

# Syngene

Syngene International Limited

Biocon Park SEZ, Bommasandra IV Phase,  
Jigani Link Road, Bangalore 560099, India.  
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F +91 80 4014 3150 / 2852 3423  
CIN No. L85110KA1993PLC014937

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

Ref: Syn/Acts/CS/SE/Ltrs-BSE/NSE

July 21, 2016

To, The Manager Listing BSE Limited, Corporate Relationship Department Dalal Street, Mumbai – 400 001 Scrip Code: 539268	To, The Manager Listing National Stock Exchange of India Limited Corporate Communication Department Bandra (EAST), Mumbai – 400 051 Scrip Symbol: SYNGENE
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**Sub: Outcome of Board Meeting – Un-Audited Financial Results for the Quarter ended June 30, 2016 and Press Release.**

Dear Sir/Madam,

Pursuant to Regulation 30 and 33 of SEBI (Listing Obligations & Disclosure Requirements) 2015, read with corresponding circulars and notifications issued thereunder by SEBI, we wish to inform you that the Board of Directors approved the Un-Audited Financial Results along with the Limited Review Report for the Quarter ended June 30, 2016 at its meeting held today, we enclose the following:

- A. Un-Audited Financial Statements for the quarter ended June 30, 2016.
- B. Limited Review Report issued by Statutory Auditors.
- C. Press Release.

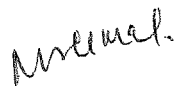
The above information is also hosted on the website of the company at [www.syngeneintl.com](http://www.syngeneintl.com).

Further, Board Meeting commenced at 4:30 pm and concluded at 6:00 pm.

Kindly take the above documents on record and acknowledge.

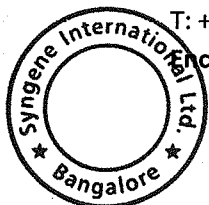
Thanking You  
Yours Faithfully

For Syngene International Limited



Mayank Verma  
Company Secretary  
E: [Mayank.verma@syngeneintl.com](mailto:Mayank.verma@syngeneintl.com)  
T: + 91 80 2808 2023

Enclosed: as above



**SYNGENE INTERNATIONAL LIMITED**

CIN : L85110KA1993PLC014937 Website: www.syngeneintl.com

Registered office: Biocon SEZ, Biocon Park, Plot No. 2 & 3, Bommasandra Industrial Area IV Phase, Jigani Link Road, Bommasandra, Bangalore - 560099

**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2016**

Part I					
Sl. No.	Particulars	(Rs. in million, except per share data)			
		3 months ended 30 June 2016	Preceding 3 months ended 31 March 2016	Corresponding 3 months ended 30 June 2015	Year ended 31 March 2016
		(Unaudited)	(Unaudited) (Refer note 4 below)	(Unaudited)	(Unaudited)
<b>1</b>	<b>Income from operations</b>				
	a) Net sales/income from operations	2,692	3,262	2,283	10,856
	b) Other operating income	53	53	54	214
	<b>Total income from operations</b>	<b>2,745</b>	<b>3,315</b>	<b>2,337</b>	<b>11,070</b>
<b>2</b>	<b>Expenses</b>				
	a) Cost of chemicals, reagents and consumables consumed	729	821	720	3,148
	b) Changes in inventories of finished goods and work-in-progress	(15)	78	(65)	(44)
	c) Employee benefits expense	739	743	575	2,493
	d) Depreciation and amortisation expense	266	260	222	973
	e) Other expenses	404	499	323	1,669
	<b>Total expenses</b>	<b>2,123</b>	<b>2,401</b>	<b>1,775</b>	<b>8,239</b>
<b>3</b>	<b>Profit from operations before other income and finance costs (1-2)</b>	<b>622</b>	<b>914</b>	<b>562</b>	<b>2,831</b>
<b>4</b>	<b>Other income</b>	<b>159</b>	<b>29</b>	<b>21</b>	<b>63</b>
<b>5</b>	<b>Profit from ordinary activities before finance costs (3+4)</b>	<b>781</b>	<b>943</b>	<b>583</b>	<b>2,894</b>
<b>6</b>	<b>Finance costs</b>	<b>52</b>	<b>10</b>	<b>40</b>	<b>84</b>
<b>7</b>	<b>Profit from ordinary activities before tax (5-6)</b>	<b>729</b>	<b>933</b>	<b>543</b>	<b>2,810</b>
<b>8</b>	<b>Tax expense</b>	<b>131</b>	<b>142</b>	<b>77</b>	<b>402</b>
<b>9</b>	<b>Net profit for the period / year (7-8) (Refer note 2)</b>	<b>598</b>	<b>791</b>	<b>466</b>	<b>2,408</b>
<b>10</b>	<b>Other comprehensive income</b>	<b>(87)</b>	<b>60</b>	<b>(31)</b>	<b>6</b>
<b>11</b>	<b>Total other comprehensive income, net of tax (9+10)</b>	<b>511</b>	<b>851</b>	<b>435</b>	<b>2,414</b>
<b>12</b>	<b>Paid-up equity share capital (Face value of Rs.10 each)</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>
<b>13</b>	<b>Reserve excluding revaluation reserves as per balance sheet (Refer note 2 below)</b>				
<b>14</b>	<b>Earnings per share (of Rs.10 each) (not annualised)</b>				
	a) Basic	3.08	4.07	2.41	12.39
	b) Diluted	3.03	4.00	2.36	12.19
	See accompanying notes to the financial results				



Notes :

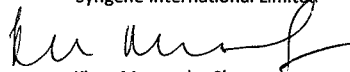
- 1 The unaudited financial results of the Company for the quarter ended 30 June 2016 have been reviewed by the Audit Committee at its meeting on 20 July 2016 and approved by the Board of Directors of the Company at their meeting held on 21 July 2016. The above results have been subjected to limited review by the statutory auditors of the Company. The reports of the statutory auditors are unqualified.
- 2 These financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with the relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 5 July 2016. The Company has not opted to avail the relaxation provided by SEBI in respect of disclosure requirements for corresponding figures of earlier periods. Accordingly, the figures for the quarter and year ended 31 March 2016 have been presented after incorporating the applicable Ind AS adjustments in addition to the figures for the quarter ended 30 June 2015. The reserves (excluding revaluation reserves) as per balance sheet of the previous accounting year 31 March 2016, not being mandatory, has not been presented.

The Company has also prepared a reconciliation of the net profit for the corresponding periods under the previously applicable Generally Accepted Accounting Principles with the total comprehensive income as reported in these financial results under Ind AS. The net profit reconciliation for the quarters ended 30 June 2015, 31 March 2016 and the year ended 31 March 2016 are presented below:

Net Profit Reconciliation	3 months ended 31 March 2016	3 months ended 30 June 2015	Year ended 31 March 2016
Profit after tax (PAT) as per previous GAAP	665	436	2,212
Impact of derivative accounting	141	34	220
Employee benefits expense (share based payments, Actuarial gains/losses)	3	2	10
Other adjustments	1	(1)	1
Income Tax impact of above adjustments	(19)	(5)	(35)
<b>PAT as per Ind AS [A]</b>	<b>791</b>	<b>466</b>	<b>2,408</b>
<i>Other comprehensive income (OCI):</i>			
Effective portion of cash flow hedges	64	(27)	22
Actuarial loss on defined benefit obligations (Gratuity)	(4)	(4)	(16)
<b>Sub-total [B]</b>	<b>60</b>	<b>(31)</b>	<b>6</b>
<b>Total Comprehensive income [A+B]</b>	<b>851</b>	<b>435</b>	<b>2,414</b>

- 3 The Company operates in a single segment of providing Contract Research and Manufacturing Services.
- 4 Figures for the preceding three months ended 31 March 2016 are the balancing figures between those that were audited by the predecessor auditors in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year which were only reviewed by the predecessor auditors. These have been adjusted to incorporate the applicable Ind AS adjustments that were reviewed by the current statutory auditors.
- 5 Prior period/ year figures have been reclassified wherever required to conform to the classification of the current period/ year.

For and on behalf of the Board of Directors of  
Syngene International Limited

  
Kiran Mazumdar Shaw  
Managing Director

Place :- Bengaluru  
Date :- 21 July 2016



# B S R & Co. LLP

Chartered Accountants

Maruthi Info-Tech Centre  
11-12/1 Inner Ring Road  
Koramangala  
Bangalore 560 071 India

Telephone: + 91 80 3980 6000  
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## Review report to The Board of Directors of Syngene International Limited

We have reviewed the accompanying statement of unaudited financial results ("Statement") of Syngene International Limited ("the Company") for the quarter ended 30 June 2016 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Attention is drawn to the fact that the figures for the corresponding quarters ended 30 June 2015 and 31 March 2016 and for the year ended 31 March 2016 are based on the previously issued financial results or annual financial statements that were reviewed/audited by the predecessor auditors as adjusted for differences in the accounting principles adopted by the Company on transition to Indian Accounting Standards ('Ind AS'), which have been reviewed by us. These adjustments reconcile the net profit for the corresponding periods under the previously applicable Generally Accepted Accounting Principles with the total comprehensive income as reported in these financial results under Ind AS.

This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.

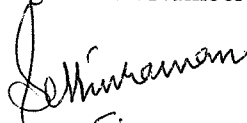
We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 5 July 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

for B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W/W-100022



**S Sethuraman**

Partner

Membership Number: 203491

Place: Bengaluru

Date: 21 July 2016

**SYNGENE INTERNATIONAL LIMITED**

**FACT SHEET**

**June - 2016**



**SYNGENE INTERNATIONAL LIMITED**  
**PROFIT & LOSS STATEMENT**

(Rs. Crores)

Particulars	Q1 FY 17	Q1 FY 16	Variance
<b>INCOME</b>			
Contract research and manufacturing services income	269	228	18%
Other income	21	8	183%
<b>Total Revenue</b>	<b>290</b>	<b>236</b>	<b>23%</b>
<b>EXPENDITURE</b>			
Material & Power Costs	79	72	10%
Staff costs	74	58	29%
Other Expenses	32	26	26%
<b>Material, Power, staff &amp; other expenses</b>	<b>185</b>	<b>156</b>	
<b>EBITDA</b>	<b>105</b>	<b>80</b>	<b>30%</b>
Interest & finance charges	5	4	30%
Depreciation & Amortisation	27	22	20%
<b>PBT</b>	<b>73</b>	<b>54</b>	<b>34%</b>
Taxes	13	7	
<b>NET PROFIT FOR THE PERIOD</b>	<b>60</b>	<b>47</b>	<b>28%</b>
EPS - Basic	3.08	2.41	
EPS - Diluted	3.03	2.36	

Note: a) The figures are rounded off to the nearest crore, percentages are based on absolute numbers  
b) The Amounts are arrived in compliance with Indian Accounting Standards (Ind AS)



**SYNGENE INTERNATIONAL LIMITED**  
**PROFIT & LOSS STATEMENT**

(Rs. Crores)

Particulars	Q1 FY 17	Q4 FY 16	Variance
<b>INCOME</b>			
Contract research and manufacturing services income	269	326	-17%
Other income	21	8	159%
<b>Total Revenue</b>	<b>290</b>	<b>334</b>	<b>-13%</b>
<b>EXPENDITURE</b>			
Material & Power Costs	79	100	-21%
Staff costs	74	74	-1%
Other Expenses	32	40	-18%
<b>Material, Power, staff &amp; other expenses</b>	<b>185</b>	<b>214</b>	
<b>EBITDA</b>	<b>105</b>	<b>120</b>	<b>-13%</b>
Interest & finance charges	5	1	420%
Depreciation & Amortisation	27	26	2%
<b>PBT</b>	<b>73</b>	<b>93</b>	<b>-22%</b>
Taxes	13	14	
<b>NET PROFIT FOR THE PERIOD</b>	<b>60</b>	<b>79</b>	<b>-24%</b>
EPS - Basic	3.08	4.07	
EPS - Diluted	3.03	4.00	

Note: a) The figures are rounded off to the nearest crore, percentages are based on absolute numbers  
b) The Amounts are arrived in compliance with Indian Accounting Standards (Ind AS)



# Syngene

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Confidentiality

Quality

Innovation

Science

EARNINGS RELEASE

Q1 FY 17

For Immediate Release

## Syngene's Robust Growth Continues in Q1 FY17

Revenue grows 23% to Rs. 290 Cr; PAT up by 28% to Rs. 60 Cr

Bengaluru, July 21, 2016: Commenting on the results, Mr. Jonathan Hunt, Chief Executive Officer - Syngene International Limited said, "We are pleased to report a good start for the year with all our three verticals performing as expected. First quarter revenue grew at 23% compared to last year, while EBITDA and PAT grew by 30% and 28% respectively. We are also happy to announce that two new facilities are now operational – the first phase of the Syngene Research Centre and a Viral Testing Facility. Viral Testing is a highly specialized niche service that strengthens our biologics business. We are confident that these new facilities will add to our capabilities and contribute to our growth in the future."

### Quarterly Financial Highlights

All numbers in INR Cr except Margins

	Q1 FY17	Q1 FY16*	YoY Change
Revenue	290	236	23
EBITDA	105	80	30
EBITDA Margin (%)	36	34	
PAT	60	47	28
PAT Margin (%)	21	20	

\*Restated as per the new Ind AS

### Business Update

Syngene's business is organized into three verticals - Dedicated R&D Centers, Discovery Services and Development & Manufacturing Services. Its flexible 'plug-and-play' business model allows it to offer a range of services to its clients ranging from a single component service to a cluster of services to fully integrated discovery-development services.

During the quarter, Syngene recorded robust growth in its Discovery Services and Development & Manufacturing Services. The company commissioned the first phase of its Syngene Research Centre (SRC), spread across 50,000 sq ft area. When fully commissioned, SRC will have a total area of 200,000 sq ft that will support integrated discovery and development programs.

The company also commissioned its Viral Testing Facility in Bengaluru on 1<sup>st</sup> July 2016. The facility will provide niche services to support the viral testing requirements of the pharma and biotech sectors. The state-





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Q1 FY 17

of-the-art BSL-2 (Bio Safety Level - 2) facility is GMP (Good Manufacturing Practices) and GLP (Good Laboratory Practices) compliant and has well-equipped and segregated cell culture, viral testing, molecular and analytical laboratories.

The Viral Testing Facility as well as SRC are part of Syngene's ongoing USD 200 million CAPEX program of which approximately 30% has been spent till date.

**Encl.: Fact Sheet - Standalone Income Statement and Balance Sheet (Indian GAAP)**

### Note on New Accounting Standard

The financials for Q1 FY17 are as per the new Ind-AS (Indian Accounting Standard). The previous year financials have also been restated under the new accounting standards. As a result, the PAT is higher by Rs 3 Cr for Q1 FY16 and by Rs 20 Cr for the full year FY16. This increase is primarily on account of Mark-to-Market adjustments on forex contracts.

### Earnings Call

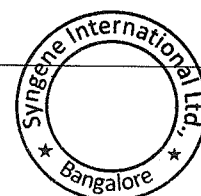
The company will conduct a 45 minutes long call at 3:00 PM IST on July 22, 2016 where the senior management will discuss the company's performance and answer questions from participants. To participate in this conference call, please dial the numbers provided below ten minutes ahead of the scheduled start time. The dial-in number for this call is +91 22 6746 5915 / 3960 0674. Other toll numbers are listed in the conference call invite which is posted on the company website [www.syngeneintl.com](http://www.syngeneintl.com). The operator will provide instructions on asking questions before the start of the call. A replay of this call will also be available till 28<sup>th</sup> July, 2016 on +91 22 3065 2322 / 6181 3322, Playback ID: 26328. We will aim to post the transcript of the conference call on the company website within seven working days of the investor conference call.

### About Syngene

Syngene International Limited, (BSE code: 539268, NSE Id: SYNGENE, ISIN Id: INE398R01022) is one of Asia's largest Contract Research Organizations. It provides discovery and developmental services for new molecular entities across multiple platforms including Small Molecules, Large Molecules, Antibody-Drug Conjugates and Oligonucleotides. These services are aimed towards bringing novel molecules to the market by supporting the R&D efforts of organizations across diverse sectors like pharma, biotechnology, nutrition and animal health. Syngene offers an integrated platform for R&D focussed organizations to optimize their R&D investments and develop their novel molecules with a distinctive cost advantage. In FY16, Syngene serviced 256 clients including 8 of the top 10 global pharma companies. For more details, visit: [www.syngeneintl.com](http://www.syngeneintl.com)

**For further information please reach out to:**

Investor Contact	Media Contact
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EARNINGS RELEASE

Q1 FY 17

**Disclaimer:** Certain of the statements that may be made or discussed at the conference call may be forward-looking statements and/or based on management's current expectations and beliefs concerning future developments and their potential effects upon Syngene International Limited ("Syngene") and its associates. There can be no assurance that future developments affecting Syngene and its associates will be those anticipated by management. These forward-looking statements are not a guarantee of future performance and involve risks and uncertainties and there are important factors that could cause actual results to differ, possibly materially, from expectations reflected in such forward-looking statements. Syngene does not intend, and is under no obligation, to update any particular forward-looking statement made at the conference call.

