as the impact was considered to be immaterial.

The following table summarises major class of the assets and liabilities acquired through slump sale as on date of acquisition:

Assets	
Property, plant and equipment	518
Other current assets	1
	519
Liabilities	
Borrowings	548
Employee benefit provisions	10
Trade payables	78
Other financial liabilities	3
	639

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

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

42. Non-current assets held for sale :

On 23 January 2023, the Company announced the decision of its Board of Directors to transfer the operations of the Company in Hyderabad under a slump sale arrangement to Syngene Scientific Solutions Limited ("SSSL"), a Wholly owned subsidiary of the Company with effect from 01 April 2023. At 31 March 2023, the above transfer was classified as a disposal group held for sale.

The following table summarises major class of the assets and liabilities classified as held for sale as at 31 March 2023:

	31 March 2023
Assets	
Property, plant and equipment	2,491
Right-of-use assets	1,582
Working capital and others	1,217
Assets held for sale	5,290
Liabilities	
Lease Liabilities	1,743
Working capital and others	376
Liabilities associated with assets held for sale	**2,119**
Net assets associated with disposal group	**3,171**

Effective 01 April 2023, the Company has transferred to SSSL the above net assets.

43. Acquisition through Slump Sale:

On 04 July 2023, the Company's Board of Directors entered into a binding term sheet for acquiring Unit 3 biologics manufacturing facility in Bangalore, India, from Stelis Biopharma Limited (SBL). The unit has been acquired effective 01 December 2023 on a slump sale basis at a total cash consideraion of Rs. 5,632.

The acquisition will add 20,000 litres of installed biologics drug substance manufacturing capacity for Syngene. The site has the potential for future expansion of up to a further 20,000 litres of biologics drug substance manufacturing capacity. It also includes a commercial scale, high speed, fill-finish unit – an essential capability for drug product manufacturing.

The Company has carried out a preliminary purchase price allocation between tangible assets and other balances taken over to assess the fair value as on the acquisition date and accordingly recorded a capital reserve of Rs 39. These initial estimates will be finalized over the next few quarters not exceeding twelve-month period allowed under the accounting requirements.

The following table summarises major class of the assets and liabilities taken over:

Particulars	
Property, plant and equipment	6,207
Other assets	104
Capital creditors	(638)
Other liabilities	(2)
Value of business taken over (A)	**5,671**
Purchase consideraion (B)	**5,632**
Capital reserve (C=B-A)	**(39)**

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

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

44. On 26 April 2023, the Board of Directors recommended a final dividend of Rs. 1.25 per equity share of Rs. 10/- (comprising a regular dividend of Rs.0.5 per share and a special additional dividend of Rs. 0.75 per share to mark the 30th anniversary of the founding of the Company in November 1993). The share holders approved the dividend in the Annual General Meeting held on 26 July 2023 and was subsequently paid.

45 Events after reporting period:

(a) On 24 April 2024, the Board of Directors of the Company have approved an allotment of 521,981 equity shares of Rs. 10/- (Rupees Ten each) of the Company to Syngene Employee Welfare Trust at face value pursuant to the shareholder's 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 FY 2020.

(b) On 24 April 2024, the Board of Directors recommended a final dividend of Rs. 1.25 per equity share of Rs. 10/-. The proposed dividend is subject to the approval of the shareholders in the Annual General Meeting.

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

G Prakash
Partner
Membership number: 099696

Bengaluru
Date: 24 April 2024

for **and on behalf of the Board of Directors of Syngene International Limited**

Kiran Mazumdar Shaw
Chairperson
DIN: 00347229

Jonathan Hunt
Managing Director and Chief Executive Officer
DIN: 07774619

Sibaji Biswas
Executive Director and Chief Financial Officer
DIN: 06959449

Priyadarshini Mahapatra
Company Secretary
FCS Number: F8786

Bengaluru
Date: 24 April 2024

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") and its subsidiaries (Holding Company and subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and Notes to the consolidated financial statement, including material accounting policies and other explanatory information , (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2024, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained 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.

Revenue from operations

Refer Note 2(l) and 18 to the consolidated financial statements

The key audit matter

- The Company's revenue is derived from contract research, development and manufacturing activities.
- Overstatement of revenue is a presumed fraud risk considering the Company has pressure to meet external market expectations of reporting higher revenues.
- The Company has various contractual arrangements with customers which are entered into at various stages of research and development. The Company, in line with Ind AS
- 115 recognises revenue based on the contractual terms and performance obligations with customers.
- The Company, in certain instances, also has bill and hold arrangements that meet the criteria mentioned for such arrangements under Ind AS 115: Revenue from Contracts with Customers, wherein revenues are recognized prior to the physical transfer of the good on the basis of specific requests from the customers to hold back the delivery of goods at period end.
- The above factors result in revenue being identified as a key audit matter. and assessed compliance with the policies in terms of applicable accounting standards.

How the matter was addressed in our audit

Our audit procedures in relation to revenue recognition includes the following:

- We have assessed the appropriateness of the Company's revenue recognition accounting policies
- We tested the design and implementation, operating effectiveness of the Company's controls around revenue recognition including general IT controls and key IT application controls.
- We have performed substantive testing (including year-end cut-off testing) by selecting samples of revenue transactions recorded during the year and verifying the underlying documents, which includes sales invoices/contracts, shipping and delivery documents.
- We have tested the specific requests from customers at the period end to evaluate transfer of control relating to the bill and hold arrangements. We evaluated the timing of recognition of revenue from these arrangements proposed by the Company for compliance with Ind AS 115: Revenue from Contracts with Customers.
- We have assessed manual journal entries posted to revenue to identify unusual items not already covered by our audit testing.

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 the Management Reports such as Board's Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility and Sustainability Report, but does not include the financial statements and auditor's report thereon, which we obtained prior to the date of this auditor's report, and the 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 and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed and other information that we obtained prior to the date of this auditor's report on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections of the Annual Report (other than those mentioned above), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Management's and Board of Directors'/Board of Trustees Responsibilities for the 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 /Board of Trustees of the companies/Trust included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company/Trust and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors

/Board of Trustees of the companies/Trust included in the Group are responsible for assessing the ability of each company/Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors/Board of Trustees either intends to liquidate the Company/Trust or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors /Board of Trustees of the companies/Trust included in the Group are responsible for overseeing the financial reporting process of each company/Trust.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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, to the extent applicable, that:

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.

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 except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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.

In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

On the basis of the written representations received from the directors of the Holding Company as on 01 April 2024 taken on record by the Board of Directorsof the Holding Company and the reports of the statutory auditor of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group. Refer Note 31 to the consolidated financial statements.

b. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 28 to the consolidated financial statements in respect of such items as it relates to the Group.

c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2024. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by its subsidiary companies incorporated in India during the year ended 31 March 2024.

d (i) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 39(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 companies, to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiary companies, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 39(vi) to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies, from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies, shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. As stated in Note 43(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. The subsidiary companies of the Holding Company, incorporated in India, have neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, except for the instances mentioned below, the Group has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software:

(i) For data changes performed by users having privileged access (debug)

(ii) At the application level for certain fields / tables relating to all the significant financial processes

(iii) At the database level to log any direct data changes

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

A. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies 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

G Prakash
Partner
Membership No.: 099696
ICAI UDIN:24099696BKGPRR9841

Place: Bengaluru
Date: 24 April 2024

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Syngene International Limited for the year ended 31 March 2024

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

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/Sub sidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Syngene Scientific Solutions Limited	U73200KA2022 PLC164804	Subsidiary	3 (ix)(d),(xvii)
2	Syngene Manufacturing Solutions Limited	U24290KA2022 PLC165409	Subsidiary	3(xvii)

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

G Prakash
Partner
Membership No.: 099696
ICAI UDIN:24099696BKGPRR9841

Place: Bengaluru
Date: 24 April 2024

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Syngene International Limited for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) 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 Syngene International Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

G Prakash
Partner
Membership No.: 099696
ICAI UDIN:24099696BKGPRR9841

Place: Bengaluru
Date: 24 April 2024

Consolidated Balance Sheet As At 31 March 2024

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

	Note	31 March 2024	31 March 2023
Assets			
Non-current assets			
Property, plant and equipment	3 (a)	23,783	23,834
Capital work-in-progress	3 (a)	8,368	1,769
Right-of-use assets	3 (b)	4,024	2,169
Investment property	3 (c)	411	481
Other intangible assets	4	282	185
Intangible assets under development	4 (b)	13	-
Financial assets			
(i) Investments	5(a)	347	941
(ii) Derivative assets		1,847	841
(iii) Other financial assets	6(a)	384	1,511
Deferred tax assets (net)	7	407	696
Income tax assets (net)		1,923	1,381
Other non-current assets	8(a)	137	249
Total non-current assets		**41,926**	**34,057**
Current assets			
Inventories	9	2,385	3,328
Financial assets			
(i) Investments	5(b)	5,132	8,244
(ii) Trade receivables	10	4,416	5,293
(iii) Cash and cash equivalents	11(a)	857	895
(iv) Bank balances other than (iii) above	11(b)	4,778	4,422
(v) Derivative assets		694	460
(vi) Other financial assets	6(b)	206	552
Other current assets	8(b)	1,122	1,059
Total current assets		**19,590**	**24,253**
Total assets		**61,516**	**58,310**

Consolidated Balance Sheet As At 31 March 2024

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

Particulars	Note	31 March 2024	31 March 2023
Equity And Liabilities			
Equity			
Equity share capital	12 (a)	4,020	4,014
Other equity	12 (b)	38,558	32,166
Total equity		**42,578**	**36,180**
Liabilities			
Non-curren t liabilities			
Financial liabilities			
(i) Borrowings	13(a)	1,000	4,890
(i)(a) Lease liabilities	35	3,651	2,142
(ii) Derivative liabilities		-	215
Provisions	14(a)	407	437
Other non-current liabilities	15(a)	2,438	2,564
Total non-current liabilities		**7,496**	**10,248**
Current liabilities			
Financial liabilities			
(i) Borrowings	13(b)	417	863
(i) (a)Lease liabilities	35	484	257
(ii) Trade payables	16		
total outstanding dues of micro and small enterprises		200	166
total outstanding dues of creditors other than micro and small enterprises		2,355	2,414
(iii) Derivative liabilities		10	377
(iv) Other financial liabilities	17	665	582
Provisions	14(b)	727	510
Current tax liabilities (net)		476	147
Other current liabilities	15(b)	6,109	6,566
Total current liabilities		**11,442**	**11,882**
Total equity and liabilities		**61,516**	**58,310**

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

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

G Prakash
Partner
Membership number: 099696

Bengaluru
24 April 2024

for **and on behalf of the Board of Directors of Syngene International Limited**

Kiran Mazumdar Shaw
Chairperson
DIN: 00347229

Jonathan Hunt
Managing Director and Chief Executive Officer
DIN: 07774619

Sibaji Biswas
Executive Director and Chief Financial Officer

Priyadarshini Mahapatra
Company Secretary
FCS Number: F8786

Bengaluru
24 April 2024

Consolidated Statement of Profit and Loss for the year ended 31 March 2024

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

	Note	Year ended 31 March 2024	Year ended 31 March 2023
Income			
Revenue from operations	18	34,886	31,929
Other income	19	906	709
Total income		**35,792**	**32,638**
Expenses			
Cost of chemicals, reagents and consumables consumed	20	8,736	9,022
Changes in inventories of finished goods and work-in-progress	21	566	(420)
Employee benefits expense	22	8,887	8,417
Finance costs	23	472	452
Depreciation and amortisation expense	24	4,259	3,665
Other expenses	25	5,995	5,148
Foreign exchange fluctuation loss/ (gain), net		558	418
Total expenses		**29,473**	**26,702**
Profit before tax and exceptional items		**6,319**	**5,936**
Exceptional items	36	111	-
Profit before tax		**6,208**	**5,936**
Tax expense	**30**		
Current tax		1,230	1,061
Deferred tax			
MAT credit entitlement		46	109
Other deferred tax		(168)	122
Total tax expense		**1,108**	**1,292**
Profit for the year		**5,100**	**4,644**
Other comprehensive income			
(i) Items that will not be reclassified subsequently to profit or loss			
Re-measurement on defined benefit plans		(25)	61
Changes in the Fair Value of equity investments at FVTOCI		(94)	109
Income tax effect		39	(37)
(ii) Items that will be reclassified subsequently to profit or loss			
Effective portion of gains/(losses) on hedging instrument in cash flow hedges		1,993	(1,444)
Income tax effect		(487)	339
Other comprehensive income for the year, net of taxes		**1,426**	**972**
Total comprehensive income for the year		**6,526**	**3,672**

Consolidated Statement of Profit and Loss for the year ended 31 March 2024

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

	Note	Year ended 31 March 2024	Year ended 31 March 2023
Profit attributable to:			
Shareholders of the Company		5,100	4,644
Non-controlling interest		-	-
Profit for the year		**5,100**	**4,644**
Other comprehensive income attributable to:			
Shareholders of the Company		1,426	(972)
Non-controlling interest		-	-
Other comprehensive income for the year		**1,426**	**(972)**
Total comprehensive income attributable to:			
Shareholders of the Company		6,526	3,672
Non-controlling interest		-	-
Total comprehensive income for the year		**6,526**	**3,672**
Earnings per equity share	38		
Basic (in Rs)		12.71	11.59
Diluted (in Rs)		12.69	11.51

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

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

G Prakash
Partner
Membership number: 099696

Bengaluru
24 April 2024

for **and on behalf of the Board of Directors of Syngene International Limited**

Kiran Mazumdar Shaw
Chairperson
DIN: 00347229

Jonathan Hunt
Managing Director and Chief Executive Officer
DIN: 07774619

Sibaji Biswas
Executive Director and Chief Financial Officer

Priyadarshini Mahapatra
Company Secretary
FCS Number: F8786

Bengaluru
24 April 2024

Consolidated Statement of Changes in Equity for the year ended 31 March 2024

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

(A) Equity share capital	31 March 2024	31 March 2023
Opening balance	4,014	4,008
Issue of shares during the year	6	6
Closing balance	**4,020**	**4,014**

(B) Other equity [refer note 12(b)]

Particulars	Reserves and surplus								Items of other comprehensive income		
	Securities premium	General reserve	Capital reserve	Treasury shares	Retained earnings	Re-measurement on defined benefit plans	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 2022	1,711	-	-	(40)	25,783	(33)	-	875	672	-	28,968
Profit for the year	-	-	-	-	4,644	-	-	-	-	-	4,644
Other comprehensive income, net of tax	-	-	-	-	-	133	-	-	(1,105)	-	(972)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**4,644**	**133**	**-**	**-**	**(1,105)**		**3,672**
Transactions recorded directly in equity											
Exercise of share options	456	-	-	-	-	-	-	(456)	-	-	-
Purchase of treasury shares	-	-	-	(7)	-	-	-	-	-	-	(7)
Dividend including dividend distribution tax	-	-	-	-	(401)	-	-	-	-	-	(401)
Share based payment	-	-	-	-	-	-	-	235	-	-	235
Transfer to SEZ reinvestment reserve	-	-	-	-	(1,100)	-	1,100	-	-	-	-
Transfer from SEZ reinvestment reserve	-	-	-	-	1,100	-	(1,100)	-	-	-	-
Impact of common control business combination (refer note 41)		-			(301)	-	-	-	-	-	(301)
Balance as at 31 March 2023	**2,167**	**-**	**-**	**(47)**	**29,725**	**100**	**-**	**654**	**(433)**	-	**32,166**
Profit for the year	-	-	-	-	5,100		-	-	-	-	5,100
Other comprehensive income, net of tax	-	-	-	-	-	(20)	-	-	1,506	(61)	1,424
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**5 ,100**	**(20)**	**-**	**-**	**1,506**	**(61)**	**6,525**
Transactions recorded directly in equity								-		-	-
Exercise of share options	-	-	-	-	38	-	-		-	-	38
Purchase of treasury shares	-	-	-	(6)	-	-	-	-	-	-	(6)
Dividend including dividend distribution tax	-	-	-	-	(503)	-	-	-	-	-	(503)
Share based payment	-	-	-	-	-	-	-	36	-	-	36
Transfer to SEZ reinvestment reserve	-	-	-	-	(650)	-	650	-	-	-	-
Transfer from SEZ reinvestment reserve	-	-	-	-	650	-	(650)	-	-	-	-
Lease transfer	-	261	-	-	-	-	-	-	-	-	261
Impact of common control business combination (refer note 43)	-	-	39	-	-	-	-	-	-	-	39
Balance as at 31 March 2024	**2,167**	**261**	**39**	**(53)**	**34,361**	**80**	**-**	**690**	**1,073**	**(61)**	**38,558**

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

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

for **and on behalf of the Board of Directors of Syngene International Limited**

G Prakash
Partner
Membership number: 099696

Kiran Mazumdar Shaw
Chairperson
DIN: 00347229

Jonathan Hunt
Managing Director and Chief Executive Officer
DIN: 07774619

Sibaji Biswas
Executive Director and Chief Financial Officer

Priyadarshini Mahapatra
Company Secretary
FCS Number: F8786

Bengaluru
24 April 2024

Bengaluru
24 April 2024

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

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

	Year ended 31 March 2024	Year ended 31 March 2023
I Cash flows from operating activities		
Profit for the year	5,100	4,644
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	4,259	3,665
Loss on assets scrapped	25	75
Provision for doubtful receivables	49	(17)
Bad debts written off	6	10
Share based compensation expense	5	236
Interest expense	451	345
Unrealised foreign exchange loss	(36)	245
Net gain on sale of current investments	(144)	(106)
Interest income	(603)	(604)
Interest on income tax refund	(158)	-
Reversal of inventory provisions due to change in accounting estimate	(203)	-
Tax expenses	1,108	1,292
Operating profit before working capital changes	**9,859**	**9,785**
Movements in working capital		
Decrease/ (increase) in inventories	1,146	(1,534)
Decrease/ (increase) in trade receivables	867	69
Decrease/ (increase) in other assets	827	(739)
Increase/ (decrease) in trade payables, other liabilities and provisions	(1,027)	2,022
Cash generated from operations	**11,671**	**9,603**
Income taxes paid (net of refunds)	(1,251)	(1,368)
Net cash flow generated from operating activities	**10,421**	**8,235**
II Cash flows from investing activities		
Payment for acquisition of business, net of cash acquired	(5,532)	(182)
Purchase of property, plant and equipment	(4,920)	(5,066)
Sale of property, plant and equipment	221	-
Purchase of intangible assets	(188)	(117)
Investment in equity shares	-	(29)
Investment in bank deposits and inter corporate deposits	(12,467)	(11,332)
Redemption/ maturity of bank deposits and inter corporate deposits	17,803	8,759
Interest received	815	540
Proceeds from sale of current investments	27,352	17,169
Purchase of current investments	(28,040)	(16,306)
Net cash flow used in investing activities	**(4,956)**	**(6,564)**
III Cash flows from financing activities		
Proceeds/ (repayments) of long term borrowings	(3,904)	-
Proceeds/ (repayments) from short term borrowings, net	(452)	(2,581)
Repayment of lease liabilities	(367)	(98)
Dividend paid	(503)	(401)
Interest paid	(288)	(345)
Net cash flow generated from/ (used in) financing activities	**(5,515)**	**(3,425)**
IV Net increase/ (decrease) in cash and cash equivalents (I+II+III)	**(50)**	**(1,754)**
V Effect of exchange difference on cash and cash equivalents held in foreign currency	11	31
VI Cash and cash equivalents at the beginning of the year	895	2,618
VII Cash and cash equivalents at the end of the year (IV+V+VI)	**857**	**895**
Components of cash and cash equivalents as at the end of the year		
Cash on hand	- *	- *
Balances with banks	857	895
Total cash and cash equivalents [refer note 11(a)]	**857**	**895**
Restricted cash balance [refer note 11 (ii)]	1	25

* Less than Rs. 0.5 million.

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

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

Change in liability arising from financing activities

	1 April 2023	Cash Flow	Non cash movement	31 March 2024
Borrowings (including current maturities)	5,753	(4,356)	20	1,417
Lease liability (including current)	2398	(367)	2,104	4,136
	8,151	**(4,723)**	**2,124**	**5,552**

	1 April 2022	Cash Flow	Non cash movement	31 March 2023
Borrowings (including current maturities)	7,896	(2,581)	438	5,753
Lease liability (including current)	2,320	(251)	329	2,398
	10,216	**(2,832)**	**767**	**8,151**

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 number: 101248W/W-100022

G Prakash
Partner
Membership number: 099696

Bengaluru
24 April 2024

for **and on behalf of the Board of Directors of Syngene International Limited**

Kiran Mazumdar Shaw
Chairperson
DIN: 00347229

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Managing Director and Chief Executive Officer
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Sibaji Biswas
Executive Director and Chief Financial Officer

Priyadarshini Mahapatra
Company Secretary
FCS Number: F8786

Bengaluru
24 April 2024

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

1. Company Overview

1.1 Reporting entity

Syngene International Limited ("Syngene" or "the parent company" or "the Company"), together with its subsidiary (collectively, the "Group") is engaged in providing contract research and manufacturing services from lead generation to clinical supplies to pharmaceutical and biotechnology companies worldwide. Syngene's services include integrated drug discovery and development capabilities in medicinal chemistry, biology, in vivo pharmacology, toxicology, custom synthesis, process R&D, cGMP manufacturing, formulation and analytical development along with Clinical development services. The Company is a public limited company incorporated and domiciled in India and has its registered office in Bengaluru, Karnataka, India. The Company's shares are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) in India.

1.2 Basis of preparation of financial statements

a) *Statement of compliance*

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

The Company had incorporated its wholly owned overseas subsidiary, Syngene USA Inc., USA ('the Subsidiary') during the year ended 31 March 2018 and operational from 1st November 2017. Further, the Company incorporated two new entities in the current financial year i.e. Syngene Scientific Solutions Limited and Syngene Manufacturing Solutions Limited, operational from 10th August 2022 and 26th August 2022, respectively. Both the entities are wholly owned subsidiaries of the Company.

These consolidated financial statements have been prepared for the Group as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, 31 March 2024. These consolidated financial statements were authorised for issuance by the Company's Board of Directors on 24 April 2024.

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

b) *Functional and presentation currency*

These consolidated financial statements are presented in Indian rupees (INR), which is also the functional currency of the parent company. All amounts have been rounded-off to the nearest million, unless otherwise indicated. In respect of subsidiaries whose operations are self-contained and integrated, the functional currency has been determined to be the currency of the primary economic environment in which the entity operates. Accordingly, the financial statements of subsidiaries are presented in INR except that of Syngene USA Inc. which are prepared in United States Dollar (USD).

c) *Current/non-current distinction*

An entity shall classify an asset as current when:

(a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle

(b) it holds the asset primarily for the purpose of trading

(c) it expects to realise the asset within twelve months after the reporting period or

(d) the asset is cash or a cash equivalent (as defined in Ind AS 7, Statement of Cash Flows) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets shall be classified as non-current.

An entity shall classify a liability as current when:

(a) it expects to settle the liability in its normal operating cycle

(b) it holds the liability primarily for the purpose of trading

(c) the liability is due to be settled within twelve months after the reporting period or

(d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities shall be classified as non-current.

The operating cycle of an entity is the time between the acquisition of assets for processing and their realisation in the form of cash or cash equivalents. Where the entity's normal operating cycle is not clearly identifiable, its duration is assumed to be 12 months.

d) *Basis of measurement*

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

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

e) *Use of estimates and judgements*

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

Judgements

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

- Note 2(c) and 28 — Financial instruments;
- Note 2(d), 2(e) and 2(f) — Useful lives of property, plant and equipment, investment property and other intangible assets;
- Note 2(g) and 43 — Business Combination
- Note 2(l) and 18 — Revenue Recognition: whether revenue from sale of compounds is recognised over time or at a point in time;
- Note 2(o), 30 and 31 — Provision for income taxes and related tax contingencies;
- Note 2(q) and 35 — Leases;

1.3 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant impact resulting in a material adjustment in the year ending 31 March 2024 is included in the following notes:

- Note 2(i)(i) and 28 – impairment of financial assets;
- Note 2(i)(ii) – impairment of non-financial assets;
- Note 2(j) and 27 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 7 and 30 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used; and
- Note 14 and 31 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Note 34 – share based payments.

1.4 Measurement of fair values

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

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

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

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

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

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

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

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

- Note 2(c) and 28 – financial instruments;
- Note 3(c) – investment property; and
- Note 34 – share based payments;

2. Significant accounting policies

a) *Basis of consolidation*

i. Subsidiary

Subsidiary is entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The financial statements of the Group are consolidated on line-by-line basis. Intra-group transactions, balances and any unrealised gains arising from intra-group transactions, are eliminated. Unrealised losses are eliminated, but only to the extent that there is no evidence of impairment. All temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions are recognised as per Ind AS 12, *Income Taxes.*

For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been kept consistent with the policies adopted by the Group.

Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

ii. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in statement of profit or loss.

b) *Foreign currency*

i. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of companies at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in statement of profit or loss, except exchange differences arising from the translation of the qualifying cash flow hedges to the extent that the hedges are effective which are recognised in OCI.

Under previous GAAP exchange differences arising on restatement of long-term foreign currency monetary items related to acquisition of depreciable assets was added to/ deducted from the cost of the depreciable assets. In accordance with Ind AS 101 First time adoption of Indian Accounting Standards the Group continues the above accounting treatment in respect of the long-term foreign currency monetary items recognised in the financial statements as on 31 March 2016.

ii. Foreign operations

The assets and liabilities of foreign operations (subsidiary) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Foreign currency translation differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

c) *Financial instruments*

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated and are measured at the transaction price. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

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

- amortised cost;
- FVOCI – equity investment; or
- FVTPL

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

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

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

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

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

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

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

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

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

Equity investments

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss. However, see Note 28 for derivatives designated as hedging instruments.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses classifiable as borrowing costs in accordance with Ind AS 23, "Borrowing Costs" are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

iii. Derecognition

Financial assets

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

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

Financial liabilities

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

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

iv. Offsetting

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

v. Derivative financial instruments and hedge accounting

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

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

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

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

Cash flow hedges

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

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

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

vi. Treasury shares

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

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

vii. Cash and cash equivalents

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

Cash dividend to equity holders

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

d) Property, plant and equipment

i. Recognition and measurement

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

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

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

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

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

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

ii. Depreciation

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

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

Asset	Asset classification	Management estimate of useful life	Useful life as per Schedule II
Building	Building	25-30 years	30 years
Plant and equipment (including electrical installation and laboratory equipment)	Plant and equipment	9-14 years	8-20 years
Computers and servers	Plant and equipment	3 years	3-6 years
Office equipment	Office equipment	3 years	5 years
Furniture and fixtures	Furniture and fixtures	6 years	10 years
Vehicles	Vehicles	6 years	6-10 years
Leasehold improvements	Building or Plant and equipment	Useful life or lease period whichever is lower	

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

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

iii. Reclassification to investment property

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

e) *Investment property*

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

Based on technical evaluation and consequent advice, the management believes a period of 3 to 25 years as representing the best estimate of the period over which investment property (which are quite similar) are expected to be used. Accordingly, the Group depreciates investment property over a period of 3 to 25 years on a straight-line basis. The estimated useful life of assets in investment property are different from the indicative useful lives of relevant type of asset mentioned in Part C of Schedule II to the act as follows:

Asset	Management estimate of useful life	Useful life as per Schedule II
Building	25 years	30 years
Plant and equipment (including electrical installation and laboratory equipment)	9-11 years	8-20 years
Computers	3 years	3-6 years
Office equipment	3 years	5 years
Furniture and fixtures	6 years	10 years

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

f) *Other intangible assets*

Internally generated: Research and Development:

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

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

Others

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

i. Subsequent expenditure

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

ii. Amortisation

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

— Computer software	5 years
— Intellectual property right	5-10 years

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

g) *Business combination*

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

h) *Inventories*

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

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

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

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

i) *Impairment*

i Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets measured at amortised cost.

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

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

ii Impairment of non-financial assets

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

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

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

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

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

j) Employee benefits

i Short-term employee benefits

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

ii Post-employment benefits:

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

Gratuity

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

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

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

Provident Fund

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

iii Compensated absences

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

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

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

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

iv Share-based compensation

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

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

k) Provisions (other than for employee benefits)

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

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

Onerous contracts

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

l) Revenue recognition:

i. Contract research and manufacturing services income

The Group derives revenues primarily from Contract research and manufacturing services income. Revenue is recognised upon transfer of control of promised services or compounds to customers in an amount that reflects the consideration we expect to receive in exchange for those services or compounds.

Arrangement with customers for Contract research and manufacturing services income are either on a time-and-material basis or fixed price.

In respect of contracts involving research services, in case of 'time and materials' contracts, contract research fee are recognised as services are rendered, in accordance with the terms of the contracts. Revenue from contracts are recorded net of allowances for estimated rebates and cash discounts, as per contractual terms.

Revenues relating to fixed price contracts are recognised based on the milestones completion and for manufacturing services (large molecules) revenue is recognised based on the percentage of completion method determined based on cost incurred as a proportion to total estimated cost. The Group monitors estimates of total contract revenue and cost on a routine basis throughout the contract period. The cumulative impact of any change in estimates of the contract revenue or costs is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.

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

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

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

The Group collects Goods and service tax, (GST) as applicable, on behalf of the Government and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue.

ii. Rental income

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

iii Contribution received from customers towards property, plant and equipment

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

iv Dividends

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

v. Interest Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

m) *Government grants*

The Group recognises Government grants only at their fair value when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants received in relation to assets are recognised as deferred income and amortised over the useful life of such asset. Grants related to income are recognised in statement of profit and loss as other operating revenues or deducted in reporting the related expense based on the terms of the grant, as applicable.

n) *Foreign currency Transactions and translations:*

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

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

o) *Income taxes*

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

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

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

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

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

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

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

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

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

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

p) *Borrowing cost*

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

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

q) Leases

i. The Group as lessee:

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

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

At the date to commencement of lease, the Group recognises a Right-of-use assets ("ROU") and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with the term of twelve months or less (short term leases) and low value leases. For short term and low value lease, the Group recognises the lease payment as an operating expense on straight line basis over the term of lease.

Certain lease agreements include an option to extend or terminate the lease before the end of lease term. ROU assets and the lease liabilities includes these options when it is reasonably certain that they will be exercised.

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

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

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

(ii) The Group as a Lessor:

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

r) Earnings per share

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

s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

t) Exceptional items

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

Notes to the consolidated financial statement for the year ended 31 march 2024

(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 (b)]	Plant and equipment [refer note (c)]	Office equipments	Furniture and fixtures	Vehicles	Total	Capital work-in-progress
Gross carrying amount								
At 1 April 2022	703	6,520	27,631	192	724	39	35,809	3,464
Additions	-	368	5,413	2	227	2	6,012	4,317
Disposals / other adjustments	-	(101)	(179)	(1)	-	(14)	(295)	(6,012)
At 31 March 2023	**703**	**6,787**	**32,865**	**193**	**951**	**27**	**41,526**	**1,769**
Additions(refer note 43)	434	184	3,216	2	95	19	3,950	10,548
Disposals	-	(7)	(1,442)	(9)	(38)	(5)	(1,501)	(3,950)
At 31 March 2024	**1,137**	**6,964**	**34,639**	**186**	**1,008**	**41**	**43,975**	**8,368**
Accumulated depreciation								
At 1 April 2022	-	1,314	12,673	167	404	22	14,580	-
Depreciation for the year	-	264	2,956	17	111	4	3,353	-
Disposals	-	(72)	(156)	(1)	-	(13)	(242)	-
At 31 March 2023	**-**	**1,506**	**15,473**	**183**	**515**	**13**	**17,692**	**-**
Depreciation for the year	-	273	3,353	9	121	6	3,762	-
Disposals	-	(4)	(1,212)	(9)	(37)	(1)	(1,262)	-
At 31 March 2024	**-**	**1,775**	**17,614**	**183**	**599**	**18**	**20,192**	**-**
Net carrying amount								
At 31 March 2023	**703**	**5,281**	**17,392**	**10**	**435**	**14**	**23,834**	**1,769**
At 31 March 2024	**1,137**	**5,189**	**17,025**	**3**	**410**	**22**	**23,783**	**8,368**

Notes

a) Land includes land held on lease under perpetual basis: Gross carrying amount - Rs. 661 (31 March 2023 - Rs. 661).

b) Buildings with a gross carrying amount of Rs. 4,312 as at 31 March 2024 (as at 31 March 2023 - Rs. 4,187) have been constructed on leasehold land obtained by the Company on lease basis from Biocon Limited, the holding Company.

c) Plant and equipment includes computers.

d) Additions to property, plant and equipment includes additions related to borrowing cost amounting to Rs. 3 (31 March 2023 - Rs. 72).

e) Refer note 13(i) and 13(ii) for secured borrowings obtained for Property, plant and equipment.

f) Refer note 31 (ii) for disclosure of contractual commitments for the acquisition of property, plant and equipment and capital work-in-progress.

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

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

3 (b) Capital work-in-progress aging schedule:

31 March 2024	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	8,203	112	50	3	8,368
	8,203	**112**	**50**	**3**	**8,368**

31 March 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,473	235	34	27	1,769
	1,473	**235**	**34**	**27**	**1,769**

(i) There are no capital work-in-progress whose completion has exceeded its cost compared to its original plan as on 31 March 2024 and as on 31 March 2023.

(ii) Capital work-in-progress whose completion is overdue to its original plan:

31 March 2024	Less than 1 year	1-2 years	2-3 years	More than 3 years	Expected Capitalisation date
Project 3	3	40	33	-	31 March 2025
Project 4	97	1	-	-	31 March 2025
Project 5	502	21	-	-	31 October 2024

31 March 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Expected Capitalisation date
Project 3	73	-	-	-	30 September 2023
Project 4	297	-	-	-	30 June 2023
Project 5	21	-	-	-	31 October 2023

3 (b) Right-of-use assets

	Land	Buildings	Vehicles	Total
Gross carrying amount				
At 1 April 2022	367	2,096	55	2,518
Additions	-	155	37	193
Deletions	-	(10)	(27)	(37)
At 31 March 2023	**367**	**2,242**	**65**	**2,674**
Additions	-	3,757	30	3,787
Deletions	-	(1,757)	(8)	(1,765)
At 31 March 2024	**367**	**4,242**	**87**	**4,696**
Accumulated depreciation				
At 1 April 2022	59	257	14	330
Depreciation for the year	39	132	16	186
Deletions	-	-	(11)	(11)
At 31 March 2023	**98**	**389**	**19**	**505**
Depreciation for the year	28	295	24	347
Deletions	-	(175)	(5)	(180)
At 31 March 2024	**125**	**509**	**38**	**672**
Net carrying amount				
At 31 March 2023	**269**	**1,854**	**46**	**2,169**
At 31 March 2024	**242**	**3,735**	**49**	**4,024**

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

(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 2022	111	16	4	479	610
Additions	35	42	-	87	164
At 31 March 2023	**146**	**58**	**4**	**566**	**774**
Additions	-	-	-	1	1
At 31 March 2024	146	58	4	567	775
Accumulated depreciation					
At 1 April 2022	9	4	2	210	225
Depreciation for the year	6	9	1	53	68
At 31 March 2023	**15**	**13**	**3**	**263**	**293**
Depreciation for the year	6	10	1	54	71
At 31 March 2024	**21**	**23**	**4**	**317**	**364**
Net carrying amount					
At 31 March 2023	**131**	**45**	**1**	**303**	**481**
At 31 March 2024	**125**	**35**	**0**	**250**	**411**

Particulars	31 March 2024	31 March 2023
Rental Income (Refer Note 18 "Other Operating Revenue")	278	336
Other Operating Income (Refer Note 18 "Other Operating Revenue")	68	67
Direct Operating Expenses (including repairs and maintenance) from property that generated rental income (Refer Note 25 "Other Expense")	(64)	(63)
Profit from investments before depreciation	**282**	**340**
Depreciation pertaining to property which generated rental income (Refer Note 24 "Depreciation")	(39)	(42)
Depreciation pertaining to property which did not generate rental income (Refer Note 24 "Depreciation")	(32)	(26)
Profit from Investment Properties	**212**	**272**

Note:

(a) Investment property with a gross carrying amount of Rs. 146 (31 March 2023 : Rs. 146) have been constructed on leasehold land obtained by the Group on lease basis from Biocon Limited.

(b) Refer note 31 (ii) for disclosure of contractual commitments for the acquisition of investment property.

(c) The fair value of investment property is Rs.411 (31 March 2023: Rs 481) based on market observable data. The Company has not engaged any registered valuer for determining the fair value

(d) The fair value measurement for investment property has been categorised as a level 3.

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

(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 2022	378	120	498
Additions	117	-	117
Disposals	-	-	-
At 31 March 2023	**495**	**120**	**615**
Additions	176	-	176
Disposals	(1)	-	(1)
At 31 March 2024	**670**	**120**	**790**
Accumulated amortisation			
At 1 April 2022	252	120	372
Amortisation for the year	58	-	58
Disposals	-	-	-
At 31 March 2023	**310**	**120**	**430**
Amortisation for the year	79	-	79
Disposals	(1)	-	(1)
At 31 March 2024	**388**	**120**	**508**
Net carrying amount			
At 31 March 2023	**185**	**-**	**185**
At 31 March 2024	**282**	**-**	**282**

(a) Refer note 31 (ii) for disclosure of contractual commitments for the acquisition of intangible assets.

4 (a) Intangible assets under development

	Total
Carrying amount	
At 1 April 2023	**-**
Additions	61
Disposals	(48)
At 31 March 2024	**13**

There were no intangible assets under development during the previous financial year.

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

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

	31 March 2024	31 March 2023
5. Investments		
(a) Non-current investments		
Unquoted equity instruments carried at fair value through other comprehensive income:		
2,020 (31 March 2023: 2,020) Equity shares of Rs. 10 each in Immuneel Therapeutics Private Limited [refer note(i) below]	229	323
4,922,663 (31 March 2023: 4,922,663) Equity shares of Rs. 10 each in HR Kaveri Private Limited	49	49
Unquoted - In Others		
Investments carried at fair value through profit or loss		
123,203 (31 March 2023: 123,203) Equity shares of Rs. 100 each in Four EF Renewables Private Limited	12	12
246,406 (31 March 2023: 246,406) Compulsory convertible preference shares of Rs. 100 each in Four EF Renewables Private Limited [refer note(ii) below]	25	25
858,000 (31 March 2023: 858,000) Equity shares of Rs. 10 each in O2 Renewable Energy II Prviate Limited	9	9
0.01% 20,020 (31 March 2023: 20,020) Compulsory convertible debentures of Rs. 1,000 each in O2 Renewable Energy II Prviate Limited [refer note(iii) below]	20	20
1,333,333 (31 March 2023: 150) Equity shares of Rs. 10 each in Ampyr Renewable Energy Resources Prviate Limited	13	-
2,666,667 (31 March 2023: Nil) Compulsory convertible preference shares of Rs. 10 each in Ampyr Renewable Energy Resources Prviate Limited [refer note(iv) below]	27	-
Less:Dimunition in the value of investments	(40)	-
Investments carried at amortized cost:		
Inter corporate deposits with financial institutions #	3	503
	347	**941**
Aggregate value of unquoted investments	347	941

Note:

(i) In the year ended 31 March 2021, the Group invested Rs. 100 in Immuneel Therapeutics Private Limited (Immuneel). In the year ended 31 March 2022, additional funding from external investors were received by Immuneel resulting in a dilution of the Group's equity interest. The gain on fair valuation from Rs. 100 to Rs. 214 was recognised in other comprehensive income. During the year ended 31 March 2023, the Group, based on fair valuation recorded a fair value increase in its investment carrying value by Rs. 109. During the year ended 31 March 2024, the Group based on a fair valuation recorded a fair value decrease in its investment carrying value by Rs. 94.

(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.

(iii) Terms of conversion: 1 compulsory convertible debentures of face value Rs. 1000/- each will convert to 1 equity share of face value Rs. 100/- at end of the tenure of 20 years from allotment.

(iv) Terms of conversion: 1 compulsory convertible preference share of face value Rs. 10/- each will convert to 1 equity share of face value Rs. 10/- 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 statement for the year ended 31 March 2024

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

(b) Current investments

	31 March 2024	31 March 2023
Quoted - Investment in mutual funds at fair value through profit or Loss	2,308	1,476
Unquoted - In others - at amortised cost		
Inter corporate deposits with financial institutions *	2,824	6,768
	5,132	**8,244**

* Inter corporate deposits with financial institutions yield fixed interest rate.

Aggregate book and market value of quoted investments	2,308	1,476
Aggregate value of unquoted investments	2,824	6,768

6. Other financial assets

(a) Non-current	31 March 2024	31 March 2023
Security deposits	382	261
Bank deposits with maturity of more than 12 months	2	1,250
	384	**1,511**
(b) Current		
Other receivables (refer note 26)	40	160
Interest accrued but not due	166	392
	206	**552**

7. Deferred tax assets (net) (refer note 30(b))

	31 March 2024	31 March 2023
Deferred tax assets		
MAT credit entitlement	1,572	1,618
Employee benefit obligations	190	170
Derivatives, net	-	154
Others	64	-
	1,826	**1,941**
Deferred tax liabilities		
Property, plant and equipment, investment property and other intangible assets, net	1,063	1,221
Derivatives, net	332	-
Others	24	24
	1,419	**1,245**
Deferred tax assets (net)	**407**	**696**

8. Other assets

(Unsecured considered good, unless otherwise stated)

(a) Non-current	31 March 2024	31 March 2023
Capital advances	76	154
Balances with statutory / government authorities	15	15
Prepayments	46	80
	137	**249**
(b) Current		
Advances other than capital advances	398	296
Balances with statutory / government authorities	560	451
Prepayments	164	312
	1,122	**1,059**

9. Inventories

	31 March 2024	31 March 2023
Chemicals, reagents and consumables	2,014	2,390
Work-in-progress	239	733
Finished goods	132	205
	2,385	**3,328**

Inventory obsolecence amounted to Rs 159 (31 March 2023: Rs 65) were recognised as an expense during the year and included in 'changes in inventories of finished goods and work-in-progress' in statement of profit and loss.

As the Group's business has now expanded into manufacturing and based on Group's experience, a revised inventory provisioning policy specific to manufacturing has been created with effect from 1 January 2024. Prior to this, the Group was applying its research inventory provisioning policy also to manufacturing. The impact of this change is to reverse inventory provisions created in prior quarters resulting in a net reversal of Rs 203 in the quarter ended 31 March 2024 which is a change in accounting estimate. Under the old policy, the manufacturing inventory provision as at 31 March 2024 would have been higher by Rs 578.

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

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

10. Trade receivables

	31 March 2024	31 March 2023
Unsecured *		
Considered good	4,416	5,294
Credit impaired	132	83
	4,548	5,376
Allowance for credit losses	(132)	(83)
	4,416	5,293

* Includes receivables from related parties [refer note 26]

(a) Aging schedule

31 March 2024	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	744	2,618	877	118	58	4,416
Undisputed trade receivables - credit impaired	-	-	16	58	58	132
	744	2,618	893	176	116	4,548

31 March 2023	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	988	3,232	948	112	13	5,294
Undisputed trade receivables - credit impaired	-	-	33	37	13	83
	988	3,232	981	149	26	5,376

(b) All trade receivables are current and undisputed.

(c) Trade receivables oustanding for period above 2 years from due date of payment is Rs. Nil (31 March 2023: Rs. Nil) for the year ended 31 March 2024.

(d) The Group's exposure to credit and currency risks and loss allowances are disclosed in note 28.

11. Cash and bank balances

	31 March 2024	31 March 2023
(a) Cash and cash equivalents		
Cash on hand	-*	-*
Balances with banks (on current accounts)	857	895
	857	**895**
(b) Bank balances other than above		
Deposits with remaining maturity of less than 12 months from year end	4,778	4,422
Total cash and bank balances	**5,635**	**5,317**

* Less than Rs. 0.5 million.

(i) The Group 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. 1 (31 March 2023: Rs.25). The restrictions are primarily on account of bank balances held under Employee Welfare Trust.

12(a).Equity share capital

	31 March 2024	31 March 2023
Authorised		
500,000,000 (31 March 2023: 500,000,000) equity shares of Rs 10 each (31 March 2023: Rs 10 each)	5,000	5,000
Issued, subscribed and fully paid-up		
(402,015,000) (31 March 2023: 401,434,500) equity shares of Rs 10 each (31 March 2023: Rs 10 each)	4,020	4,014
	4,020	**4,014**

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

(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	31 March 2024		31 March 2023	
	No.	Rs	No.	Rs
At the beginning of the year	40,14,34,500	4,014	40,07,96,500	4,008
Issue of shares [refer note 40]	5,80,500	6	6,38,000	6
At the end of the year	**40,20,15,000**	**4,020**	**40,14,34,500**	**4,014**

(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 2024		31 March 2023	
	No.	% Holding	No.	% holding
Equity shares of Rs. 10 each fully paid				
Biocon Limited (holding company) [includes issue of bonus shares refer note (vi) below]	21,91,85,608	54.52%	21,91,85,608	54.60%

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

	31 March 2024		31 March 2023	
	No.	% Holding	No.	% holding
Equity shares of Rs 10 each fully paid				
Biocon Limited [refer note (v) below]	21,91,85,608	54.52%	21,91,85,608	54.60%

(v) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	Year ended 31 March 2024	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
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]	-	-	-	-	20,00,00,000

(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.

(viii) Shares held by promoters

Promoter Name	At 1 April 2023	Change during the year	At 31 March 2024	% of Total Shares	% change during the year
Kiran Mazumdar Shaw	21,964	-	21,964	0.01%	0.00%
Ravi R Mazumdar	8,806	-	8,806	0.00%	0.00%
Dev Mazumdar	13,686	-	13,686	0.00%	0.00%
Biocon Limited	21,91,85,608	-	21,91,85,608	54.52%	0.00%
Biocon Employee Welfare Trust	10,91,447	(37,814)	10,53,633	0.26%	-0.01%
	22,03,21,511	**(37,814)**	**22,02,83,697**	**54.79%**	**-0.01%**

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

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

Promoter Name	At 1 April 2023	Change during the year	At 31 March 2024	% of Total Shares	% change during the year
Kiran Mazumdar Shaw	15,276	6,688	21,964	0.01%	0.00%
Yamini R Mazumdar	20,060	(20,060)	-	0.00%	0.00%
Ravi R Mazumdar	2,120	6,686	8,806	0.00%	0.00%
Dev Mazumdar	7,000	6,686	13,686	0.00%	0.00%
Biocon Limited	28,09,74,772	(6,17,89,164)	21,91,85,608	54.60%	-15.39%
Biocon Employee Welfare Trust	11,78,733	(87,286)	10,91,447	0.27%	-0.02%
	28,21,97,961	**(6,18,76,450)**	**22,03,21,511**	**54.88%**	**-15.41%**

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..

General Reserve

The amount represents surplus in carrying amounts related to leased assets transferred within the Group.

Capital Reserve

The amount represents surplus of fair value of tangible assets and other balances taken over compared to the purchase price in relation to the acquisition through slump sale of Unit 3 biologics manufacturing facility in Bangalore, India, from Stelis Biopharma Limited (SBL)(refer note 43).

Retained earnings

The amount represents surplus in statement of profit and loss not transferred to any reserve and can be distributed by the Group 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.

Re-measurement on defined benefit plans

The amount represents re-measurements of defined benefit plans owing to Actuarial (gain) / loss arising from: Demographic assumptions, Financial assumptions and Experience adjustment along with re-measurement on account of return on plan assets, excluding amounts included in interest expense / (income).

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 Group. 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. Any reclassification of amounts from other comprehensive income to profit and loss will reduce the cumulative effective portion.

Other Items of other comprehensive income

Other Items of other comprehensive income represents re-measurements of the equity instruments at fair value through OCI.

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

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

13. Borrowings

	31 March 2024	31 March 2023
(a) Non-current borrowings		
Term loans from banks		
External commercial borrowings (secured) [refer note (i) below]	-	3,493
Foreign currency term loan (secured) [refer note (ii) below]	1,000	1,397
	1,000	**4,890**
(b) Current borrowings		
Term loans from banks:		
External commercial borrowings (secured) [refer note (i) below]	-	616
Foreign currency term loan (secured) [refer note (ii) below]	417	247
	417	**863**
The above amount includes		
Secured borrowings	1,417	5,753
Unsecured borrowings	-	-
	1,417	**5,753**

Notes:

(i) The Company entered into an external commercial borrowing agreement dated September 21, 2020, to obtain a USD 50 million (Rs. 4,109) term loan facility. This facility was utilized to finance capital expenditures at the Bengaluru, Hyderabad, and Mangaluru premises of the Company, as intended. The loan carried an interest rate of Libor + 1.30% and was scheduled to be repaid in three installments: USD 7.5 million in September 2023, USD 12.5 million in September 2024, and USD 30 million in September 2025. The facility was secured by a first priority pari passu charge on fixed assets (movable plant and machinery) and a second charge on the Company's current assets. The Company remained compliant with the financial covenants stipulated under the agreement. The first installment was paid as per the schedule. However, the remaining loan amount was pre-closed on October 3, 2023.

(ii) The Company had entered into a foreign currency term loan agreement dated March 30, 2021, to borrow USD 20 million (Rs. 1,644) for a term loan facility. The facility is borrowed to incur capital expenditure at the Bengaluru, Hyderabad and Mangaluru premises of the Company and was used for this specific purpose. The facility carries an interest rate of 6M SOFR + 1.17% and is to be paid in three instalments of 15%, 25% and 60% from the end of 3 years, 4 years and 5 years respectively from the origination date. 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.

14. Provisions

	31 March 2024	31 March 2023
(a) Non-current		
Provision for employee benefits		
Gratuity (refer note 27)	407	437
	407	**437**
(b) Current		
Provision for employee benefits		
Gratuity (refer note 27)	195	73
Compensated absences (refer note 27)	532	437
	727	**510**

15. Other liabilities

	31 March 2024	31 March 2023
(a) Non-current		
Deferred revenues	2,438	2,564
	2,438	**2,564**
(b) Current		
Advances from customers	5,027	5,314
Deferred revenues	511	743
Others		
- Statutory dues	215	171
- Other dues	356	338
	6,109	**6,566**

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

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

16. Trade payables

	31 March 2024	31 March 2023
Trade payables [refer note (a) below and note 26]		
Total outstanding dues of micro and small enterprises	200	166
Total outstanding dues of creditors other than micro and small enterprises	2,355	2,414
	2,555	**2,580**

(a) Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development Act, 2006 ("MSMED Act")

	31 March 2024	31 March 2023
(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	200	166
- Interest due on above	-*	-
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting yearr	231	395
(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	-*	-
(v) Interest remaining due and payable in succeeding years, in terms of Section 23 of the MSMED Act, 2006	12	12

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 2024	Outstanding for following periods from due date of payment				
	Unbilled	Not due	Less than 1 year	More than 1 year	Total
Total outstanding dues of micro and small enterprises	-	199	1	-	200
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,265	630	450	10	2,355
	1,265	**829**	**451**	**10**	**2,555**

31 March 2023	Outstanding for following periods from due date of payment				
	Unbilled	Not due	Less than 1 year	More than 1 year	Total
Total outstanding dues of micro and small enterprises	-	166	-	-	166
Total outstanding dues of creditors other than micro and small enterprises	1,509	628	270	7	2,414
	1,509	**794**	**270**	**7**	**2,580**

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

17. Other financial liabilities

	31 March 2024	31 March 2023
Current		
Payable for capital goods	565	582
Payable towards purchase consideration (Refer note below)	100	-
	665	**582**

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

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

18. Revenue from operations

	Year ended 31 March 2024	Year ended 31March 2023
Contract research and manufacturing services income	33,695	30802
Other operating revenues		
Scrap sales	33	50
Others [refer note (a) below]	1,158	1,077
	34,886	**31,929**

Note:

(a) 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.

(b) The company does not have any allowances or returns. Hence no reconciliation of variable consideration is presented.

18.1 Disaggregated revenue information

Set out below is the disaggregation of revenue:

Revenues from Contract research and manufacturing services income by geography

	Year ended 31 March 2024	Year ended 31 March 2023
India	653	720
United States of America	22,558	22,288
Europe	8,775	5,711
Rest of the world	1,709	2,083
	33,695	**30,802**
Revenue from other sources		
Other operating revenues	1,191	1,127
	1,191	**1,127**
Total revenue from operations	**34,886**	**31,929**

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

	Year ended 31 March 2024	Year ended 31 March 2023
Revenues from Contract research and manufacturing services income by		
Timing of recognition		
Revenue recognised at a point of time	29,730	31,857
Revenue recognised over a period of time	5,156	72
Total revenue from operations	**34,886**	**31,929**

18.2 Contract balances

	Year ended 31 March 2024	Year ended 31 March 2023
Trade receivables [refer note (i) below]	4,416	5,293
Contract liabilities [refer note (ii) below]	7,976	8,621

Notes:

(i) Trade receivables are non-interest bearing.

(ii) Contract liabilities include advances from customers and deferred revenues.

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

(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 2024	Year ended 31 March 2023
Balance at the beginning of the year	**8,621**	**7,302**
Add: Increase due to invoicing during the year	5,648	8,683
Less: Revenue recognised from advances from customers and deferred revenue at the beginning of the year	(5,007)	(3,482)
Less: Amounts recognised as revenue during the year	(1,286)	(3,882)
Balance at the end of the year	**7,976**	**8,621**
Expected revenue recognition from remaining performance obligations:		
- Within one year	5,538	6,058
- More than one year	2,438	2,564
	7,976	8,621

18.4 Reconciliation of revenue recognised with contract price:

Revenue as per contracted price	34,924	31,965
Adjustments for:		
Discount/Rebates	(38)	(36)
Total Revenue from contract with customers	**34,886**	**31,929**

18.5 Performance obligation:

In relation to information about the Company's performance obligations in contracts with customers refer note (I)

19. Other income

	Year ended 31 March 2024	Year ended 31 March 2023
Interest income on:		
Deposits with banks and financial institutions	589	594
Lease deposits	14	9
Tax refunds	158	-
Dividend income on current investments	-	-
Net gain on sale of current investments	144	106
Other non-operating income	1	-
	906	**709**

20. Cost of chemicals, reagents and consumables consumed

	Year ended 31 March 2024	Year ended 31 March 2023
Inventory at the beginning of the year	2,390	1,276
Add : Purchases	8,360	10,136
Less: Inventory at the end of the year	(2,014)	(2,390)
	8,736	**9,022**

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

(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-progressChanges in

	Year ended 31 March 2024	Year ended 31 March 2023
Inventories at the beginning of the year		
Work-in-progress	733	397
Finished goods	205	121
	938	**518**
Inventories at the end of the year		
Work-in-progress	239	733
Finished goods	132	205
	372	**938**
	566	**(420)**

22. Employee benefits expense

	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus	7,960	7,316
Contribution to provident fund and other funds	351	318
Gratuity expenses (refer note 27)	118	108
Share based compensation expense (refer note 34)	5	236
Staff welfare expenses	453	439
	8,887	**8,417**

23. Finance costs

	Year ended 31 March 2024	Year ended 31 March 2023
Interest expense on:		
Borrowings	182	182
Lease liabilities [refer note 35]	269	163
Exchange difference to the extent considered as an adjustment to borrowing cost	21	107
	472	**452**

24. Depreciation and amortisation expense

	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation of property, plant and equipment [refer note 3 (a)]	3,762	3,353
Depreciation of right-of-use assets [refer note 3 (b)]	347	186
Depreciation of investment property [refer note 3 (c)]	71	68
Amortisation of other intangible assets [refer note 4]	79	58
	4,259	**3,665**

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

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

25. Other expenses

	Year ended 31 March 2024	Year ended 31 March 2023
Rent	55	44
Communication expenses	43	77
Travelling and conveyance	546	461
Professional charges	1,179	711
Payments to auditors [refer note (a) below]	11	9
Directors' fees including commission	67	56
Power and fuel	697	692
Facility charges	282	317
Insurance	261	254
Rates and taxes	86	131
Repairs and maintenance		
Plant and machinery	1,381	1,119
Buildings	107	91
Others	596	556
Selling expenses		
Freight outwards and clearing charges	30	34
Sales promotion expenses	173	151
Provision for doubtful receivables	49	-
Bad debts written off	6	10
Less: Provision no longer required written back	-	(17)
Printing and stationery	39	39
Clinical trial expenses	72	100
Corporate social responsibility expenses (refer note 37)	101	98
Loss on assets scrapped	25	75
Miscellaneous expenses	192	140
	5,995	**5,148**
(a) Payments to auditors:		
As an auditor:		
Statutory audit	6	5
Tax audit	1	1
Limited review	3	2
In other capacity:		
Other services (certification fees)	-*	-*
Reimbursement of expenses	1	1
	11	**9**

* Less than Rs. 0.5 million.

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

(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
Jonathan Hunt	Managing Director and Chief Executive Officer
Catherine Rosenberg	Non-executive director
Carl Decicco	Independent director (till 28 February 2022)
	Non-executive director (from 01 March 2022 till 25 October 2023)
Sharmila Abhay Karve	Independent director
Paul Blackburn	Independent director
Vijay Kuchroo	Independent director
Vinita Bali	Independent director
Kush Parmar	Independent director
Nilanjan Roy	Independent director (w.e.f. 01 April 2024)
Sibaji Biswas	Chief Financial officer
	Executive director (w.e.f.01 April 2024)
Priyadarshini Mahapatra	Company Secretary
B. Holding company	
Biocon Limited	Holding Company
C. Fellow subsidiaries	
Biocon Biologics Limited	Fellow subsidiary
Biocon SDN. BHD	Fellow subsidiary
Biocon Biologics UK Limited	Fellow subsidiary
Biocon Biologics Inc.,	Fellow subsidiary
Biocon Biologics Do Brasil Ltda	Fellow subsidiary
Biocon Biologics FZ-LLC	Fellow subsidiary
Biocon Biologics Healthcare Malaysia SDN. BHD	Fellow subsidiary
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
Biocon FZ LLC	Fellow subsidiary
Biocon Academy	Fellow subsidiary
Biosimilar Collaborations Ireland Limited	Fellow subsidiary (w.e.f 29 November 2022)
Biosimilar Newco Limited,UK	Fellow subsidiary (w.e.f 29 November 2022)
Biocon Biologics Canada Inc.	Fellow subsidiary (w.e.f 20 March,2023)
Biocon Biologics Germany GmBH	Fellow subsidiary (w.e.f 29 March,2023)
Bicon Biologics France S.A.S	Fellow subsidiary (w.e.f 14 April,2023)
Biocon Biologics Spain, S.L	Fellow subsidiary (w.e.f 21 April,2023)
Biocon Biologics Switzerland AG	Fellow subsidiary (w.e.f 25 April,2023)
Biocon Biologics Belgium BV	Fellow subsidiary (w.e.f 28 April,2023)
Biocon Biologics Finland OY	Fellow subsidiary (w.e.f 10 May,2023)
Biocon Generics Inc.	Fellow subsidiary (w.e.f 07 July,2023)
Biocon Biologics Morocco S.A.R.L.A.U	Fellow subsidiary (w.e.f 24 July,2023)
Biocon Biologics Greece SINGLE MEMBER P.C	Fellow subsidiary (w.e.f 27 July,2023)
Biocon Biologics South Africa (PTY) Ltd	Fellow subsidiary (w.e.f 11 August,2023)

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

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

Particulars	Nature of relationship
Bicon Biologics (Thailand) Co. Ltd	Fellow subsidiary (w.e.f 08 September,2023)
Bicon Biologics Italy S.R.L	Fellow subsidiary (w.e.f 27 December,2023)
Bicon Biologics Philippines Inc.	Fellow subsidiary (w.e.f 25 October,2023)
Bicon Biologics Croatia LLC	Fellow subsidiary (w.e.f 18 January,2024)
D. Other related parties	
Bicara Therapeutics Inc.	Associate of Holding Company
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
NeoBiocon FZ LLC	Joint venture of Holding Company

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

(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 2024	31 March 2023
Key management personnel	Salary and perquisites [refer note (i) & (ii) below]	222	176
	Sitting fees and commission	62	56
	Outstanding as at the year end		
	- Trade and other payables	12	14
	- Provision for gratuity and compensated absences [Refer note (i)]	19	-
Holding company	Rent	144	56
	Power and facility charges [refer note (iii) below]	277	313
	Purchase of goods	-	3
	Other expenses reimbursed by the group	181	176
	Sale of services	23	8
	Other expenses incurred on behalf of Holding company	4	1
	Guarantee given to Central Excise Department	-	148
	Outstanding as at the year end	-	-
	- Rent deposits	21	23
	- Trade and other payables	160	103
	- Trade and other receivables	33	13
Fellow subsidiaries	Business purchase-	-	182
	Sale of services	90	156
	Rent and facility services	303	314
	Other expenses incurred on behalf of fellow subsidiaries	84	92
	Other expenses reimbursed by the group	-	13
	Purchase of goods	-	10
	Outstanding as at the year end	-	-
	- Trade and other payables	3	-
	- Trade and other receivables	155	268
Other related parties	Sale of services	922	440
	Health services availed	2	3
	Contribution towards CSR	87	112
	Staff welfare expenses	3	3
	Provision for doubtful receivables	-	(88)
	Revaluation of investment	(94)	-
	Outstanding as at the year end	-	-
	- Trade and other payables	-	-
	- Trade and other receivables	190	210

(i) The remuneration to the key managerial personnel does not include the provisions made for gratuity and compensated absences, as they were earlier determined on an actuarial basis for the Company as a whole. However, the Company has undertaken actuarial valuations for the provisions made for gratuity and compensated absences attributable to the key managerial personnel as at 31 March 2024 amounting to Rs. 19.

(ii) Share based compensation expense allocable to key management personnel is Rs. 25 (31 March 2023 : Rs. 53), which is 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. 193 (31 March 2023 : Rs. 282) and power charges (including other charges) of Rs. 84 (31 March 2023 : Rs. 31) have been charged by Biocon Limited for the year ended 31 March 2024.

(iv) Fellow subsidiary companies with whom the Company did not have any transactions -

-Biocon Biologics Inc.
-Biocon Biologics Do Brasil Ltda
-Biocon Biologics FZ-LLC
-Biocon Pharma UK Limited
-Biocon Biosphere Limited
-Biocon Pharma Inc.
-Biosimilar Newco Limited
-Biocon Biologics Canada Inc.
-Biocon Biologics Germany GmBH
-Bicon Biologics France S.A.S.
-Biocon Biologics Spain, S.L
-Biocon Pharma Ireland Limited
-Biocon Pharma Malta Limited
-Biocon Pharma Malta I Limited
-Biocon Biologics Healthcare Malaysia SDN. BHD
-Biocon SA
-Biocon FZ LLC
-Biosimilar Collaborations Ireland Limited
-Biocon Biologics Finland OY
-Biocon Generics Inc.
-Biocon Biologics Morocco S.A.R.L.A.U
-Biocon Biologics Greece SINGLE MEMBER P.C

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

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

-Biocon Biologics Switzerland AG
-Biocon Biologics Belgium BV
-Bicon Biologics Italy S.R.L
-Bicon Biologics Philippines Inc.
-Biocon Biologics South Africa (PTY) Ltd
-Biocon Biologics (Thailand) Co. Ltd
-Bicon Biologics Croatia LLC

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

(vi) All outstanding balances are unsecured and repayable in cash.

27. Employee benefit plans

(i) The Group 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 Group makes contributions to a recognised fund in India.

The plan assets are maintained with HDFC Life Insurance Company Limited (HDFC Life) in respect of gratuity scheme for employees of the 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 7.31% p.a. (31 March 2023: 7.31% p.a.). The Company actively monitors how the duration and expected yield of the investments are matching the expected outflows arising from the employee benefit obligations.

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

The Company expects to pay INR 191 in contributions to its defined benefit plans in 2024-25.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Group's financial statements as at balance sheet date::

	Present value of defined benefit obligation	"Fair value of plan assets"	"Net defined benefit (asset)/liability"
Balance as on 1 April 2023	**513**	**(3)**	**510**
Current service cost	79	-	79
Interest cost	39	-	39
Amount recognised in Statement of profit and loss	**118**	**-**	**118**
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense / (income)	-	-*	-*
Actuarial (gain) / loss arising from:			
Demographic assumptions	-	-	-
Financial assumptions	4	-	4
Experience adjustment	21	-	21
Amount recognised in other comprehensive income	**25**	**-**	**25**
Benefits paid	(51)	-	(51)
Balance as at 31 March 2024	**605**	**(3)**	**602**

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

(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 2022	**521**	**(3)**	**518**
Current service cost	78	-	78
Interest cost	30	-	30
Amount recognised in Statement of profit and loss	**108**	**-**	**108**
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense / (income)	-	-*	-*
Actuarial (gain) / loss arising from:			
Demographic assumptions	(10)	-	(10)
Financial assumptions	(50)	-	(50)
Experience adjustment	(1)	-	(1)
Amount recognised in other comprehensive income	**(61)**	**-**	**(61)**
Benefits paid	(58)	-	(58)
Liability acquired through slump sale	8	-	8
Balance as at 31 March 2023	**513**	**(3)**	**510**

* Less than Rs. 0.5 million.

	31 March 2024	31 March 2023
Non current	407	437
Current	195	73
	602	**510**

(ii) **The assumptions used for gratuity valuation are as below:**	31 March 2024	31 March 2023
Interest rate	7.3%	7.3%
Discount rate	7.3%	7.3%
Expected return on plan assets	7.3%	7.3%
Salary increase	8.0%	8.0%
Attrition rate (based on Age of the Employee)	9% - 22%	9% - 22%
Retirement age - Years	58	58

Assumptions regarding future mortality experience are set in accordance with published statistics and mortality tables.

The weighted average duration of the defined benefit obligation was 6 years (31 March 2023 - 6 years).

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

Notes to the consolidated financial statement for the year ended 31 March 2024
(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:

	31 March 2024		31 March 2023	
Particulars	**Increase by 1%**	**Decrease by 1%**	**Increase by 1%**	**Decrease by 1%**
Discount rate	(28)	31	(24)	27
Salary increase	30	(28)	26	(24)
Attrition rate	(3)	4	(3)	3

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

Maturity profile of defined benefit obligation

Particulars	31 March 2024	31 March 2023
1st Following year	90	73
2nd Following year	77	69
3rd Following year	70	63
4th Following year	73	57
5th Following year	65	59
Years 6 to 10	246	210
Years 11 and above	307	268

(iv) Risk Exposure

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

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

b) 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.

c) 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 2024	31 March 2023
Compensated absences	532	437

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

(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

	Carrying amount				Fair value			
31March 2024	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Investments (non-current)#	66	278	3	347	-	-	344	344
Derivative assets (non-current)	-	1,847	-	1,847	-	1,847	-	1,847
Other financial assets (non-current)	-	-	384	384	-	-	-	-
Investments (current)	2,308	-	2,824	5,132	2,308	-	-	2,308
Trade receivables	-	-	4,416	4,416	-	-	-	-
Cash and cash equivalents	-	-	857	857	-	-	-	-
Bank balances other than above	-	-	4,778	4,778	-	-	-	-
Derivative assets (current)	-	694	-	694	-	694	-	694
Other financial assets (current)	-	-	206	206	-	-	-	-
	2,374	**2,819**	**13,468**	**18,661**	**2,308**	**2,541**	**344**	**5,193**
Financial liabilities								
Borrowings (non-current)	-	-	1,000	1,000	-	-	-	-
Lease liabilities (non-current)	-	-	3,651	3,651	-	-	-	-
Derivative liabilities (non-current)	-	-	-	-	-	-	-	-
Borrowings (current)	-	-	417	417	-	-	-	-
Lease liabilities (current)	-	-	484	484	-	-	-	-
Trade payables	-	-	2,555	2,555	-	-	-	-
Derivative liabilities (current)	-	10	-	10	-	10	-	10
Other financial liabilities (current)	-	-	665	665	-	-	-	-
	-	**10**	**8,772**	**8,782**	**-**	**10**	**-**	**10**

	Carrying amount				Fair value			
31 March 2023	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Investments (non-current)#	66	372	503	941	-	-	438	438
Derivative assets (non-current)	-	841	-	841	-	841	-	841
Other financial assets (non-current)	-	-	1,511	1,511	-	-	-	-
Investments (current)	1,476	-	6,768	8,244	1,476	-	-	1,476
Trade receivables	-	-	5,293	5,293	-	-	-	-
Cash and cash equivalents	-	-	895	895	-	-	-	-
Bank balances other than above	-	-	4,422	4,422	-	-	-	-
Derivative assets (current)	-	460	-	460	-	460	-	460
Other financial assets (current)	-	-	552	552	-	-	-	-
	1,542	**1,673**	**19,944**	**23,159**	**1,476**	**1,301**	**438**	**3,215**
Financial liabilities								
Borrowings (non-current)	-	-	4,890	4,890	-	-	-	-
Lease liabilities (non-current)	-	-	2,142	2,142	-	-	-	-
Derivative liabilities (non-current)	-	215	-	215	-	215	-	215

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

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

Accounting classification and fair values								
	Carrying amount				Fair value			
31 March 2024	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Borrowings (current)	-	-	863	863	-	-	-	-
Lease liabilities (current)	-	-	257	257	-	-	-	-
Trade payables	-	-	2,580	2,580	-	-	-	-
Derivative liabilities (current)	-	377	-	377	-	377	-	377
Other financial liabilities (current)	-	-	582	582	-	-	-	-
	-	**592**	**11,314**	**11,906**	**-**	**592**	**-**	**592**

Level 3 investments comprises of unquoted equity instruments. The fair value of Level 3 investments are based on the market comparable approach of similar companies using discounted revenue multiples and considering the same on a pre-revenue development stage. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

(a) The carrying amount of financial assets and financial liabilities measured at amortised cost in the Consolidated Financial Statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

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

(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.

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 values.

Particulars	FVTPL	FVTOCI	Total
Balance as at 01 April 2023	66	372	438
Gain included in OCI			
- Net change in fair value(unrealised)	-	(94)	(94)
Investment made in the current year			
- In equity instruments	13	-	13
- In preference shares	27	-	27
- In debt instruments	-	-	-
Loss included in P&L			
- Dimunition in the value of investments	(40)	-	(40)
Balance as at 31 March 2024	**66**	**278**	**344**

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 2024	31 March 2023	31 March 2024	31 March 2023
Movement in spot rate of the foreign currency				
INR/USD - Increase by 1%	-	-	(613)	(654)
INR/USD - Decrease by 1%	-	-	613	657
Movement in Interest rates				
LIBOR - Increase by 100 bps	-	-	-	(120)

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

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

Significant observable inputs	Impact on profit or loss		Impact on other equity	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
LIBOR - Decrease by 100 bps	-	-	-	120
Level III Equity instruments				
Adjusted market multiple (5% Increase)	-	-	(83)	-
Adjusted market multiple (5% Decrease)	-	-	83	-

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.

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. 4,416 (31 March 2023: Rs 5,293). The movement in allowance for impairment in respect of trade receivables during the year was as follows:

Allowance for Impairment	31 March 2024	31 March 2023
Opening balance	83	100
Impairment loss recognised	49	-
Impairment loss reversed	-	(17)
Closing balance	**132**	**83**

Note: During the year ended 31 March 2024, impairment loss reversed includes Rs. nil (31 March 2023: Rs. 17) pertaining to customer balances written off.

Details of trade receivables that are not due, past due and impaired is given below:

Particulars	31 March 2024	31 March 2023
Neither past due nor impaired	3,362	4,220
Past due but not impaired:		
Less than 180 days	877	948
180 days - 365 days	118	112
More than 365 days	58	13
Past due but impaired:		
Less than 180 days	16	33
180 days - 365 days	58	37
More than 365 days	58	13
Less: Allowance for credit losses	(132)	(83)
Total	**4,416**	**5,293**

There is no receivable from single customer which which is more than 10 percent of the Group's total receivables during the current and previous financial year.

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. All these banks and financial institutions are high-rate funds of minimum AA+ and above. Investments primarily include investment in liquid mutual fund units and inter-corporate deposits with financial institutions.

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

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

(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.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2024:

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Lease liabilities (non-current)	-	467	1,402	4,556	6,425
Lease liabilities (current)	481	-	-	-	481
Borrowings (non-current)	-	1,000	-	-	1,000
Borrowings (current)	417	-	-	-	417
Trade payables	2,555	-	-	-	2,555
Derivative liabilities (non-current)	-	-*	-	-	-
Derivative liabilities (current)	10	-	-	-	10
Other financial liabilities	665	-	-	-	665
Total	**4,128**	**1,467**	**1,402**	**4,556**	**11,553**

*Amount less than 0.5 Million

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

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Lease liabilities (non-current)	-	260	783	2,817	3,860
Lease liabilities (current)	242	-	-	-	242
Borrowings (non-current)	-	1,438	3,452	-	4,890
Borrowings (current)	863	-	-	-	863
Trade payables	2,580	-	-	-	2,580
Derivative liabilities (non-current)	-	84	87	44	215
Derivative liabilities (current)	377	-	-	-	377
Other financial liabilities	582	-	-	-	582
Total	**4,644**	**1,782**	**4,322**	**2,861**	**13,609**

(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 statement for the year ended 31 March 2024
(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 2024 and 31 March 2023 are as below:

31 March 2024	USD	EUR	Others
Financial assets			
Trade receivables	3,908	207	-
Cash and cash equivalents	479	58	1
Derivative assets	2,542	-	-
Other financial assets (current)	49	-	-
Financial liabilities			
Borrowings (current)	(1,000)	-	-
Borrowings (non-current)	(417)	-	-
Trade payables	(143)	(35)	(111)
Derivative liabilities	(10)	-	-
Other financial liabilities (current)	(67)	(53)	(312)
Net assets / (liabilities)	**5,341**	**177**	**(422)**

31 March 2023	USD	EUR	Others
Financial assets			
Trade receivables *	4,410	207	-
Cash and cash equivalents	351	41	1
Derivative assets	1,301	-	-
Other financial assets (current)	105	-	-
Financial liabilities			
Borrowings (current)	(4,890)	-	-
Borrowings (non-current)	(863)	-	-
Trade payables *	(400)	(25)	(198)
Derivative liabilities	(592)	-	-
Other financial liabilities (current)	(114)	(31)	(26)
Net assets / (liabilities)	**(692)**	**192**	**(223)**

* Less than Rs. 0.5 million.

	Average rate		Year-end spot rate	
INR	31 March 2024	31 March 2023	31 March 2024	31 March 2023
USD 1	82.79	80.29	83.34	82.18
EUR 1	89.76	83.77	89.99	89.11

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

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

Sensitivity analysis

The sensitivity of profit or loss to changes in exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign exchange forward/option contracts designated as cash flow hedges.

Particulars	Impact on profit or loss		Impact on other equity	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
USD Sensitivity				
INR/USD - Increase by 1%	53	(6)	(560)	(660)
INR/USD - Decrease by 1%	(53)	8	560	665
EUR Sensitivity				
INR/EUR - Increase by 1%	2	2	2	2
INR/EUR - Decrease by 1%	(1)	(1)	(1)	(1)

Derivative financial instruments

The Group uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The Group'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 Group 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 as of 31 March 2024:

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Foreign exchange forward contracts to sell USD	234	136	142	45	557
European style option contracts	99	63	61	19	242

The following table gives details in respect of outstanding foreign exchange forward and option contracts as of 31 March 2023:

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Foreign exchange forward contracts to sell USD	232	151	146	89	618
European style option contracts	94	65	67	38	264
Interest rate swaps used for hedging LIBOR component in External Commercial Borrowings	50	-	-	-	50

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 2024 and 31 March 2023 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 2024	31 March 2023
Variable rate borrowings	1,417	1,644
Fixed rate borrowings	-	4,109
Total borrowings	**1,417**	**5,753**

The Company entered into an external commercial borrowing agreement dated September 21, 2020, to obtain a USD 50 million (Rs. 4,109) term loan facility. The loan carried an interest rate of Libor + 1.30%. However, the same has been classified as a fixed rate borrowing owing to the company policy to maintain its long-term borrowings at fixed rate using interest rate swaps. (Refer Note 13)

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

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

(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. 14 (31 March 2023 : Rs. 16)..

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 2024 and 31 March 2023 was as follows:

Particulars	31 March 2024	31 March 2023
Total equity attributable to the equity shareholders of the Company	42,578	36,180
As a percentage of total capital	**97%**	**86%**
Borrowings	1,417	5,753
Total borrowings	**1,417**	**5,753**
As a percentage of total capital	**3%**	**14%**
Total capital (Equity and Borrowings)	**43,994**	**41,933**

30. Tax expense

(a) Amount recognised in Statement of profit and loss

	31 March 2024	31 March 2023
Current tax	1,230	1,061
Deferred tax:		
MAT credit entitlement	46	109
Others related to:		
Origination and reversal of other temporary differences	(168)	122
Tax expense for the year	**1,108**	**1,292**
Reconciliation of effective tax rate		
Profit before tax and exceptional item	6,319	5,936
Add: Exceptional item	111	-
Profit before tax	6,208	5,936
Tax at statutory income tax rate 34.94% (31 March 2023 - 34.94%)	2,168	2,073
Tax effects of amounts which are not deductible / (taxable) in calculating taxable income		
Tax incentive	(834)	(908)
Non-deductible expense	35	107
Basis difference that will reverse during the tax holiday period	-	(42)
Adjustments for current tax of prior periods	(243)	-
Others	(18)	62
Income tax expense	**1,108**	**1,292**

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

(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 2024	Opening balance	Recognised in profit or loss	Recognised in OCI	Recognised in equity	Closing balance
Deferred tax asset					
MAT credit entitlement	1,618	(46)	-	-	1,572
Defined benefit obligations	170	15	5	-	190
Others	-	(4)	33	35	64
Gross deferred tax assets	**1,788**	**(35)**	**38**	**35**	**1,826**
Deferred tax liability					
Property, plant and equipment, investment property and intangible assets, net	1,221	(157)	-	-	1,063
Derivatives, net	(154)	-	486	-	332
Others	24	-	-	-	24
Gross deferred tax liability	**1,092**	**(157)**	**486**	**-**	**1,419**
Deferred tax assets / (liabilities), net	**696**	**122**	**(448)**	**35**	**407**

For the year ended 31 March 2023	Opening balance	Recognised in profit or loss	Recognised in OCI	Recognised in equity	Closing balance
Deferred tax asset					
MAT credit entitlement	1,727	(109)	-	-	1,618
Defined benefit obligations	152	31	(13)	-	170
Derivatives, net					-
Others	28	(4)	(24)	-	-
Gross deferred tax assets	**1,907**	**(82)**	**(37)**	**-**	**1,788**
Deferred tax liability					
Property, plant and equipment, investment property and intangible assets, net	1,067	154	-	-	1,221
Derivatives, net	164	-	(319)	-	(154)
Others	20	(5)	9	-	24
Gross deferred tax liability	**1,251**	**149**	**(310)**	**-**	**1,092**
Deferred tax assets / (liabilities), net	**657**	**(231)**	**273**	**-**	**696**

(C) During the quarter ended 31 December 2023, the Company recorded Interest income on income tax refund of Rs 158 pursuant to Income Tax Tribunal order for Financial Years 2009-10 and 2010-11 and the same has been presented as income in the financial results under the head 'Other Income'. Instead of providing a cash refund, the tax department has adjusted the refund against tax demands for Financial Years 2011-12, 2013-14, and 2015-16.

(d) Tax expenses is net of reversal of income tax provision amounting to Rs 232 based on favourable tax assessment orders received during the quarter ended 31 March 2024.

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

(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)

		31 March 2024	31 March 2023
(i) Contingent liabilities			
	(a) Claims against the Company not acknowledged as debt	**6,321**	**6,219**
	The above includes:		
(I)	Income tax matters under dispute for notices and orders received relating to financial year 2008-09, 2011-12 to 2018-19 and 2020-21 to 2021-22 (31 March 2023 : financial year 2008 - 09 to 2020 - 21)	6,194	6,206
(II)	Indirect tax matters under dispute for notices and orders received relating to financial year 2009-10 to 2017-18 (31 March 2023 : financial year 2009 - 10 to 2017 - 18)	127	13

(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 Group's evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence it is unclear as to whether the clarified definition of Basic 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 Group believes that it will be able to sustain its positions if challenged by the authorities and accordingly no additional provision is required for these matters. Management is of the view that above matters will not have any material adverse effect on the Group's financial position and results of operations.

		31 March 2024	31 March 2023
(b)	**Guarantees**		
	Guarantees given by banks on behalf of the Group for contractual obligations of the Group.	50	-
	The necessary terms and conditions have been complied with and no liabilities have arisen.		
(ii)	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances	2,001	1,836

* Less than Rs. 0.5 million.

32. (a) Interest in other entities

Subsidiaries

The Group's subsidiary as at 31 March 2024 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 2024	31 March 2023	31 March 2024	31 March 2023	
		%	%	%	%	
Syngene USA Inc.	United States	100	100	-	-	Business support and marketing for research services
Syngene Scientific Solutions Limited	India	100	100	-	-	CRAMS and clinical research services
Syngene Manufacturing Solutions Limited	India	100	100	-	-	Manufacture of enzyme products and medicinal goods

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

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

(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 2024		Share in profit or loss for the year ended 31 March 2024		Share in other comprehensive income for the year ended 31 March 2024		Share in total comprehensive income for the year ended 31 March 2024	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated other comprehensive income	Amount
Holding Company								
Syngene International Limited	98.3%	41,846	91.5%	4,665	100.4%	1,431	93.4%	6,096
Subsidiaries								
Syngene USA Inc.	0.3%	122	0.8%	40	0%	-	0.6%	40
Syngene Scientific Solutions Limited	1.4%	610	7.8%	396	-0.4%	(5)	6.0%	391
Syngene Manufacturing Solutions Limited	0.0%	(1)	0.0%	(0)	0%	-	0.0%	(0)
Non-controlling interest	-	-	-	-	-	-	-	-
Total	**100%**	**42,578**	**100%**	**5,100**	**100%**	**1,426**	**100%**	**6,526**

Name of entity	Net assets as at 31 March 2023		Share in profit or loss for the year ended 31 March 2023		Share in other comprehensive income for the year ended 31 March 2023		Share in total comprehensive income for the year ended 31 March 2023	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated other comprehensive income	Amount
Holding Company								
Syngene International Limited	99.9%	36,140	100.3%	4,656	100%	(972)	100%	3,685
Subsidiary								
Syngene USA Inc.	0.2%	81	0.6%	28	-	-	0.8%	28
Syngene Scientific Solutions Limited	-0.1%	(41)	-0.9%	(41)	-	-	-1.1%	(41)
Syngene Manufacturing Solutions Limited	0.0%	-	0.0%	-	-	-	0.0%	-
Non-controlling interest	-	-	-	-	-	-	-	-
Total	**100%**	**36,180**	**100%**	**4,644**	**100%**	**(972)**	**100%**	**3,672**

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

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

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.

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from operations:		
India	1,077	1,217
United States of America	23,325	22,918
Europe	8,775	5,711
Rest of the World	1,709	2,083
Total	**34,886**	**31,929**

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	31 March 2024	31 March 2023
India	38,942	30,068
Outside India	-	-
Total	**38,942**	**30,068**

Note: Non-current assets excludes investments, derivative assets, financial assets and deferred tax assets.

Major customer

Revenue from two customers (31 March 2023 - one customer) of the Group's Revenue from operations aggregates to Rs. 13,450 (31 March 2023 - Rs. 6,135) which is more than 10 percent of the Group's total revenue.

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 2023 : Rs. 11.25] per share (Face Value of Rs. 10 per share).

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

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

Details of Grant

Particulars	31 March 2024 No. of options	31 March 2023 No. of options
Outstanding at the beginning of the year	6,10,191	13,42,140
Granted during the year	-	-
Forfeited / lapsed during the year	(6,306)	(30,883)
Exercised during the year	(4,69,762)	(7,01,066)
Outstanding at the end of the year	**1,34,123**	**6,10,191**
Exercisable at the end of the year	61,472	5,49,377
Weighted average exercise price	11.25	11.25
Weighted average share price at the date of exercise during the year (In Rs)	745.7	572.7

The weighted average remaining contractual life for the stock options outstanding as at 31 March 2024 is 3 years [31 March 2023 : 4 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 FY 2020. Each option entitles for one equity share. The options under this grant will vest to the employees as 25%, 25%, 25% and 25% of the total grant at the end of first, second, third and fourth year from the date of first grant, respectively, with an exercise period of 5 years for each grant. The vesting conditions include service terms and performance of the employees. These options are exercisable at an exercise price of Rs. 10 per share (Face Value of Rs. 10 per share).

Details of Grant

Particulars	31 March 2024 No. of options	31 March 2023 No. of options
Outstanding at the beginning of the year	15,73,842	26,27,537
Granted during the year	38,032	89,704
Forfeited during the year	(1,28,204)	(3,26,215)
Exercised during the year	(6,41,587)	(8,17,184)
Outstanding at the end of the year	**8,42,084**	**1,573,842**
Exercisable at the end of the year	5,61,068	505,928
Weighted average exercise price	10.00	10.00
Weighted average value of shares granted during the year under Black Scholes Model (In Rs)	584.5	570.01
Weighted average share price at the date of exercise during the year (In Rs)	659.8	569.8

The weighted average remaining contractual life for the stock options outstanding as at 31 March 2024 is 3.34 years [31 March 2023 : 4.34 years].

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

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

Particulars	31 March 2024	31 March 2023
Dividend yield (%)	0.0%	0.0%
Exercise Price (In Rs)	10	10
Volatility	30.4%	30.4%
Life of the options granted (vesting and exercise period) [in years]	3.5	4.5
Average risk-free interest rate	7.2%	7.3%

Syngene Long Term Incentive Performance Share Plan 2023

The Board of Directors of the Company on 22 March 2023 and the Shareholders of the Company on 23 April 2023 approved the Syngene Long Term Incentive Performance Share Plan 2023. Each option entitles for one equity share. The plan comprises of 3 metrics basis which performance is evaluated and the units shall vest on 31 May after the close of the third financial year for which the performance is being considered i.e. 31 May 2025, with an exercise period of 5 years for each grant. The vesting conditions include service terms of the employees. These options are exercisable at an exercise price of Rs. 10 per share (Face Value of Rs. 10 per share)..

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

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

Details of Grant

Particulars	31 March 2024 No. of options	31 March 2023 No. of options
Outstanding at the beginning of the year	-	-
Granted during the year	2,58,254	-
Forfeited during the year	-	-
Exercised during the year	-	-
Outstanding at the end of the year	**2,58,254**	**-**
Exercisable at the end of the year	-	-
Weighted average exercise price	-	-
Weighted average value of shares granted during the year under Black Scholes Model (In Rs)	905.7	-
Weighted average share price at the date of exercise during the year (In Rs)	-	-

The weighted average remaining contractual life for the stock options outstanding as at 31 March 2024 is 1.17 years [31 March 2023 : Nil].

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

Particulars	31 March 2024	31 March 2023
Dividend yield (%)	0.0%	-
Exercise Price (In Rs)	10	-
Volatility	26.2%	-
Life of the options granted (vesting and exercise period) [in years]	6.17	-
Average risk-free interest rate	7.1%	-

Syngene Long Term Incentive Outperformance Share Plan 2023

The Board of Directors of the Company on 22 March 2023 and the Shareholders of the Company on 23 April 2023 approved the Syngene Long Term Incentive Outperformance Share Plan 2023. The performance assessment period for the said plan is FY 2023 to FY 2027 (i.e. 5 years). However, no grants were given to any employees during the year ended 31 March 2024. Accordingly, no accounting has been done in the current financial year.

Syngene Employee Welfare Trust

The assets and liabilities of the aforesaid trust have been accounted for as the assets and liabilities of the Company on the basis that such trust is merely acting as the agent of the company (as given in the table below).

Particulars	31 March 2024	31 March 2023
Assets		
Investments	37	5
Other current assets	5	2
Liabilities		
Reserves	(38)	(27)
Current liabilites	(4)	(5)
Cash and bank balance	**1**	**25**

Notes to the consolidated financial statement for the year ended 31 March 2024
(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

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. 367 (31 March 2023 - Rs. 251).

The weighted average borrowing rate of 8% 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 2024:

Particulars	Land	Buildings	Vehicles	Total
Balance at the beginning	316	2,039	43	2,399
Additions during the year	-	1,804	30	1,834
Finance cost accrued during the period	21	244	4	269
Payment of lease liabilities	(38)	(300)	(29)	(367)
Balance at the end	**298**	**3,787**	**48**	**4,135**

The following is the movement in lease liabilities during the year ended 31 March 2023:

Particulars	Land	Buildings	Vehicles	Total
Balance at the beginning	328	1,962	30	2,320
Additions during the year	16	118	38	172
Finance cost accrued during the period	7	153	3	163
Deletions	-	-	(6)	(6)
Payment of lease liabilities	(35)	(194)	(22)	(251)
Balance at the end	**316**	**2,039**	**43**	**2,399**

The following is the break-up of current and non-current lease liabilities:

	31 March 2024	31 March 2023
Current	484	257
Non-current	3,651	2,142
Total	**4,135**	**2,399**

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

	31 March 2024	31 March 2023
Less than one year	481	242
One to five years	1,870	1,044
More than five years	4,555	2,817
Total	**6,906**	**4,103**

The following are the amounts recognised in the statement of profit or loss for the year ended 31 March 2024:

	31 March 2024	31 March 2023
Depreciation expenses on right of use-assets	347	186
Interest expenses on lease liabilities	269	163
Rent (Refer note 25)	55	44
Total	**671**	**393**

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

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

36. Exceptional items

'The Company has incurred transaction costs of Rs 111 relating to the acquisition of multi modal facility (Unit 3) from Stelis Biopharma Limited (SBL) and the same has been presented under Exceptional items in this Consolidated financial statement for the year ended 31 March 2024.

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.

	31 March 2024	31 March 2023
(a) Amount required to be spent by the Company during the year	101	98
(b) Amount unspent of previous years shortfall	31	70
(c) Amount spent during the year (in cash)		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	122	137
(d) Amount unspent and carried forward to next year	10	31

(e) Details of unspent obligations:

Details of ongoing project and other than ongoing project

In case of Section 135(5) of the Companies Act, 2013 (Ongoing project)						
Opening balance as at 1 April 2023		Amount required to be spent during the year	Amount spent during the year		Closing balance as at 31 March 2024	
With Company	In Separate CSR Unspent		From Company's bank account	From Separate CSR Unspent account	With Company	In Separate CSR Unspent account
-	31	3	-	21	-	10
In case of Section 135(5) of the Companies Act, 2013 (Other than ongoing project)						
Opening Balance as at 1 April 2023	Amount deposited in specified fund of Schedule VII within 6 months	Amount required to be spent during the year		Amount spent during the year		Closing balance as at 31 March 2024
-	-		-		-	-
In case of Section 135(5) of the Companies Act, 2013 (Ongoing project)						
Opening balance as at 1 April 2022		Amount required to be spent during the year	Amount spent during the year		Closing balance as at 31 March 2023	
With Company	In Separate CSR Unspent		From Company's bank account	From Separate CSR Unspent account	With Company	In Separate CSR Unspent account
-	60	-	-	45	-	31
In case of Section 135(5) of the Companies Act, 2013 (Other than ongoing project)						
Opening Balance as at 1 April 2022	Amount deposited in specified fund of Schedule VII within 6 months	Amount required to be spent during the year		Amount spent during the year		Closing balance as at 31 March 2023
-	-	-		-		-

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

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

38. Earnings per equity share (EPS)

	31 March 2024	31 March 2023
Earnings		
Profit for the year	5,100	4,644
Shares		
Basic outstanding shares	40,20,15,000	40,14,34,500
Add: number of shares vested but not yet exercised	6,08,429	10,50,649
Less: Weighted average shares held with the ESOP Trust	(12,43,697)	(18,26,721)
Weighted average shares used for computing basic EPS	**40,13,79,732**	40,06,58,428
Add: Effect of dilutive options granted but not yet exercised / not yet eligible for exercise	5,91,816	29,61,829
Weighted average shares used for computing diluted EPS	**40,19,71,548**	40,36,20,257
Earnings per equity share		
Basic (in Rs.)	12.71	11.59
Diluted (in Rs.)	12.69	11.51

39. Other Statutory Information :

(i) The Group does not have any Benami property or any proceeding is pending against the Group for holding any Benami property.

(ii) The Group do not have any transactions with companies struck off.

(iii) The Group do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(iv) The Group has not traded or invested in crypto currency or virtual currency during the financial year.

(v) The Group 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 Group 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 Group (Ultimate Beneficiaries).

(vi) The Group has not received any fund from any parties (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Group is not classifed as wilful defaulter by Reserve Bank of India.

(viii) The Group 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.

40. On 26 April 2023, the Board of Directors of the Company have approved an allotment of 580,500 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 FY 2020.

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

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

41. Acquisition through slump sale :

On 02 August 2022, the Company's Board of Directors approved the acquisition of certain laboratory facilities along with a team of scientists from Biofusion Therapeutics Limited, a fellow subsidiary, through a slump sale of assets and liabilities for a consideration of Rs. 182. In accordance with Ind AS 103, Business combinations, the acquisition qualified to be a business combination between entities under common control. Accordingly, acquisition was accounted for at book values with the difference between consideration paid and balances taken over being recorded in reserves as an adjustment to retained earnings of Rs.302. The financial information, in respect of prior periods, as if the business combination had occurred from the beginning of the preceding period in these consolidated financial statements have not been restated as the impact was considered to be immaterial.

The following table summarises major class of the assets and liabilities acquired through slump sale as on date of acquisition:

	31 March 2023
Assets	
Property, plant and equipment	518
Other current assets	1
	519
Liabilities	
Borrowings	548
Employee benefit provisions	10
Trade payables	78
Other financial liabilities	3
	639

42. On 26 April 2023, the Board of Directors recommended a final dividend of Rs. 1.25 per equity share of Rs. 10/- (comprising a regular dividend of Rs.0.5 per share and a special additional dividend of Rs. 0.75 per share to mark the 30th anniversary of the founding of the Company in November 1993). The shareholders approved the dividend in the Annual General Meeting held on 26 July 2023 and was subsequently paid.

43. Acquisition through Slump Sale:

On 04 July 2023, the Company's Board of Directors entered into a binding term sheet for acquiring Unit 3 biologics manufacturing facility in Bangalore, India, from Stelis Biopharma Limited (SBL). The unit has been acquired effective 01 December 2023 on a slump sale basis at a total cash consideraion of Rs. 5,632.

The acquisition will add 20,000 litres of installed biologics drug substance manufacturing capacity for Syngene. The site has the potential for future expansion of up to a further 20,000 litres of biologics drug substance manufacturing capacity. It also includes a commercial scale, high speed, fill-finish unit – an essential capability for drug product manufacturing.

The Company has carried out a preliminary purchase price allocation between tangible assets and other balances taken over to assess the fair value as on the acquisition date and accordingly recorded a capital reserve of Rs 39. These initial estimates will be finalized over the next few quarters not exceeding twelve-month period allowed under the accounting requirements.

The following table summarises major class of the assets and liabilities taken over:

Particulars	31 March 2023
Property, plant and equipment	6,207
Other assets	104
Capital creditors	(638)
Other liabilities	(2)
Value of business taken over (A)	**5,671**
Purchase consideraion (B)	5,632
Capital reserve (C=B-A)	**(39)**

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

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

44. Prior year's comparatives

Previous year's figures have been regrouped / reclassified, where necessary, to conform to current year's classification.

45 Events after reporting period:

(a) On 24 April 2024, the Board of Directors of the Company have approved an allotment of 521,981 equity shares of Rs. 10/- (Rupees Ten each) of the Company to Syngene Employee Welfare Trust at face value pursuant to the shareholder's 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 FY 2020.

(b) On 24 April 2024, the Board of Directors recommended a final dividend of Rs. 1.25 per equity share of Rs. 10/-. The proposed dividend is subject to the approval of the shareholders in the Annual General Meeting.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

for **and on behalf of the Board of Directors of Syngene International Limited**

G Prakash
Partner
Membership number: 099696

Kiran Mazumdar Shaw
Chairperson
DIN: 00347229

Jonathan Hunt
Managing Director and Chief Executive Officer
DIN: 07774619

Sibaji Biswas
Executive Director & Chief Financial Officer
DIN: 06959449

Priyadarshini Mahapatra
Company Secretary
FCS Number: F8786

Bengaluru
24 April 2024

Bengaluru
24 April 2024

Notice

Notice is hereby given that the 31st Annual General Meeting ("AGM") of Syngene International Limited ("the Company") will be held on Wednesday, July 24, 2024 at 3:30 PM IST through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

Ordinary Business:

Item No. 1: Adoption of Audited Financial Statements

a) To consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2024, and the reports of the Board of Directors and Auditors thereon.

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** the Audited Standalone Financial Statements of the Company together with the Reports of Board of Directors and Auditors thereon for the financial year ended March 31, 2024, as circulated to the Members, be and are hereby considered and adopted."

b) To consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2024, and the report of the Auditors thereon.

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** the Audited Consolidated Financial Statements of the Company together with the Report of the Auditors thereon for the financial year ended March 31, 2024, as circulated to the Members, be and are hereby considered and adopted."

Item No. 2: Declaration of Dividend

To declare a final dividend of Rs. 1.25 per equity share for the financial year ended March 31, 2024.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** a final dividend at the rate of Rs. 1.25 per equity share having a face value of Rs. 10 each, as recommended by the Board of Directors, be and is hereby declared for the financial year ended March 31, 2024, and that the same be paid to those members whose names appear in the Company's Register of Members and in the Register of Beneficial Owners maintained by the Depositories as on the record date."

Item No. 3: To approve the appointment of Ms. Kiran Mazumdar Shaw (DIN: 00347229) as director liable to retire by rotation.

To appoint a director in place of Ms. Kiran Mazumdar Shaw (DIN: 00347229), Non-Executive Director, who retires by rotation and being eligible, offers herself for re-appointment.

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Ms. Kiran Mazumdar Shaw (DIN: 00347229), who retires by rotation at this Meeting and being eligible has offered herself for re-appointment, be and is hereby re-appointed as Director of the Company, liable to retire by rotation."

Special Business:

Item No. 4: To approve the re-appointment of Dr. Kush Parmar (DIN: 09212020) 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 the provisions of Sections 149, 152, 160, Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules framed thereunder and Regulation 16(1)(b), Regulation 25 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the SEBI Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Articles of Association of the Company, approval and recommendation of the Nomination and Remuneration Committee, and that of the Board of Directors, Dr Kush Parmar (DIN: 09212020), who holds office as an Independent Director up to the conclusion of this Annual General Meeting, be and is hereby reappointed 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 one of the Directors or the 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 the re-appointment of Dr Kush Parmar (DIN:09212020) as an Independent Director on the Board of the Company."

Item No. 5: To approve the appointment of Ms. Manja Boerman (DIN: 10655368) 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 sections 149, 150, 152, 160, 161 Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") read with the relevant Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and Regulation 16(1)(b), Regulation 25 and other applicable provisions the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Articles of Association of the Company, and based on approval and recommendation of the Nomination and Remuneration Committee, and that of the Board of Directors, Ms. Manja Boerman (DIN: 10655368) who was appointed by the Board of Directors as an Additional Director in the capacity of an Independent Director of the Company with effect from allotment of Director Identification Number i.e., June 04 2024 to hold office up to the conclusion of this Annual General Meeting of the Company being eligible, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a first term commencing from June 04, 2024 till the conclusion of the Annual General Meeting of the Company proposed to be held in 2027;

RESOLVED FURTHER THAT any one of the Directors or the 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 Ms. Manja Boerman (DIN: 10655368) as an Independent Director on the Board of the Company."

By Order of the Board of Directors
For Syngene International Limited

Priyadarshini Mahapatra
Head Legal & Company Secretary
(FCS: 8786)

Place: Bangalore
Date: June 08, 2024

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") inter-alia vide its General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, followed by General Circular Nos.20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being 09/2023 dated September 09, 2023 (collectively referred to as "MCA Circulars") has permitted the holding of the 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 31st Annual General Meeting of the Company is being held through VC / OAVM hereinafter 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 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 Registered Office: Biocon SEZ, Biocon Park, Plot No. 2 & 3, Bommasandra Industrial Area, IV Phase, Jigani Link Road, Bengaluru – 560 099, Karnataka, India.

2. In accordance with the aforesaid MCA Circulars and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2023/167 dated October 7, 2023 issued by Securities Exchange Board of India (collectively referred to as "SEBI Circulars"), the Notice of the AGM along with the Annual Report for FY24 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories"

3. The Notice along with the Annual Report for FY24 will be sent through e-mail to those members whose name will appear in the register of members received from the depositories/ Registrars and Share Transfer Agent as on June 21, 2024. In case any Member is desirous of obtaining a hard copy of the Annual Report for the FY24 of the Company, he/she may send a request to the Company's e-mail address at investor@syngeneintl.com mentioning Folio No./DP ID and Client ID.

4. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the Special business under Item Nos. 4 and 5 of the Notice, is annexed hereto. Further, the relevant details with respect to said Item Nos. to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("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 also annexed.

5. Company has appointed KFin Technologies Limited ("KFintech"), Registrars and Share Transfer Agent ("RTA"), to provide VC/OAVM facility for the AGM of the Company.

6. 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 Circulars 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.

7. The attendance of the members participating in the 31st AGM through VC/OAVM facility using their login credentials shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013 ("the Act").

8. Only bona fide members of the Company whose names appear on the Register of Members, will be permitted to attend the AGM 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.

9. 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), 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.

10. 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 email 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 "Corporate Name Event No." The documents should reach the Scrutinizer on or before 17:00 hours on July 23, 2024. Institutional shareholders, who are members of the Company, are encouraged to attend and vote at the AGM through VC/OAVM facility.

11. 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.

12. 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 31st AGM.

13 All documents referred to in the accompanying Notice of the 31st AGM 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 (i.e. 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 31st AGM.

14 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 RTA cannot act on any request received directly from the shareholders holding shares in demat mode for changes in any bank mandates or other particulars.

15. 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.

16. 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.

17. 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 suresh.d@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..

18. Dematerialization of Shareholding : As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition and relodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/ CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. 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 holdings to dematerialized form. Members can contact the Company or KFintech for assistance in this regard.

19. 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,/ Form ISR– 5, the format of which is available on the Company's website at www.syngeneintl.com and on the website of the Company's RTA at https://ris.kfintech.com. It may be noted that any service request can be processed only after the folio is KYC compliant.

20 Members may note that the Notice of the 31st AGM and Annual Report for FY24 will also be available on the Company's website www.syngeneintl.com, 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.

21. Company has fixed the cut-off date as Wednesday, July 17, 2024 for determining the eligibility of shareholders entitled to vote through remote -e-voting and at the AGM. The remote e-voting shall remain open for a period of 5 days commencing from Friday, July 19, 2024 (9:00 hours) to Tuesday, July 23, 2024 (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.

22. The Company has appointed Mr. V Sreedharan, Practicing Company Secretary, Partner of M/s V Sreedharan & Associates, Company Secretaries, Bengaluru (FCS 2347; CP 833) and in his absence Mr. Pradeep B Kulkarni, Practicing Company Secretary, Bengaluru (FCS 7260; CP 7835), Partner of the same firm as Scrutinizer to scrutinize the e-voting process in fair and transparent manner.

23. 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 IEPF Rules, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2023 on the website of the Company at www.syngeneintl.com and also on the website of the MCA. Shareholders may approach the Nodal Officer i.e. Company Secretary of the Company for claiming the unclaimed dividend which is yet to be transferred to IEPF by the Company.

24. Since the AGM will be held through VC / OAVM, the route map is not annexed in this Notice.

25. The details of the process and manner for participating in the 31st AGM through VC/OAVM are explained below:

    a. Members may attend the AGM through video conferencing platform provided by Kfintech. Members may access the same at https://emeetings.kfintech.com, and click on the "video conference" and access members login by using the remote e-voting credentials. The link for AGM will be available in members login where the EVEN and the name of the company can be selected.

    b. Please note that the members who do not have the User ID and password for e-voting or have forgotten the User ID and password may retrieve the same by following the instructions provided in the "Procedure for Remote e-Voting" mentioned in the Notice.

    c. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable wi-fi or LAN connection to mitigate any kind of aforesaid glitches.

    d. 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 the 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.

    e. Speaker Registration: Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and client ID/folio number, PAN, mobile number at investor@syngeneintl.com from Friday, July 19, 2024 (9:00 hours) to Tuesday, July 23, 2024 (17:00 hours). Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

    f. 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

I. Final dividend for the financial year ended March 31, 2024, as recommended by the Board of Directors, if approved by the members at the AGM, will be paid on or before Monday, August 05, 2024 to those members whose name appear on the Register of Members of the Company or Register of Beneficial Owners maintained by the Depositories as on Friday, June 28, 2024.

II. Members holding shares in electronic form are hereby informed that Bank particulars registered with their respective Depository Participant (DPs), with whom they maintain their demat accounts, will be used by the Company for payment of dividend.

III. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 (subsequently amended by Circular Nos. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2021/687 dated December 14, 2021, SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 March 16, 2023 and SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 November 17, 2023) has mandated that with effect from April 1, 2024, dividend to security holders (holding securities in physical form), shall be paid only through electronic mode. Such payment shall be made only after furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature.

IV. Shareholders holding shares in physical/electronic form are requested to submit their bank account details, if not already registered.

V Shareholders holding shares in dematerialized mode are requested to register complete bank account details with 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.

VI. 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.

VII. 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 Kfintech (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.

VIII. A separate email communication was sent to the shareholders on Monday, June 24, 2024, 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.

IX 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 Friday, July 12, 2024 so as to enable the Company to determine applicable amount of TDS/withholding tax.

Instructions and other information relating to e-voting are as under:

In compliance with the provisions of Section 108 of the Companies Act, 2013, read with rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and as per Regulation 44 of the SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations"), the Company is providing e-voting facility through KFin Technologies Limited ('KFintech') on all resolutions set forth in this AGM Notice, to Members holding shares as on Wednesday, July 17, 2024 , being the "cut -off date" fixed for determining the eligible members to participate in the remote e-voting process. The instructions for e-voting are given herein below.

As per the SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies", and as part of increasing the efficiency of the voting process, e-voting process has been enabled to all individual shareholders holding securities in demat mode to vote through their demat account maintained with depositories / websites of depositories / depository participants.

Individual demat account holders would be able to cast their vote without registering with the e-voting service providers (ESPs) thereby not only facilitating seamless authentication, but also enhancing ease and convenience of participating in e-voting process. Shareholders are advised to update their mobile number and e-mail ID with their Depository Participants (DPs) to access e-voting facility.

Any person holding shares in physical form and non-individual shareholders, may obtain the login ID and password by sending a request at evoting@Kfintech.com. However, if the shareholder is already registered with KFintech for remote e-voting then the shareholder may use existing User ID and password for casting the vote.

The details of the process and manner for remote e-Voting are explained herein below:

Step 1 : Login method for individual shareholders holding securities in demat mode is given below:

Login Method for individual shareholders holding shares of the Company in demat mode through National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"):

NSDL	CDSL
1. Existing user who have registered for IDeAS e-Services I. URL: https://eservices.nsdl.com II. Click on the "Beneficial Owner" icon under 'IDeAS' section. III. On the new page, enter User ID and password. Post successful authentication, click on "Access to e-voting" IV. Click on company name or e-voting service provider (i.e. KFintech) and you will be re-directed to e-voting service provider website for casting the vote during the remote e-voting period	**1. Existing user who have opted for Easi / Easiest** I. URL: https://web.cdslindia.com/myeasi/ home/login or URL: www.cdslindia.com II. Click on New System Myeasi III. Login with your registered user id and password. IV. The user will see the e-voting menu. The menu will have links of ESP i.e. KFintech e-voting portal. V. Click on e-voting service provider name to cast your vote.

NSDL	CDSL
2. User not registered for IDeAS e-Services I. To register click on link : https://eservices.nsdl.com II. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/Ide asDirectReg.jsp. III. Proceed with completing the required fields. IV. Follow steps given in point 1.	**2. User not registered with Easi/Easiest** I. Option to register is available at https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration II. Proceed with completing the required fields. III. Post registration is completed, follow the steps given in point 1.
3. Alternatively by directly accessing the e-voting website of NSDL: I. Open URL: https://www.evoting.nsdl.com/ II. Click on the icon "Login" which is available under 'Shareholder/Member' section. III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), password / OTP and a verification code as shown on the screen. IV. Post successful authentication, you will be requested to select the name of the company and the e-voting service provider name, i.e.KFintech. V. On successful selection, you will be redirected to KFintech e-voting page for casting your vote during the remote e-Voting period.	**3. Alternatively, by directly accessing the e-voting website of CDSL:** I. URL: www.cdslindia.com II. Provide demat account number and PAN No. III. System will authenticate user by sending OTP on registered mobile and email as recorded in the demat account. IV. After successful authentication, user will be provided links for the respective e-voting service provider i.e. KFINTECH where the e-voting is in progress. V. Click on company name and you will be redirected to KFintech e-voting website for casting your vote during the remote e-voting period

Individual Member login through their demat accounts / website of Depository Participant

I You can also login using the login credentials of your demat account through your demat accounts / websites of Depository Participants registered with NSDL /CDSL for e-voting facility.

II Once logged-in, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-voting feature.

III |Click on options available against company name or e-voting service provider – **KFintech** and you will be redirected to e-voting website of **KFintech** for casting your vote during the remote e-voting period without any further authentication.

Important note:

Members who are unable to retrieve User ID/ password are advised to use forget user ID and forget password option available at above mentioned website.

Members facing any technical issue - NSDL	Members facing any technical issue - CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at 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 Participant(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. Members must launch internet browser by typing the URL: https://evoting.kfintech.com.

II. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) 8086 followed by folio number. In case of demat account, User ID will be their DP ID and Client ID. However, if members are already registered with KFintech for e-voting, they can use their existing User ID and password for casting the vote.

III. After entering these details members must appropriately, click on "LOGIN".

IV. Members will now reach password change menu wherein they are required to mandatorily change their 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 their password and update their contact details like mobile number, email ID etc. on first login. Members may also enter a secret question and answer of their choice to retrieve their password in case they forget it. It is strongly recommended that members do not share their password with any other person and that they take utmost care to keep their password confidential.

V. Members need to login again with their new credentials.

VI On successful login, the system will prompt the members to select the EVEN for the Company and click on "Submit".

VII. On the voting page memebers must, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, they may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed their total shareholding as mentioned herein above. They may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

VIII. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.

IX. Voting has to be done for each item of the notice separately. In case they do not desire to cast their vote on any specific item, it will be treated as abstained.

X. Members may then cast their vote by selecting an appropriate option and click on "Submit".

XI A confirmation box will be displayed. Members must click "OK" to confirm else "CANCEL" to modify. Once they have voted on the resolution(s), they will not be allowed to modify their vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

B Members whose email IDs are not registered with the Company/ Depository Participants(s)], will have to follow the following process:

I. Members who have not registered their email address and in consequence the AGM Notice cannot be serviced, may write to einward.ris@kfintech.com .along with scanned signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and client master copy in case of electronic folio and copy of share certificate in case of physical folio for receiving the AGM Notice and the e-voting instructions.

II. After receiving the e-voting instructions, members must follow all steps above to cast their vote by electronic means.

Other instructions

a. In case of any query and/or grievance, in respect of voting by electronic means, members may refer to the Help & Frequently Asked Questions (FAQs) and e-voting user manual available at the download section of https://evoting.kfintech.com (KFintech's Website) or contact Mr. Suresh Babu, (Unit: Syngene International Limited) of KFintech, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at einward.ris@kfintech.com or evoting@kfintech.com or phone no. 040 – 6716 2222 or call toll free No. 1800-309-4001 for any further clarifications.

b. Members can also update their mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

c. The voting rights of members shall be in proportion to their shareholding in the paid-up equity share capital of the Company as on the cut-off date i.e. on Wednesday, July 17, 2024.

d. Any Member who has forgotten the User ID and Password, may obtain / generate / retrieve the same from KFintech in the manner as mentioned below:

i If the mobile number of the member is registered against folio No./ DP ID Client ID, the member may send SMS: **MYEPWD** <space> E-Voting Event Number + folio No. or DP ID Client ID to 9212993399

Example for NSDL: MYEPWD <SPACE> IN12345612345678

Example for CDSL: MYEPWD <SPACE> 1402345612345678

Example for Physical: MYEPWD <SPACE> XXXX1234567890

ii If e-mail address or mobile number of the member is registered against folio No. / DP ID Client ID, then on the home page of https://evoting.kfintech.com, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

iii Member may call KFintech toll free number 1800-309-4001 for any assistance.

iv Member may send an e-mail request to evoting@kfintech.com.

Explanatory Statement pursuant to Sections 102(1) and 110 of the Companies Act, 2013 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India

Item No. 4: Re-appointment of Dr. Kush Parmar (DIN: 09212020) as an Independent Director of the Company.

Dr. Kush Parmar was appointed as an Additional Director in the capacity of Independent Director w.e.f. June 22, 2021. Subsequently, the shareholders at the Annual General Meeting ("AGM") held on July 21, 2021, had approved the appointment of Dr. Kush Parmar as an Independent Director till the conclusion of the 31st AGM of the Company. The first term of Dr. Kush Parmar is therefore comes to an end at this AGM.

As per section 149(10) and (11) of the Companies Act, 2013 ('the Act') and the provisions of SEBI (Listing Obligations and Disclosure Requirements), 2015 ('SEBI Listing Regulations'), 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 (NRC) at its Meeting held on April 23, 2024 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 Dr. Kush Parmar during his tenure, has recommended to the Board that continued association of Dr. Kush Parmar 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 Dr. Kush Parmar (DIN: 09212020), 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 details of the remuneration drawn, and Board and Committee meetings attended by Dr. Kush Parmar during FY24 are available/mentioned in the Corporate Governance Report.

The Company has also received a notice in writing from a member under Section 160(1) of the Act proposing the candidature of Dr. Kush Parmar for the office of Director.

Dr. Kush Parmar is not disqualified from being appointed as Director in terms of section 164 of the Act and has given his consent to act as Director. The Company has received declarations from Dr. Kush Parmar stating that he meets the criteria of independence as prescribed under sub-section (6) of section 149 of the Act and SEBI Listing Regulations. Dr. Kush Parmar 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, he fulfils the conditions for appointment as an 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 Dr. Kush Parmar as Independent Director of the Company for a second term of five years commencing from the conclusion of this AGM. Dr. Kush Parmar shall not be liable to retire by rotation.

The profile and specific areas of expertise of Dr. Kush Parmar is provided in the 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 .

Except Dr. Kush Parmar and his 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 Nos. 5: Appointment of Ms. Manja Boerman (DIN: 10655368) as an Independent Director of the Company.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has been appointed Ms. Manja Boerman as an Additional Director in the capacity of Independent Director w.e.f. the date of allotment of the Directors Identification Number (DIN) i.e., June 04, 2024. It is proposed to appoint Ms. Manja Boerman as Independent Director, not liable to retire by rotation, from the date of appointment by the Board until the conclusion of the Annual General Meeting of the Company proposed to be held in 2027.

The Company has also received notice in writing from a Member under Section 160(1) of the Act proposing the candidature of Ms. Manja Boerman for the office of Director.

Ms. Manja Boerman is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as a Director. The Company has received declaration from Ms. Manja Boerman stating that she meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 ('the Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). Ms. Manja Boerman 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 appointment of Ms. Manja Boerman as Independent Director of the Company for a term commencing from the date of her appointment by the Board of Directors on June 04, 2024 until the conclusion of the 34th AGM proposed to be held in 2027. Ms. Manja Boerman is not liable to retire by rotation. A brief profile of Ms. Manja Boerman is provided in the annexure to this Notice.

The specific areas of expertise of Ms. Manja Boerman are 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.

The Board recommends the resolution set forth in Item No. 5 for approval of the shareholders as special resolution.

Except Ms. Manja Boerman 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.

Annexure – Information to Shareholders

In pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 below are the details of the directors seeking appointment or re-appointment at the forthcoming AGM

Brief resume of Directors:

Ms. Kiran Mazumdar Shaw

Non-Executive Chairperson

Ms. 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 United Breweries Ltd, Narayana Hrudayalaya and Trent Limited.

Dr. 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 Ensoma, Entrada Therapeutics, GlycoEra, Precede, Rallybio, 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 & Technology Committee.

Ms. Manja Boerman

Independent Director

Ms. Manja Boerman is a distinguished leader in the biopharmaceutical industry with a deep specialization in protein, cell and gene therapy. With over 20 years of experience, she has played pivotal roles in numerous companies, significantly impacting the development and commercialization of advanced therapies. Ms. Boerman's career highlights include her tenure as President of Catalent Protein, Cell and Gene Therapy, Aesica Pharmaceuticals, Patheon Biologics, and DSM Biologics, as well as her leadership as CEO of Kiadis Pharma and Regenesance. She is currently the CEO of Prothya Biosolutions (a blood plasma product company).

Ms. Boerman holds a PhD in Biochemistry from the State University of New York, reflecting her strong academic background in life sciences. She began her career at DSM, where she held various positions in business development, licensing, and technology within DSM Biologics.

Throughout her career, she has been recognized for her expertise in clinical operations, strategic planning, and business development. She has contributed to numerous scientific publications and has been a prominent speaker at industry conferences. Her ability to drive growth and foster innovation has earned her a respected reputation in the biotechnology sector, particularly in start-up environments and global late-stage clinical development for cell therapy products.

Name of the Director	Ms. Kiran Mazumdar Shaw	Dr. Kush Parmar	Ms. Manja Boerman
Category	Non-Executive Chairperson	Independent Director	Independent Director
DIN	00347229	06422834	10655368
Date of Birth	23/03/1953	19/09/1980	21/01/1966
Date of Appointment	18/11/1993	22/06/2021	04/06/2024
Tenure of Appointment/ Re-appointment	NA	5 years	From 04/06/2024 upto the Annual General meeting of the Company to be held in 2027
Nature of expertise in Specific Functional Areas	Refer Corporate Governance report	Refer Corporate Governance report	Corporate strategy, sector experience, science & technology, manufacturing, ESG and global business experience.
Disclosure of relationship with Directors inter-se	Related to Professor Catherine Rosenberg	None	None
Directorship held in other Listed Companies	Biocon Limited, United Breweries Limited, Narayana Hrudayalaya Limited and Trent Limited	None	None
Membership of Committee in other Companies, if any	Refer Corporate Governance report	Refer Corporate Governance report	None
Shareholding as on 31st March, 2024	21,964	Nil.	Nil.
The skills and capabilities required for the role and the manner in which the proposed person meets such requirements	NA	The NRC has laid out the criteria to be considered while recommending the candidature of Independent Directors to the Board. Among others, it includes considering various skill sets that are insightful and would add value to the overall composition of not only the Board but its various Committees and the Company as well. Dr. Parmar has rich experience in Corporate Strategy and execution, Sector (Life science, Healthcare and Research) expertise, executive leadership capabilities, expertise in Science and Technology and global business experience, which are well suited to the role and capabilities.	The NRC has laid out the criteria to be considered while recommending the candidature of Independent Directors to the Board. Among others, it includes considering various skill sets that are insightful and would add value to the overall composition of not only the Board but its various Committees and the Company as well. Ms. Boerman has rich experience in Corporate strategy, sector experience, science & technology, manufacturing, ESG and global business experience which are well suited to the role and capabilities.

Glossary

Definitions

ALCOA – attributable, legible, contemporaneous, original and accurate.

ALCOA+ – has four additions: complete, consistent, enduring and available.

Antibody – An antibody is a large, Y-shaped protein used by the immune system to identify and neutralize foreign objects such as pathogenic bacteria and viruses known as antigen.

Antigen – An antigen is any a substance from the environment, such as chemicals, bacteria, viruses, or pollen that causes the immune system to produce antibodies against it.

Antiviral – Viruses are tiny (microscopic) infectious agents that grow and multiply only inside living cells of an organism.

Anti-inflammatory agents – A drug or substance that reduces inflammation (redness, swelling, and pain) in the body. Anti-inflammatory agents block certain substances in the body that cause inflammation.

Bacteria – Bacteria are microscopic, single-celled organisms and are found almost everywhere on Earth. Some bacteria are harmful, but most serve a useful purpose. They support many forms of life, both plant and animal, and they are used in industrial and medicinal processes.

Monoclonal Antibodies (mAb) – These are produced in labs and engineered to bind specific targets such as antigens located on cancer cells.

Bispecific antibodies (BsAbs) – These have two distinct binding domains that can bind to two antigens or two epitopes (an antigen part) of the same antigen simultaneously.

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.

Cancer – A term for diseases in which abnormal cells divide without control and can invade nearby tissues.

Cell line: Cells of a single type (human, animal, or plant) that have been adapted to grow continuously in the laboratory and are used in research.

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.

Chemostat – In a chemostat process, the culture conditions are maintained such that there is a dynamic equilibrium in terms of cell concentration which can be optimized to manufacture certain products, cells in this case.

Chirality – This phenomenon occurs when a mirror image of a chemical structure of drug substance cannot be superimposed. These are termed as chiral impurities and may have toxic effects on patients.

Chimeric antigen receptor (CAR) T-cell therapy: It is a way to get immune cells called T cells (a type of white blood cell) to fight cancer by changing them in the lab so they can find and destroy cancer cells effectively.

Drug – A substance intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease.

Drug substance (DS) – Also called as active pharmaceutical ingredient, API or pharmacologic substance. It is the main ingredient in a medicine that causes the desired effect of the medicine.

Drug Product (DP) – The drug substance together with added agents is called the drug product and within its packaging "finished product".

Design of Experiments (DOE) – is a systematic, efficient method that enables scientists and engineers to study the relationship between several input variables and critical output variables.

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.

Hybridoma cell lines – These are widely used to create mAbs. This is achieved by immunizing a mouse with a target antigen, thereby eliciting an immune response. The immunized mouse spleen will produce anti-bodies to the target antigen

Interleukins – They are a group of cytokines that act as chemical signals between white blood cells. They stimulating immune responses, such as inflammation.

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.

GEMBA walks – Gemba walks denote the action of managers going to see the actual process, understand the work, ask questions, and learn.

Lean Six Sigma – A process improvement approach that uses a collaborative team effort to improve performance by systematically removing operational waste and reducing process variation.

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.

Stem cells – These are cells with the potential to develop into many different types of cells in the body. They serve as a repair system for the body. There are two main types of stem cells: embryonic stem cells (pluripotent) and adult stem cells.

Small molecule – Defined as any organic compound That can be administered orally with low molecular weight hence, they can pass through cell membranes to reach intracellular targets.

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.

Tumor – An abnormal mass of tissue that forms when cells grow and divide more than they should or do not die when they should. Tumors may be benign (not cancer) or malignant (cancer)

Vaccine – Vaccines is preparation that reduce risks of getting a disease by stimulating the body's

Viruses – These are are tiny (microscopic) infectious agents that grow and multiply only inside living cells of an organism.

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.

AMBR – The Ambr® 250 system is a high throughput, automated bioreactor system for process development with fully featured single-use 100 – 250 mL mini bioreactors.

Contract Research Organization (CRO) – These organizations provide support to the tech, pharmaceutical, biotech and MedTechindustries.

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.

Good Manufacturing Processes (GMP) – Good manufacturing practice is a system for ensuring that products are consistently produced and controlled according to quality standards. GMP covers all aspects of production; from the starting materials, premises and equipment to the training and personal hygiene of staff.

Current Good Manufacturing Practices (cGMP) – The regulations enforced by the FDA to assure the quality of pharmaceuticals.

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.

IND – An Investigational New Drug (IND) is a drug or biological drug that has not been approved for general use by the FDA. It is used in a clinical trial to investigate its safety and efficacy.

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.

EMA (European Medicines Agency) – The European Medicines Agency (EMA) is an agency of the European Union (EU) in charge of the evaluation and supervision of medicines for human and veterinary use.

PMDA (The Pharmaceuticals and Medical Devices Agency) – The Pharmaceuticals and Medical Devices Agency is an Independent Administrative Institution responsible for ensuring the safety, efficacy and quality of pharmaceuticals and medical devices in Japan.

SQDECC – an acronym representing the six elements of operational excellence: safety, quality, delivery, engagement, compliance and cost.

Syngene

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