

Syngene

**Exceptional Partnerships
Dynamic Growth**
Annual Report 2023



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Syngene at a Glance

Rs 3,193 Cr
(USD 397 Mn)*
Revenue from operations

8,500+
Total workforce

Rs 464 Cr
PAT (10% YoY growth
in FY 2023)

6,000+
Scientists

~750
New graduates joiners

400+
Patents

25th Anniversary
of partnership with
Bristol Myers Squibb

3 campuses
In Bangalore, Hyderabad
and Mangalore

10 year
Partnership deal
with Zoetis

75%
Energy from
renewable sources

*1 USD = Rs 80.4





Exceptional Partnerships, Dynamic Growth

The dictionary definition of ‘partnership’ describes a contractual relationship. However, when applied in context, the concept expresses something more: a common interest, a shared commitment, complementary skills and a desire to work together. These are the characteristics of the relationships that we aim to build. Our experience suggests that strong processes, regular communication, transparency, exchanges of ideas – even disappointments – help to increase our understanding of our clients’ values and ambitions, while building trust between our teams. The more we understand, the more we can plan and shape projects that deliver results: sometimes beyond expectations, always high-quality science.

Our relationships with Bristol Myers Squibb (BMS) and Amgen are two good examples: both are multi-year relationships – BMS celebrated its 25th anniversary with Syngene International Limited in March 2023 – and both companies have dedicated facilities in our Bangalore campus, run by Syngene. Over the years, the relationships have expanded and extended into new areas of science and technology, building a track record of trust and commitment to performance on both sides.

Every project has its unique characteristics, and every client has specific needs. Our role is to assemble the skills, technology and materials needed for each one while advising, planning ahead, assessing risk and offering the best that new technology can offer. Some projects require scale, others depend on specific technology or technical innovation. Syngene scientists take everything in their stride, knowing that our Company has worked with some of the most sophisticated R&D teams in the world and has a wealth of acquired knowledge and experience that can be applied to every challenge.

Whether it is the earliest discovery research, preparation of clinical batches or commercial manufacturing, we treat our clients’ outcomes as if they were our own. It is our explicit commitment to a common cause that drives dynamic growth. Moreover, we recognize that the exceptional partnerships that start in our laboratories drive enduring science-led solutions that make a difference to people and patients everywhere.

About Syngene**Finding solutions through partnerships**

Syngene is an integrated research, development, and manufacturing services organization offering scientific solutions to provide advances in human and animal health, specialty chemicals, and consumer goods. We offer client partnerships that range from a single specialist service to an end-to-end program, accelerating the progress of a molecule to market through seamless integration.

8,500+

Total workforce



With almost 30 years of experience, our solutions and services cover the entire discovery, development, and manufacturing value chain. We specialize in human and animal health sectors, but our scientific capabilities are applied to a wide range of other fields. Our experience and expertise have made us a trusted partner to leading multinationals, start-ups and medium-sized enterprises, non-profit institutions, academic institutes and government organizations.

Our activities are governed by global regulatory standards which underpin the outcomes for our clients. We ensure that every employee understands the responsibility inherent in our work and is clear about expectations for scientific integrity, compliance and individual performance. Additionally, we are committed to delivering long-term benefits to society as a company, an employer and as

an active participant in the communities in which we operate. Monitoring and managing our environmental, social, and governance (ESG) performance is an integral part of our business strategy.

Syngene is listed on the Indian stock exchanges.

Our workforce

Our workforce of 8,500+ people includes some 6,000+ scientists supported by specialist and functional professionals to ensure smooth delivery of client projects. Together, their skills and experience enable us to deliver great science at all points in the value chain from early discovery to commercial manufacturing for both small and large molecules.

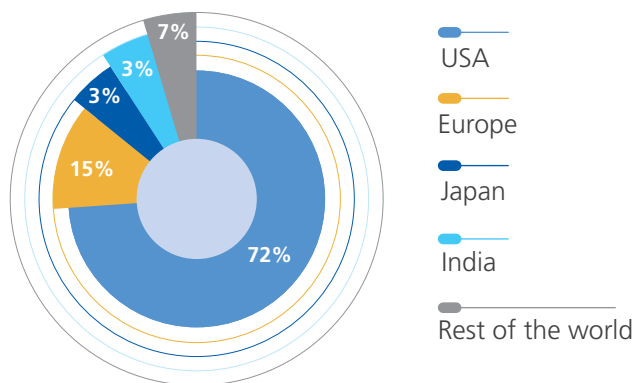
Our campuses

Our Company is headquartered in Bangalore, India, where our main campus serves as our primary research, development, and manufacturing hub. We also have three satellite campuses in Bangalore that house crucial functions such as Human Resources, Legal and Finance as well as our Clinical Development facility.

We have established two additional campuses in Hyderabad and Mangalore, India. In Hyderabad, our expanding discovery research operations are located in the government-sponsored biotech zone, while a dedicated campus in Mangalore houses a commercial-scale active pharmaceutical ingredient (API) manufacturing site.

Furthermore, our US-based wholly-owned subsidiary, Syngene USA Inc., supports clients in the United States, while clients in the United Kingdom and Europe are served by our locally based commercial teams.

Our global client base by country of origin



Our partnerships*

Large & Mid-sized BioPharma	Emerging BioPharma (EBP)	Animal Health	AgroChem	Consumer Products	Chemicals/ Polymers
Bristol Myers Squibb GSK sanofi NOVARTIS AMGEN MERCK Boehringer Ingelheim Baxter	Albireo AMPHISTA THEOPHILINES idorsia Genmab ASCENEURON PharmAust LIMITED saniona C4 Therapeutics	zoetis Elanco BAYER	FMC Dow Dow AgroSciences	Givaudan PURINA Unilever	BAUSCH+LOMB essilor Beiersdorf KRATON

*This is a representative selection of the customers Syngene works with. We work with over 450 customers across industry segments

*All product names, logos, brands, trademarks and registered trademarks are property of their respective owners

Our business divisions



Discovery Services

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

Development Services

With a focus on small molecules, our Development Services division takes drug candidates and provides a range of services, from pre-clinical to clinical trials, including drug substance, drug product development, and associated services in order to demonstrate the safety, tolerability, and efficacy of drugs.

Our development capabilities include advancing highly potent active pharmaceutical ingredients and oligonucleotides with therapeutic and diagnostic applications, from laboratory to manufacturing scale. Our expertise also includes working with performance chemicals and specialty materials using synthetic organic chemistry and polymer chemistry. We integrate analytical services such as method development, validation, transfer, and reference standard qualification throughout the development process.

Manufacturing Services

Manufacturing Services offers commercial-scale manufacturing of small molecules from our cGMP-compliant API manufacturing campus in Mangalore and development and manufacturing services for large molecules from our biologics manufacturing facility in Bangalore which has been approved by the US and European regulatory authorities.

Dedicated R&D Centers

R&D Centers are multi-disciplinary teams based in dedicated facilities focusing on biopharmaceutical research for clients including BMS, Amgen and Baxter.

This model offers a turn-key solution to those clients that want to operate a dedicated research center, at scale, without having to make long-term capital investments and with the ability to fully integrate into their existing research network while maintaining the flexibility to scale up and down easily.

Our collaboration options

Recognizing that each client has different needs, our collaboration options offer flexibility and customization to meet individual requirements. Clients can select a single option or a combination to suit their needs.

Fee for Service (FFS)

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

Full-time Equivalent (FTE)

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

Dedicated R&D Centers

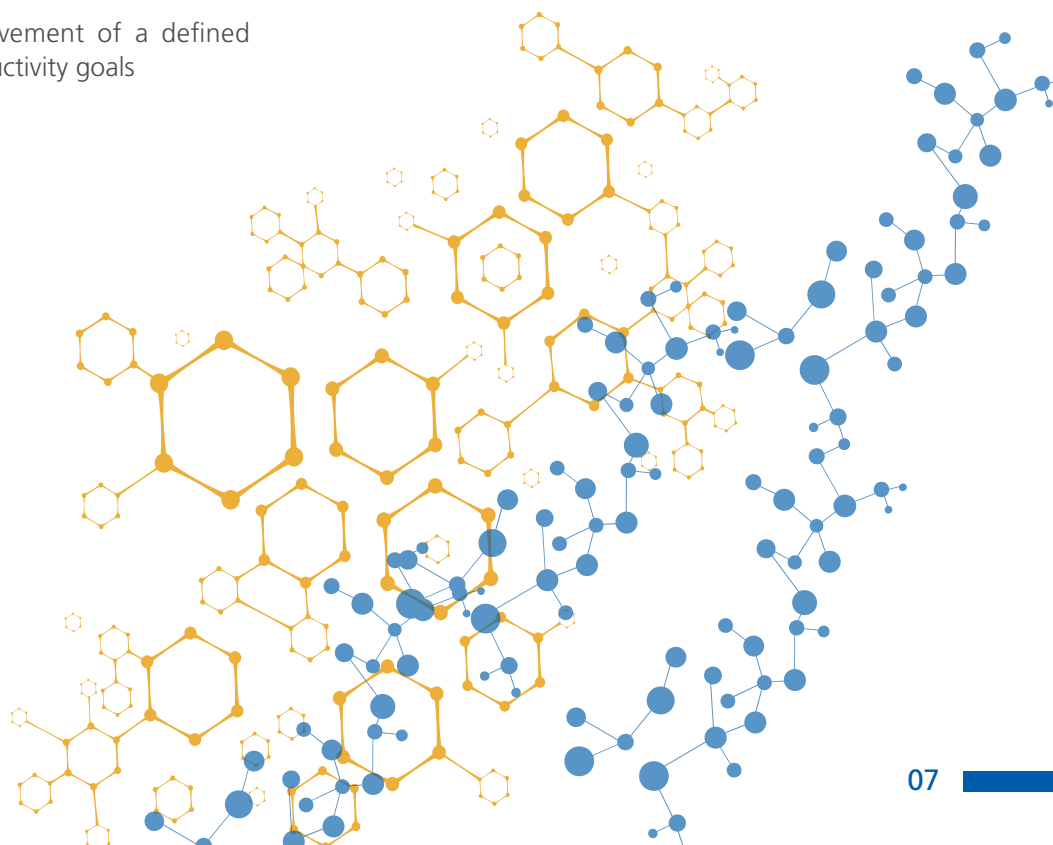
- Clients are provided with customized and ring-fenced infrastructure
- Dedicated scientific and support teams work exclusively on the client's projects
- Long-term strategic alliances typically extending for five years or more

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

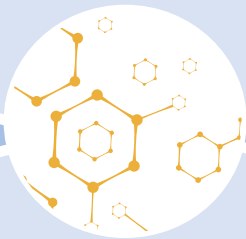
- A contract based on achievement of a defined outcome and linked to productivity goals



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 partner with 400+ clients 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 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

Attract, retain, develop skilled people
 Provide safe work environment for

8,500+ workforce
 including
6,000+ scientists

Effective collaboration with suppliers

who deliver high quality materials and capital projects

2,900+ suppliers

Robust business model

delivering dynamic growth, profitability, returns with good governance

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 advantage

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

- Scientific and operational excellence
- Value workplace diversity
- Active career-long learning and development
- Develop leadership at all levels using leadership competency framework

- Sustainable partnerships create a resilient value chain
- USD 250 Mn annual spend with suppliers, including capital items
- Dual-sourcing of critical materials

- Investment of Rs 45 Bn (USD 567Mn\$) in infrastructure and facilities
- Strong track record of growth with good demand visibility for future
- EBITDA margins maintained around 30%

Our value proposition

- 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

Great place to work

- Collective experience of hundreds of projects benefits every client
- Regular client engagement
- Breadth of skills under one roof to build flexible teams

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

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

Value creation

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
- Three molecules under commercial manufacturing

- An equal opportunity workplace: 28% of females in permanent roles; 14% females in leadership roles; access for differently-abled talent
- Roles in leading edge, global science without leaving India

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

- Revenue growth of 19% for FY23. 15% CAGR over last 5 years
- Earnings per share (basic) of Rs 11.59 in FY23
- Total market cap increase of 284% since listing (to March 2023)

Strategic Priorities

Strategy

Progress in FY23

Looking ahead

Research: Discovery Services

Provide end-to-end therapeutic discovery capabilities including differentiating research technologies and platforms, across many disciplines, disease areas and therapeutic modalities

Discovery Services had a successful year in delivering client projects and enhancing our research capabilities. In Discovery Chemistry, the peptide and targeted protein degradation/stabilization businesses experienced strong growth.

Syngene’s proprietary integrated drug discovery platform, SynVent™, continued to gain momentum, with four integrated drug discovery projects added to the portfolio.

Throughout the year, Syngene launched new differentiated platforms such as SynTACs™ (targeted degradation), SARchitect™ (data analysis and virtual collaboration), and SynTIPS™ (data analysis related to biological targets and pathways). Additionally, existing platforms, Syn.AI™ (AI-enhanced therapeutic R&D) and SynVent™ (integrated drug discovery), were further enhanced. The deployment of these proprietary scientific platforms has strengthened project delivery and brand differentiation.

Market demand for outsourced discovery research services remains strong, and Syngene is well-positioned to meet this demand. Science and technology continue to evolve, opening up new frontiers for scientific discovery.

To strengthen its client value proposition and support the growth of its IDD portfolio, Syngene will continue to invest in differentiating capabilities and technologies. Key focus areas include establishing proprietary platforms for protein-yielding cell lines and antibody therapeutic discovery, leveraging the power of artificial intelligence and machine learning to reduce discovery timelines and costs, and expanding its research facilities in Hyderabad and Bangalore.

Syngene’s commitment to developing and enhancing its capabilities and technologies reflects its dedication to operating at the leading edge of science, providing exceptional service and value to its clients.

Research: Dedicated Centers

Continue to strengthen our existing partnerships with Amgen, Bristol Myers Squibb (BMS) and Baxter through the Dedicated Centers which provide a strong foundation for future planning, revenue visibility over the medium to long-term and predictable cash flows

Led by joint leadership teams, the Dedicated Centers performed strongly during the year and continued to play a part in the clients’ R&D strategy. Highlights included the celebration of 25 years of partnership with BMS and the award of the prestigious Prix Galien to Amgen for its lung cancer therapy, LUMAKRAS, a product in which the Syngene-based team played an important role.

Recognizing the current and future value of these deep partnerships, we will continue to invest in strong leadership, great talent and the latest technology to deliver the agreed plans.

Strategy

Progress in FY23

Looking ahead

Development and Manufacturing Services – small molecules

Leverage existing capabilities to offer integrated Chemistry, Manufacturing, and Controls (CMC) solutions

Secure US FDA and other major global regulatory approvals for the small molecule commercial scale manufacturing facility as a platform to attract a broader scope of projects

We continued to drive greater integration across the Development Services division, thus strengthening our position as a one-stop shop for CMC services.

The construction of a state-of-the-art, fill-finish facility for sterile injectable drugs was completed as planned. This enhances our ability to offer end-to-end solutions in drug product development and manufacturing for clinical supplies of both small and large molecules. cGMP production has commenced at the facility.

We remained focused on securing US FDA and other major regulatory approvals for the commercial scale manufacturing facility.

We will focus on optimizing the capacity utilization of our cGMP drug substance and drug product scale-up facilities while leveraging non-GMP infrastructure to offer greater flexibility and speed for clients.

Other opportunities include: development of antibody-drug conjugate capabilities in collaboration with biologics; and building on our track record in animal health by establishing new capabilities.

US FDA inspection of the small molecule manufacturing facility is expected to take place in FY24 which, if successful, will open up opportunities to attract a broader range of API manufacturing projects.

Development and Manufacturing Services – large molecules

Drive an integrated approach for biologics development and manufacturing to provide a one stop-shop capability from drug discovery to commercial manufacturing for Biologics

Accelerate capacity build-up

Our strategy to provide end-to-end solutions in biologics was realized with the signing of the ten-year biologics manufacturing agreement with Zoetis. Following successful regulatory approvals for our biologics manufacturing facilities, the commercial manufacturing of drug substance for Zoetis started in the fourth quarter.

In addition to growing our capabilities in monoclonal antibodies, our portfolio was expanded with service offerings for GMP manufacturing of plasmid DNA and mRNA.

The global market for biologics manufacturing is buoyant with limited free capacity, skills and experience.

We remain focused on increasing capacity utilization and building new capacity in anticipation of future client demand.

Strategy

Progress in FY23

Looking ahead

Operational Excellence

Focus on customer delivery through operational excellence

The use of SQDECC daily management principles (safety, quality, delivery, engagement, compliance, and cost) has increased operational efficiency and improved productivity.

In Development Services, this focus on reliable customer delivery was rewarded by an increase in repeat business from existing clients.

The drive for operational excellence will always be a priority. We will continue to seek newer technologies and leverage digital solutions wherever possible to enhance business outcomes.

We pride ourselves in maintaining ISO certifications for many of our core systems including the environment management system; information security management system; and quality management system. We will continue to invest time and resources to maintain these foundational capabilities.

People

Develop strong leaders and managers while offering all employees career-long learning opportunities

Syngene prioritizes leadership development and offered a Managerial Development Program to all first and second-line managers to help them acquire the skills necessary to move into a supervisory role. Managers received training on how to hold supportive and engaging discussions with their team members, thereby fostering a culture of coaching within the organization.

To support the professional growth of employees and ensure that they possess the skills and capabilities necessary to operate safely while developing talent for the future, Syngene offered scientific, technical, and non-technical training.

Syngene is an equal opportunity employer and its hiring processes consider talent across all demographics. During the year, the number of female employees increased to 28% of the total permanent employee population, against a benchmark of 11% in the pharma sector in a recent survey by Mercer India.

Syngene is dedicated to creating an environment where employees can build a career in science or an enabling specialty while working alongside some of the most sophisticated pharmaceutical, industrial, and consumer companies in the world.

As Syngene continues to grow, its focus remains on creating rewarding careers for young scientists and functional professionals. Offering career-long learning opportunities through training and individual development plans will be critical to attracting and retaining talent in a competitive market.

Syngene recognizes the importance of investing in its employees and providing them with opportunities for professional growth and development. By fostering a culture of learning and development, Syngene is committed to helping its employees achieve their career goals and reach their full potential.

Strategy

Progress in FY23

Looking ahead

Environmental, Social and Governance (ESG)

Committed to operating in a responsible and sustainable manner.

Syngene has established a robust Environmental, Social, and Governance framework to meet the needs of its clients, employees, investors, communities, and all other stakeholders. Throughout the year, Syngene undertook initiatives across various aspects of ESG to embed sustainability actions deeper into the business. Progress made in all material areas is reported publicly and can be found on Syngene’s website www.syngeneintl.com

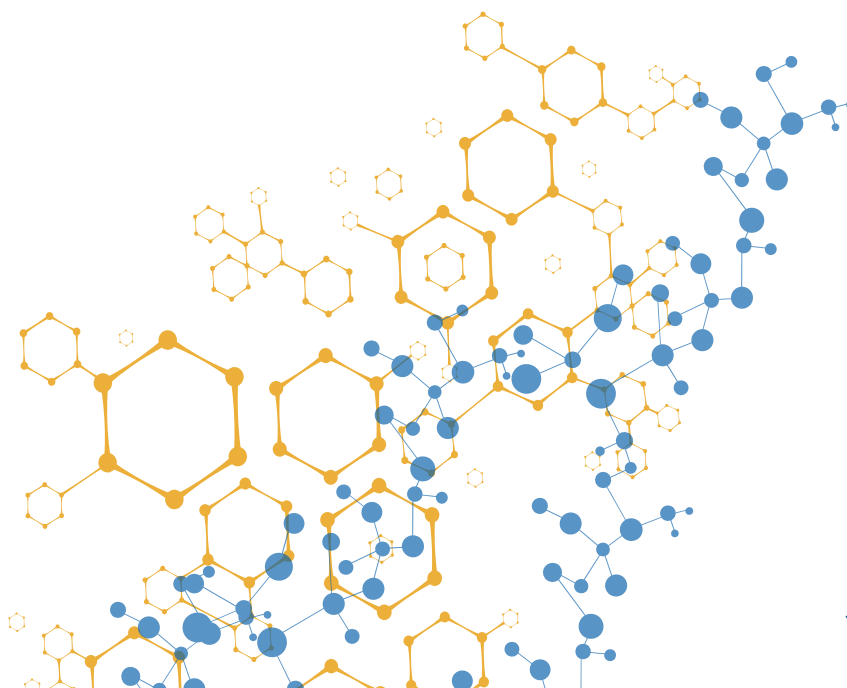
Syngene made significant progress in raising standards within its supply chain by assessing tier-one suppliers against ESG criteria. This area remains a key focus for Syngene as it strives to enhance its ESG performance.

Syngene is proud to have become a member of the United Nations Global Compact in January 2023. This membership reflects Syngene’s commitment to aligning its strategies and operations with universal principles on human rights, labor, environment, and anti-corruption.

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.

Syngene will focus on reducing its climate change impact and aims to set Science-Based Targets to achieve this goal. Additionally, Syngene will continue its efforts to ensure equal opportunities for men and women while extending its activities in diversity, equity, and inclusion to other groups.

Syngene recognises the importance of working with key vendors who are essential to client delivery and believes that raising their ESG performance will increase the resilience of its supply chain. Syngene 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 <ul style="list-style-type: none"> Pathway analysis Omics Knock-in / knock-out 	In vitro assays: <ul style="list-style-type: none"> Biochemical Orthogonal HTS Formats 	In vitro assays: <ul style="list-style-type: none"> Cellular mechanistic Cellular functional Relevant off-target(s) In vitro ADME assays: <ul style="list-style-type: none"> Protein binding Metabolism CYP inhib/induct 	In vivo assays/studies: <ul style="list-style-type: none"> PK (R/NR) PD, PK/PD Efficacy 	Later translational: <ul style="list-style-type: none"> PK/PD/efficacy Refinement of patient selection hypothesis Biomarkers
Synthetic, Medicinal and Analytical Chemistry	HTS/DEL/fragments/virtual screening <ul style="list-style-type: none"> Library design/synthesis/maintenance Hit validation, resynthesis Series qualification, prioritization 	Hypotheses: <ul style="list-style-type: none"> Therapeutic Mechanistic Target engagement 	Research Operating Plan: <ul style="list-style-type: none"> Assay priority Key studies Critical path 	Hypothesis: <ul style="list-style-type: none"> Patient selection 	
Safety assessment			In vitro Safety: <ul style="list-style-type: none"> hERG Ion channels 	Tox-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



Development and Manufacturing Services

Small Molecules

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

AND DEVELOPMENT ACROSS LARGE AND SMALL MOLECULES

Large Molecules

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

Regulatory support

Operating Environment



Syngene is dedicated to providing end-to-end services as a Contract Research Organization (CRO), as well as expanding our services as a Contract Development and Manufacturing Organization (CDMO) in order to operate as an integrated Contract Research, Development and Manufacturing Organization (CRDMO)

Industry reports indicate that the global CRO market, which includes drug discovery, preclinical, clinical, and registration services, has expanded to USD 26 Bn in 2021 and is predicted to reach USD 49 Bn in 2026, with a CAGR of 13.5%. The outsourcing trend has also spurred growth in the CDMO market, which includes preclinical, clinical, registration, and manufacturing services. The global CDMO market stood at USD 63 Bn in 2021 and is expected to reach USD 143 Bn in 2026, with a CAGR of 17.8%, indicating considerably stronger growth than the global CRO market.

Around 90% of the growth for CRDMOs is being driven by the discovery services, small molecule CDMO, and large molecule CDMO segments. Syngene has a long and distinguished track record in these segments and has consistently invested in building capacity and capabilities, further solidifying our position in the market.

Major trends shaping our industry

Strong global pharmaceutical R&D spending and outsourcing

R&D spending from the 15 largest pharmaceutical companies has remained high, with a record-breaking USD 138 Bn invested in R&D by these companies in 2021. This marks a significant 43% increase since 2017.

The emergence of new medical insights and advancing technology is driving greater complexity in R&D. To tackle this complexity and accelerate innovation while containing costs, pharmaceutical firms are increasingly exploring the option of outsourcing the drug discovery and development process. As a result, the trend towards outsourcing is expected to continue, ultimately driving the growth rate of the CRO/CDMO sectors beyond that of the biopharmaceutical industry.

Implications for Syngene

Our Company possesses deep scientific capabilities, cutting-edge infrastructure, and world-class quality standards, positioning us as a desirable partner to deliver innovative R&D solutions. We place a high focus on delivering consistently reliable services to our clients, and this creates a solid foundation upon which to establish enduring strategic collaborations.

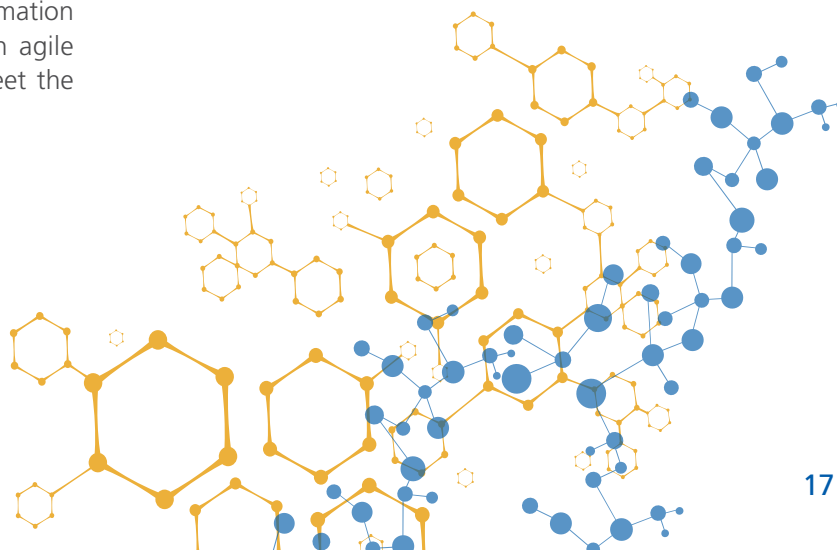
Our commitment to investing in the development of new technologies and modalities, coupled with an active program of digitization and automation across our operations, positions us as an agile outsourcing partner, well-equipped to meet the evolving needs of our clients.

Stable drug R&D pipeline

While the pandemic slowed down the speed of development of many R&D projects, the overall drug R&D pipeline remains stable. In 2022, there were more than 6,000 products in active development from Phase I to regulatory submission, growing 2% over the last two years and 49% since 2017. The growth of the R&D drug pipeline from 2017-2022 has maintained an 8.3% CAGR.

Implications for Syngene

Despite a temporary slowdown during the pandemic, the stable R&D pipeline is favorable for outsourcing, as innovator companies aim to leverage science and technology advancements to expedite the delivery of effective drugs to market. Our comprehensive range of services, spanning drug discovery, development, and manufacturing, supported by integrated CMC programs for clinical batches, enables our clients to save on time and costs by reducing the time needed for technology and knowledge transfer, enabling seamless transitions as the molecule progresses. Given these factors, we are confident that we are well-positioned to capitalize on the growth opportunities in this sector.



Partnerships with emerging biopharmaceutical companies

The proportion of molecules in the R&D pipeline from emerging biopharma companies has doubled since 2001, with significant growth occurring in the last five years. In 2022, this segment accounted for two-thirds of the molecules in the pipeline, up from one-third in 2003 and 51% in 2017. According to industry reports, smaller biopharma companies launched 69% of their own discoveries in the US, indicating increased independence in taking products from innovation to market.

Implications for Syngene

The emerging biopharma segment tends to adopt an asset and resource-light business model, leading them to outsource an even greater proportion of technical expertise and research execution. With this segment generating an increasing share of the R&D pipeline, this is a positive driver for drug discovery outsourcing. To cater to the specific requirements of each company and project, we provide customized services that add value to our partners. Our integrated drug discovery platform, SynVent, has proven to be a popular model for the venture-backed emerging biopharma segment.

Supply chain de-risking

The pandemic exposed the vulnerability of many industries' supply chains, including those that were single-sourced or geographically concentrated. The learnings from the pandemic, as well as continued uncertainty in the geopolitical landscape, are driving many clients to diversify their supply chains to build resilience.

Implications for Syngene

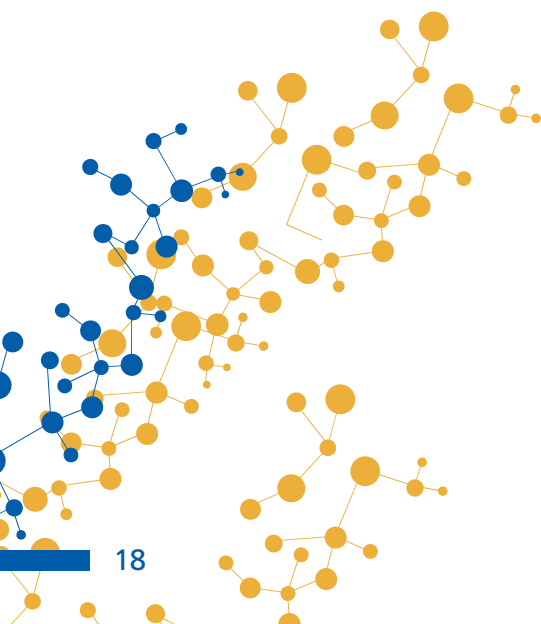
Today, many companies are mitigating their supply chain risks by diversifying geographically, with India emerging as a desirable outsourcing destination. As the established market leader in India, with excellent partnering capabilities and almost three decades of experience in the industry, this need for diversification represents an opportunity for our organization.

Pressure on drug pricing to drive affordability

Across the world, governments are focusing on healthcare affordability: ageing populations in some geographies, slower economic growth, increasing inflation and the rising cost of debt have intensified the need to reduce the costs of healthcare which, as part of the healthcare ecosystem, has an impact on the pharmaceutical sector.

Implications for Syngene

Biopharmaceutical companies that are under pricing pressure are keen to seek lower cost alternatives for drug research and manufacturing. One such solution is to outsource their operations to CROs and CDMOs to benefit from cost efficiencies, creating new opportunities for service providers such as Syngene.



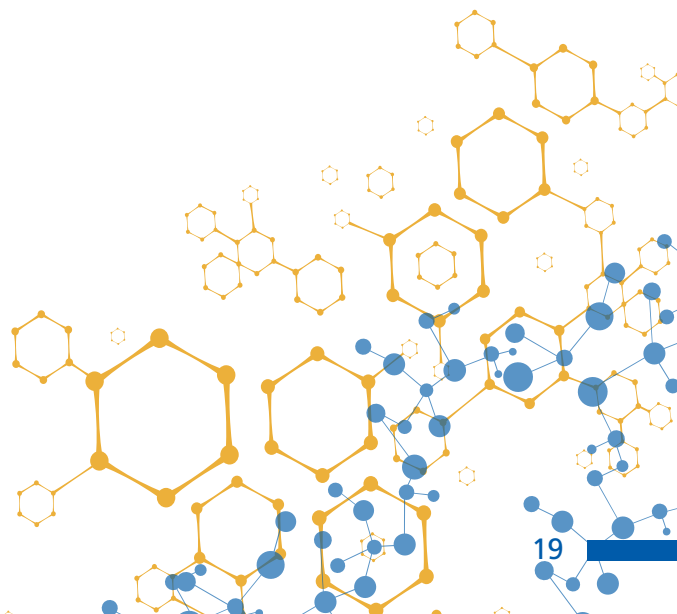


Expanding market for biologics

As the biopharmaceutical industry increasingly focuses on biologics, it is predicted that by 2026, most of the top ten selling drugs will be biologics, worth more than USD 127 Bn collectively. Due to the complexity of these molecules and the significant infrastructure investments required, the outsourcing of development and manufacturing is expected to rise. According to industry reports, the biologics CDMO market is projected to grow at a CAGR of ~15% between 2022 and 2028, with the market size increasing by ~USD 27 billion by the end of the period.

Implications for Syngene

Having made sustained investments in biologics infrastructure and capabilities, Syngene is well-positioned to deliver commercial manufacturing of large molecules, as well as meeting the discovery and development requirements of clients. Our biologics facility has received regulatory approvals from the US FDA, European Medicines Agency, and the UK's Medicines and Healthcare Products Regulatory Agency, enabling it to manufacture commercial supplies of large molecules for clients. With further capacity additions planned, we are confident in our ability to benefit from incremental market opportunities.





Message from our **Chairperson**

Kiran Mazumdar Shaw

Dear Shareholders,

Fiscal year 2022-23 has been a year of strong science, new partnerships and financial growth. We have continued to invest in new capabilities and have been relentless in our endeavor to build a culture of high-quality standards to meet the increasing compliance demands of global regulators.

Two important highlights of the year were the signing of a ten-year partnership with Zoetis to manufacture a monoclonal antibody for use in animal health, and the celebration of our 25-year partnership with Bristol Myers Squibb. We believe strong and enduring relationships build deep mutual understanding between scientists; deliver great science from the exchange of ideas; and build trust through experience.

Adding value to clients' research through advanced scientific capabilities is an important factor in sustaining future growth. During the year, your Company built a significant PROTACs capability at the Hyderabad campus and commissioned a sterile injectable fill-finish capability in Bangalore to support supplies for clinical trials. In addition, the development of proprietary artificial intelligence and machine learning models offers clients the opportunity to accelerate R&D timelines delivering both cost savings and higher probability of success.

Your Company's strong operational performance was matched by its financial performance. Full year revenue from operations growth was 23% at Rs 3,193 Cr (USD 397 Mn)³ and profit after tax before exceptional items grew by 10% to Rs 464 Cr (USD 58 Mn), exceeding the upgraded guidance provided earlier in the year on both measures. We are also pleased to report significant non-financial performance through Corporate Social Responsibility (CSR) initiatives. This year, we have funded programs in Karnataka and Telangana with a focus on community-based healthcare, environmental rejuvenation and increased access to science education in schools.

Our employees are on the front line of delivering great science for clients and our Company aims to offer rewarding careers to both scientists and non-scientists. During the year, we have invested in training to provide career-long skills development, including management and leadership skills, to ensure that we are developing the next-generation of leaders.

As we embark on our 30th year, I am extremely proud of the achievements of our Company. Looking ahead,



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the global markets for research, development and manufacturing are buoyant and the skills and cutting-edge technology available in India make it an increasingly attractive destination for such activity. Our Company has established a firm foundation for growth and in the year ahead I am confident that will translate into benefits for all stakeholders.

I would like to offer my thanks to all Syngene employees for their contribution and to the Executive team which drives performance with a strategic intent to accelerate future growth. As ever, I am grateful for the sound counsel and strong support offered by our Board members. Finally, I am grateful to our clients, shareholders and all other stakeholders for the trust they have placed in Syngene.

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

Kiran Mazumdar Shaw

³ 1 USD = Rs 80.4

A portrait of Jonathan Hunt, a middle-aged man with short grey hair, smiling. He is wearing a dark grey blazer over a light blue button-down shirt. The background is a plain, light grey wall.

Message from our Managing Director and Chief Executive Officer

Jonathan Hunt

Dear Shareholders,

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

This year, we saw a keen interest from our existing clients to make up for lost time during the pandemic. These loyal partnerships were complemented by new clients seeking an outsourced approach to research, development, and manufacturing requirements. Our experience and capabilities allow us to help these companies take their projects forward efficiently and effectively.

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

Exceptional partnerships

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

Many clients come to Syngene to leverage our scale and we continue to invest to ensure that we have the capacity required: during the year, space for some 400 additional scientists was added at the campus in Hyderabad. Other clients seek cutting-edge technology and we have invested here too: adding a dedicated PROTAC facility accommodating 150 researchers. In Bangalore, a state-of-the-art sterile fill-finish facility was commissioned to add to the end-to-end capability that we offer in Development Services. A kilo laboratory for polymers and specialty materials was also commissioned during the year.



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In January 2023 we were very pleased to become a member of the United Nations Global Compact to underline our commitment to running our business responsibly for the benefit of future generations.

Operational delivery

Maintaining high standards in our operations is a daily focus, given the highly regulated nature of our industry. We continuously train, check and verify safety, quality, compliance, data handling and cybersecurity to ensure our operations meet the highest standards. In 2022, we hosted almost 80 audits, including successful regulatory inspections of our biologics manufacturing facilities by three world-leading regulators: the US FDA, European Medicines Agency, and UK Medicines and Healthcare Products Regulatory Agency.

Our supply chain reliability is critical to delivering for our clients, and we took steps during the year to improve its resilience. By ensuring dual-sourcing of critical materials and focusing on managing inventory, we were well positioned to provide uninterrupted supply for our operations.

Responsible growth

We are committed to improving our non-financial reporting and monitoring our impact on society from an environment, social, and governance perspective. During the year, we reduced our environmental footprint, delivering a 3.8% energy saving while increasing the amount of energy drawn from renewable sources, including the installation of solar energy production in our Mangalore plant. We also reduced freshwater withdrawal by 40%.

We continued to increase the number of young scientists recruited into the Company and reviewed our human resources processes to ensure fairness, transparency, and gender-neutrality. Our efforts to build a balanced workforce are paying off, with 25% of our management population comprising female employees up from 14% in our baseline year of 2021.

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

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Leadership

In the third quarter, we welcomed two new members to the Executive Committee, Dr Joydeep Kant and Andrew Webster. Joydeep Kant brings extensive experience in Development Services and animal health, while Andrew Webster has a strong background in managing global Human Resources teams in various industries. We are confident that their expertise and fresh perspectives will drive new ideas and energy to their roles in the year ahead.

Outlook

During the year, a better balance between the research divisions and development and manufacturing operations strengthened our business while our focus on client delivery built momentum throughout the year. Looking ahead, we see further opportunities in the pharmaceutical and biotech sectors as they invest in R&D innovation and globalize their manufacturing. Additionally, we see growth potential in the animal health sector, presenting an attractive new market for us.

The year ahead may bring challenges such as inflation, supply chain disruption, geo-politics, and potentially economic pressures in some client markets but it will also bring opportunity as we continue to see healthy demand for our services and an ongoing appetite for clients to partner to deliver innovation. In this context, our strategic progress and strong operational delivery over the last year positions us well for both the opportunities and challenges ahead.

I would like to thank my Syngene colleagues for their commitment to our high standards throughout the year which, in turn, build trust with our clients. I would like to recognize the contribution of my colleagues in the Executive Committee and offer my thanks to many other stakeholders who contribute to our work and enable us to deliver safely and reliably for our clients every day. As we start the new financial year, we remain committed to our many exceptional partnerships and continuing to drive dynamic growth for the Company because we know that our solutions take client projects one step closer to improving the lives of people, patients and animals all over the world.

Jonathan Hunt



Looking ahead, we see further opportunities in the pharmaceutical and biotech sectors as they invest in R&D innovation and globalize their manufacturing. Additionally, we see growth potential in the animal health sector, presenting an attractive new market for us.



Message from our Chief Financial Officer

Sibaji Biswas

Dear Shareholders,

I am pleased to report that Syngene has shown remarkable resilience and delivered a strong performance in Financial Year 2022-23. Syngene's intrinsic strength allowed it to navigate the challenges with agility and adaptability. The robust business model and a strong balance sheet, combined with focus on execution, enabled the Company to deliver on its strategic priorities across the divisions resulting in 23% year-on-year growth in revenue from operations and 15% increase in Profit Before Tax and exceptional Items.

The Company has seen continued good performance from the Discovery Services division which grew on the back of healthy demand, strong industry fundamentals, rising trend in outsourcing R&D activity and geo-political factors affecting sourcing preferences of clients. The Company also moved forward in strengthening its end-to-end therapeutic drug discovery capabilities and providing integrated drug discovery through the SynVent platform. We continued to invest in creating research infrastructure with the campus in Hyderabad playing an increasingly important role in discovery services operations, now accommodating around 900 scientists.

The Dedicated Centers revenue growth was stable on the back of long-term contracts with clients.

Development and Manufacturing Services grew by 28% year-on-year. Growth was driven by repeat orders from existing clients as well as an increase in the number of collaborations with emerging biopharma companies.

The commercial Active Pharmaceutical Agent (API) manufacturing facility in Mangalore is on track in its preparation for a U.S. Food and Drug Administration (US FDA) audit in FY24. A successful approval will enable the Mangalore facility to take novel molecules and other products into commercial manufacturing in a phased manner, subject to market conditions and client-driven factors.

Syngene made good progress in its strategic milestones for the year with respect to biologics manufacturing. With Current Good Manufacturing Practice (cGMP) certifications from the regulatory agencies in place, the Company is manufacturing drug substance at a commercial scale and making progress with its biologics growth strategy.

Overall, this sustained performance resulted in FY23 delivering the highest year-on-year increase in revenue and EBITDA in the last five years, providing a strong platform for future investments.

Costs and margin overview

EBITDA from operations grew by 17% to Rs 9,344 Mn (USD 116 Mn), EBITDA margin from operations for FY23 was at 29.3% compared to 30.6% in the prior year.

Reported material costs increased at a lower rate of 15% year-on-year compared to 23% growth in revenue, mainly due to the base effect of remdesivir manufacturing in the previous year which had high raw material costs. The overall material cost-to-revenue ratio now stands at around 27% of revenue from operations. (FY22 28.8%). Employment costs for the year increased by 17%, in line with headcount growth and annual increments. Overall employee cost-to-revenue ratio stands at around 26%, around 120 bps lower than the previous year.



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29.3%

EBITDA margin for FY23



Rs 4,800 Mn
(USD 60 Mn)
Capex for the year

Other operating costs increased 30% compared to the previous year. This increase is attributed to cost inflation as well as an increase in business travel, sales promotion, and other overheads. As the Company emerged out of the pandemic, it deliberately chose to invest in business and sales promotion activities including travel.

The power and facility costs increased by 22% year-on-year due to inflationary pressures and business expansion. During the year, the Company saw the benefit of its investments in renewable energy, which not only benefited the cost of energy supply but also helped in making good progress towards environmental commitments by reducing carbon emissions. Despite an increase in total energy consumption due to the expansion of facilities and increasing power and fuel tariffs, these investments provided a mechanism to mitigate cost increases.

Depreciation and amortization expenses for the year increased by 18% reflecting capex additions. The operating earnings before Interest and Taxes (EBIT) increased around 17% in line with operating EBITDA. However, the interest expense for the year increased from Rs 241 Mn (USD 3 Mn) to Rs 452 Mn (USD 5.7 Mn), an increase of 88%, driven by three factors: ~100 bps increase in interest rates; the exchange rate difference on foreign currency borrowings (increase of Rs 41 Mn); and the interest component of lease liabilities on new leased properties (increase of Rs 60 Mn). The increase in interest costs and increase in effective tax rate resulted in Profit After Tax before exceptional items growth of 10% to Rs 4,644 Mn (USD 58 Mn) as compared to Rs 4,211 Mn (USD 52 Mn) in fiscal year 2021-22. The effective tax rate for the year was at 21.8% compared to 18.3% in the previous year reflecting a gradual increase in the tax rate as some of the units move out of the Special Economic Zone tax benefit period. While the effective tax rate is increasing, the Company has a Minimum Alternate Tax (MAT) credit balance of Rs 1,617 Mn (USD 20 Mn), which will be utilized over the next few years. This will enable the Company to maintain the cash outflow for income tax at the minimum tax level.

17% YOY
EBIT growth. The increase in interest costs and increase in effective tax rate resulted in Profit After Tax before exceptional items growth of 10% to Rs 4,644 Mn (USD 58 Mn) as compared to Rs 4,211 Mn (USD 52 Mn) in fiscal year 2021-22.

Navigating currency volatility

Syngene’s clients are spread across several countries with a substantial share of revenue being earned in foreign currency. The Company is also exposed to foreign exchange risks due to other operations and transactions. Consequently, hedging is an integral part of Syngene’s strategy to mitigate the risks associated with exchange rate fluctuation. The Company hedges receivables according to the Board-approved foreign exchange policy.

FY23 was marked by a significant depreciation of the Rupee against the Dollar. The average USD – Rs conversion rate realized during the year was around Rs 80, higher than the hedge rate at close to Rs 79 as a result, the Company booked hedge losses. During the year, the Company registered a foreign exchange loss of Rs 418 Mn (USD 6.8 Mn) as compared to a gain of Rs 548 Mn (USD 5.2 Mn) in the prior year.

Investing in the future

Capital expenditure for the year was around Rs 4,800 Mn (USD 60 Mn) which included capital projects under progress and capitalization of lease rentals from long-term lease arrangements. Of the total capital expenditure, approximately

60% was deployed in expanding research services. 35% of capex was invested in Development and Manufacturing Services including scaling up the existing Biologics facility and addition of clinical scale injectable fill-finish capability, amongst others. The rest of the capital expenditure was invested in common infrastructure, especially on digital technologies.

Total assets capitalized during the year were around Rs 6,484 Mn (USD 81 Mn), which led to reduced capital work in progress from Rs 3,464 Mn (USD 43 Mn) in FY22 to Rs 1,769 Mn (USD 22 Mn) in FY23.

Healthy balance sheet

A healthy balance sheet is fundamental to the Company's overall financial strategy and is essential for long-term success. The Company continued to have a robust balance sheet and maintained a strong liquidity position as planned.

Inventory levels increased during the year in a planned effort to ensure there was no disruption to client deliveries due to supply chain challenges and to compensate for the increased lead time for materials in biologics. The majority of the increase was in manufacturing inventories following the signing of the agreement with Zoetis for Biologics commercial manufacturing. The net cash balance increased by Rs 2,237 Mn (USD 28 Mn) to Rs 9,561 Mn (USD 119 Mn) at the end of March 2023 driven by an increase in cash profits.

Looking ahead

Looking ahead, FY24 will be an important milestone in preparing for the next level of growth for Syngene. The Company will continue to invest in people, processes, and technology to drive innovation, efficiency, and excellence across all aspects of the business. The Company will continue to execute its strategic priorities across divisions to capture the growth potential driven by a healthy demand environment.

In the research businesses, the Company expects steady growth momentum in Discovery Services while the Dedicated Centers offer visibility of sustainable revenue.

Continued momentum is expected in Development Services driven by a healthy order book and molecule pipeline. In Manufacturing Services, fulfilment of biologics commercial manufacturing remains key while the Company adds capacity to handle increased volumes.

Overall, the Company expects the growth momentum to continue with some improvement in margin profile contributing to profit growth.

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

Sibaji Biswas



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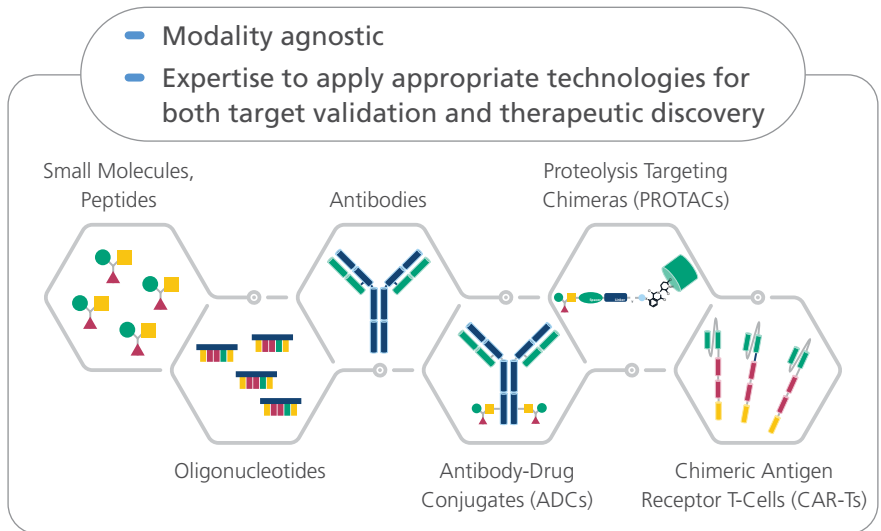
Discovery Services

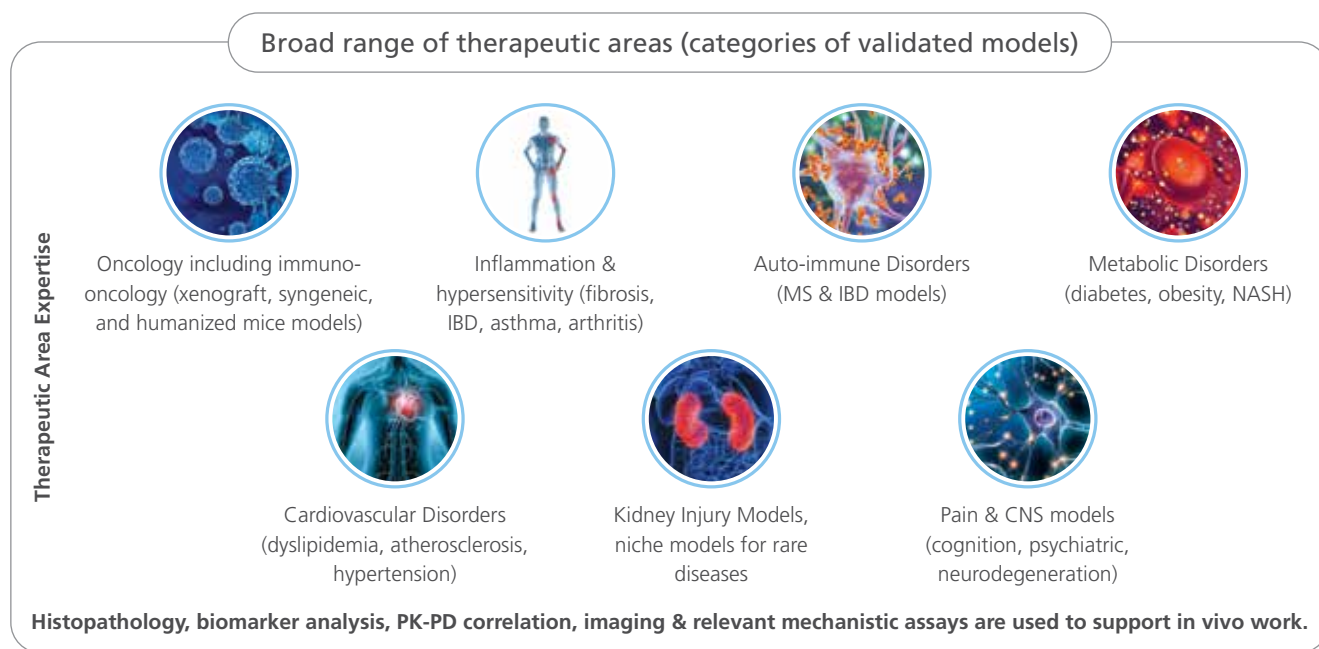
Integrated discovery research drives dynamic growth



Our integrated approach to discovery research, bespoke client partnerships and adoption of new technologies enable us to deliver research excellence for our clients. The molecules and data we generate advance products that change lives for the better.

- Modality agnostic
- Expertise to apply appropriate technologies for both target validation and therapeutic discovery





Discovery Services provides expertise across various research disciplines. Co-located teams and close collaboration with clients bring together research innovation with speed and efficiency. Our end-to-end discovery capabilities span multiple therapeutic areas and modalities, giving us a competitive edge in applying the most appropriate modality for target validation and therapeutic discovery.

Progress Review

Discovery Services delivered strong results in terms of client project delivery, capability additions, revenue growth, and overall organizational growth. Our scientific capabilities, breadth, and quality were reflected in our successful track record for clients. We identified three small molecule candidates for preclinical evaluation during the year.

We invested in infrastructure to accommodate growing client demand, expanding the Discovery Chemistry unit for synthetic organic and medicinal chemistry to accommodate around 900 scientists. In Hyderabad, we added approximately 46,000 sq. ft. of laboratory space, while the assay biology and large molecule research capacity were expanded through the addition of approximately 7,500 sq. ft. of laboratory space in

Bangalore. We plan to further expand in Hyderabad during the current year.

Discovery Chemistry

Our expansion of peptide and targeted protein degradation/stabilization businesses significantly contributed to our success in Discovery Chemistry.

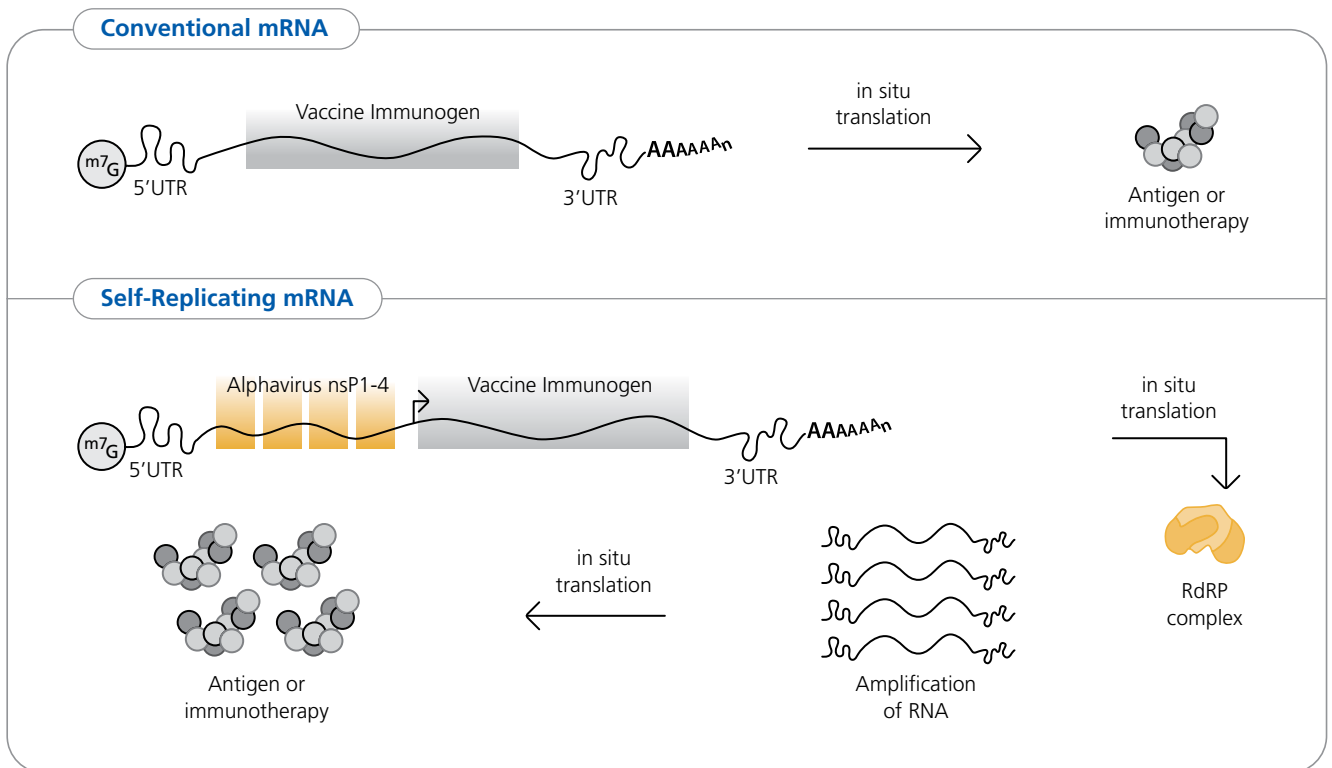
We continued to focus on improving operational effectiveness, launching initiatives such as a virtual reality based new joiner induction program with a strong focus on safety. We introduced a digitization program with real-time, remote monitoring of temperatures in laboratory and chemical reagent storage cold rooms. The newly implemented Synventory software enhances the user experience for chemical searching, issuances, reservations, E-approvals, and end-to-end tracking, boosting productivity and reducing turnaround time for chemical issuances.

Discovery Biology

Discovery Biology provides translational and pharmacological expertise across multiple therapeutic areas, including oncology and immuno-oncology, immunology, neuroscience, and cardiovascular diseases.

We augmented our therapeutic antibody discovery capabilities through the introduction of single B cell cloning and human immune antibody library platforms. We also developed a proprietary cell line engineered to generate high protein yields.

We achieved significant scientific innovations, including the successful generation of genetically engineered adult stem cells (iPSCs) from human immune cells for off-the-shelf allogeneic cell and gene therapy. We also developed new 3D spheroidal cancer models for greater translatability of data to the clinic and extended Syngene’s mRNA platform by generating self-replicating mRNA that showed enhanced protein expression over conventional mRNA.



DOI <https://doi.org/10.1038/s41434-020-00204-y>

With a focus on improving productivity for clients, investments were made in technology and process automation to deliver higher quality and improved turnaround time.

Further efficiency was delivered by adopting high throughput methods for plasmid preparations (mini, midi, maxi and giga). Plasmid purification is a basic starting point in early-stage antibody discovery, and use of high throughput methods allows us to accelerate our existing biotherapeutic discovery workflows.

Safety Assessment

Safety Assessment provides a full range of exploratory and Good Laboratory Practice (GLP) compliant services to enable clients to assess the safety and toxicological profiles of potential new drugs. Our services include clinical and anatomic pathology, formulation analysis, toxicokinetic analysis, interpretation, and reporting. Our team has supported a broad range of projects spanning small molecules and biologics, including vaccines.

Safety Assessment experienced a significant rise in study demand compared to the prior year.

Our service portfolio was expanded to include new capabilities:

- Validation of two new specialized in vivo toxicity studies that are used as endocrine disruptor screening assays for testing of chemicals and pharmaceuticals: (i) Hershberger assay. (ii) Uterotrophic assay. Validation of a third, specialized in vivo toxicity assay, phototoxicity, is in process.
- Validation of D-Dimer analysis in plasma

A surveillance inspection by the Indian National GLP Compliance Monitoring Authority (NGCMA) was successfully completed resulting in the recertification of the GLP license. The registration with the Committee for the Purpose of Control and Supervision of Experiments on Animals (CPCSEA) was renewed and the unit was successfully re-accredited with the Association for Assessment and Accreditation of Laboratory Animal Care (AAALAC).



Computational and Data Sciences

The application of computational and data sciences drives rapid and informed decisions for research and development activities. The team comprises an interdisciplinary group of scientists with expertise across computational biology, computational chemistry, data sciences, and research informatics. The team assists clients to resolve complex problems of drug discovery from target identification and hit identification to lead optimization and translational insights.

Leveraging our proprietary platforms to make data sciences available to clients, our scientists can drive project success:

1. **SARchitect™**: This platform offers data visualization and analysis, including features specifically designed to foster collaboration between scientific experts across disciplines and geographies. Embedded in this tool is access to Syn.AI™.
2. **Syn.AI™**: This platform is used to create and train algorithms for analysis, multiparameter optimization, and prioritization, from target identification through lead optimization, to preclinical evaluation and CMC,

and into the clinic. Importantly, we apply Syngene-designed interfaces to bring these tools directly to the bench scientist.

3. **SynTIPS™**: This is the most recent addition to the Syn.AI™ platform which provides entirely automated, rapid identification, collation and analysis of data related to biological targets and pathways, including prioritization.

Syngene SynVent™

SynVent is a specialized platform for integrated therapeutic discovery and preclinical development, led by a team of professional drug hunters with pharmaceutical and biotech experience. Our scientific leaders, located in India, Europe, UK and North America, form cross-functional teams to partner with our clients and execute detailed project plans in collaboration with technical experts and project teams in India.

This year, we included seventeen diverse projects in the SynVent portfolio, covering modalities and therapeutic areas ranging from small molecule inhibitors to targeted protein stabilization.





Next-generation antibody drug conjugates

Antibody drug conjugates (ADCs) represent a promising class of therapeutics for targeted cancer treatment. An ADC consists of a high-specific monoclonal antibody directed to a cancer cell, coupled to a highly potent chemotherapy agent (called payload) via a linker. The ADC molecule has an antibody that is tumor-specific, which allows it to distinguish between healthy and cancerous tissue and to selectively deliver the chemotherapy agents to selectively kill cancerous cells, sparing normal cells. The ability to deliver highly potent drugs to the site of action through a precise antibody which serves as a postal address, provides the advantage of a higher therapeutic index, with high efficacy and minimal adverse events.

Building next-generation ADCs

At Syngene, we have enabled next-generation ADCs for our clients by making modifications to classical ADCs as follows:

1. Designing dual binding sites on the antibody to improve the precision of targeting the cancer cells and improving the delivery of the cytotoxic drugs to cells via internalization.
2. Addition of non-cytotoxic immunologic payloads, designed to stimulate the innate immune system, thereby allowing the immune cells to kill cancer cells.
3. Increasing the stability to the molecule in circulation, by enabling new linker chemistry and a site-specific conjugation strategy which helped achieve homogeneous ADCs.

Outcome

Syngene's collaborative efforts with its client on the above strategies helped deliver a first-in-class ADC that is currently in Phase I trials in patients with advanced solid tumors. It is anticipated that the improved dosing accuracy and a better safety profile would make it a superior drug over conventional ADCs.



Predicting mutagenicity and carcinogenicity of nitrosamines in drugs using in silico tools

All human medicinal products have the potential to contain nitrosamine as an impurity, and if it is present, it should be within the acceptable daily consumption limits. In collaboration with regulatory counterparts, the US Food and Drug Administration (US FDA) has set internationally recognized acceptable daily intake limits for nitrosamines. This requirement applies irrespective of marketing status or the type of product, including generics and over the counter products, because nitrosamines may increase the risk of cancer if patients are exposed to them above acceptable levels and over long periods. If drugs contain levels of nitrosamines above the acceptable daily intake limits, the US FDA requires the manufacturer to recall the drugs. Detection of nitrosamines in several commercial drugs has resulted in manufacturing batch recalls followed by a review of the active pharmaceutical ingredients synthesis processes by marketing authorization holders.

The source of nitrosamines can be related to the drug's manufacturing process, chemical structure, or even the conditions in which they are stored or packaged.

Why is there a need?

The European Medicines Agency (EMA) guideline states that an Ames assay or mammalian cells test can only be used for mutagenic potential assessment. Carcinogenicity assessment using cancer bioassays in rodents takes a long time for evaluation and involves significant cost. Transgenic rodent bioassays are relatively insensitive to low-dose exposure and extensive studies would be needed to enable a robust calculation of benchmark doses. Additional studies would be required for all nitrosamine impurities that are relevant.

The Syngene approach

In silico tools for mutagenicity prediction of pharmaceutical impurities is accepted by regulatory agencies as indicated in guideline ICH M7-R. However, a similar approach has not been reported for nitrosamines as a contaminant. The safety assessment team at Syngene used in silico analysis to develop a

screening assay for qualitative prediction. Derek® Nexus 6.1.0 or Derek Knowledge Base 2020 1.0 and Sarah® Nexus 3.1.0 (Lhasa Limited, UK) were employed to study mutagenicity and carcinogenicity of nitrosamines. Forty nitrosamines in silico prediction results for mutagenicity and carcinogenicity were compared with in vitro and in vivo data compiled from the public domain. Through our in silico analysis, we accurately predicted mutagenicity and carcinogenicity of 90% of the tested nitrosamines. Although these findings require further validation from other research groups working in this domain, it is thought that this in silico approach could be useful for quicker screening of mutagenicity and carcinogenicity of nitrosamines in drugs. Such an approach leads to reduction in the number of compounds that need to be synthesized and tested in the lab to find out that the nitrosamines contained are mutagenic and carcinogenic even in very low concentrations.



RNA therapeutics

Devastating diseases and disorders are associated with abnormal protein synthesis and proteins are synthesized by deciphering information stored in messenger RNA (mRNA), which encodes all cellular proteins. Consequently, m-RNA can be targeted by an antisense oligonucleotide (ASO), which is complementary to the mRNA target that encodes the gene of interest and has been tested in a range of disorders.



Antisense oligonucleotide approach

The antisense strategy includes pre-mRNA, mRNA, or ncRNAs (non-coding RNA) targets and can alter the production of disease-causing proteins for use in therapeutic interventions.

ASOs are easily absorbed by cells where they attach themselves to “messenger” mRNA strands and then “turn down” a gene, disrupting the cell’s natural production of a particular protein. This is useful in treating genetic conditions where mutations in DNA can cause cells to produce harmful proteins.

Oligonucleotide-based treatments face several impediments before they can be accepted as conventional medicines: they tend to induce off-target effects by unintended binding to ribonucleic acid (RNAs) that have a sequence similar to the target RNA. This unspecific protein binding feature of the oligonucleotide can potentially lead to associated toxicities such as hepatotoxicity, nephrotoxicity, neurotoxicity, and immunotoxicity. There are also concerns regarding delivery to target tissues in terms of uptake, efficacy, off-target effects and inadequate efficacy (reduction of target RNA/proteins).

How is Syngene helping its partners?

The Syngene oligonucleotide team has a wealth of experience synthesizing and profiling ASOs. A center of excellence for

oligonucleotides has been established across the discovery, development and manufacturing units.

To date, the Discovery Biology team has evaluated over a thousand potential ASOs and studied in-vitro activity and cytotoxicity assays, in-vivo efficacy and toxicity (hepatotoxicity, nephrotoxicity, acute and delayed neurotoxicity assays) along with histopathology (examination of a biopsy or surgical specimen) of the organs cells.

Along with activity analysis in target tissues, knockdown studies using qPCR¹ and differential gene expression NGS² in target tissues have been performed to understand off-target effects, differential gene expression and signaling pathways: high volumes of ASOs can be profiled within a matter of weeks.

Helping global clients

Clients can use the ASO approach and have access to our extensive data to make rapid and informed decisions about the efficacy and toxicity of potential drug molecules before advancing to Good Laboratory Practices (GLP) safety and toxicity studies.

¹ qPCR-quantitative PCR allows monitoring of amplification of any double-stranded DNA sequence

² NGS-Next-generation sequencing is a massively parallel sequencing technology used to determine the order of nucleotides in entire genomes or targeted regions of DNA or RNA

Translatable models for improving cancer research

One of the challenges in cancer research is the development of experimental models which are required to study the progress of cancer and test the response of novel cancer drug candidates before they are given to humans. The tumor models, made from animal cells and tissues, achieve a better understanding of cancer biology and improve cancer treatments.

Building new tumor models

The tumor model is used to screen compounds to understand the anti-cancer effects of drugs as part of transferring basic in vitro and in vivo research into human applications. Developing tumor models that closely mimic the natural environment of the tumor inside the human body improves the accuracy in predicting test compound efficacy. However, the traditional tumor models are subcutaneous because creating actual tumor microenvironments (in terms of cell-to-cell interactions) is challenging. This reduces the accuracy of the prediction of outcomes.

Several recent comparative studies suggest that patient-derived tumors grown in mice maintain many of the important characteristics of the original tumor and thus represent a better tool for developing new cancer therapeutics. Syngene Discovery Biology scientists have developed orthotopic¹ tumor and spheroid² tumor models, which can help improve translatability and clinical relevance for patient usage. These models exhibited high accuracy when applied to the Standard of Care (SOC)³ in animal models.

Extending cell lines

Once validated against the standard of care, the Syngene orthotopic tumor models were developed for bladder and breast cancer by injecting the tumor cells into tissues or organs of mice.

The 3D spheroid tumor models were developed for different cell lines by subcutaneous transplantation of spheroid cells into mice. The preliminary data indicates the growth of tumors over time demonstrating the acceptance of these 3D spheroids by the animal system. The models were also validated against the SOC.

Reducing screening costs

These tumor models improve the accuracy of the research data and serve as low-cost screening platforms for drug therapies. They offer opportunities to screen the efficacy of novel therapeutic agents and the most recent medical advances such as Proteolysis Targeting Chimeras (PROTACs)⁴.

Based on the success to date, Syngene's tumor model portfolio will be expanded to include more cancer targets to meet client requirements.

¹ Orthotopic models involve the seeding of tumor cell lines or patient-derived cell xenografts into animal models

² Spheroids are simple, widely used multicellular 3D models that form due to the tendency of adherent cells to aggregate. They can be generated from a broad range of cell types such as embryos, liver and neural cells.

³ SOC is treatment that is accepted by medical authorities as a suitable treatment for a certain type of disease and that is widely used by healthcare professionals.

⁴ PROTACs – are highly specific medicines that break down undesirable or detrimental proteins in cells.

Dedicated R&D Centers

Exceptional partnerships drive delivery



Three of our strongest partnerships lie in the Dedicated R&D Centers which are located on Syngene campuses and operate seamlessly with the client's in-house research division. These partnerships are characterized by shared values, common standards and a commitment to delivering research that changes people and patients' lives.

Amgen, Baxter, and Bristol Myers Squibb have dedicated research facilities on the Bangalore campus, embodying much of the client's culture and many of their practices. With ring-fenced state-of-the-art infrastructure, an exclusive team of multi-disciplinary scientists and support personnel is dedicated to client R&D programs.

Trust and transparency are the cornerstones of long-term partnerships. Our focus on operational and scientific excellence, client engagement, and project delivery has enabled us to maintain the trust of our strategic clients. Multi-year contracts underpin the expansion of projects into new areas of science, reflecting the success of our relationships.

The Dedicated R&D Centers seek to foster an environment of continuous improvement and learning through sharing best practices between both organizations, echoing the principles of operational excellence applied in Syngene. Robust safety measures and Quality Management System (QMS) controls, digitization/automation, and process improvements using Lean/Six Sigma techniques are pivotal factors driving operational efficiencies.

Syngene Amgen Research & Development Center (SARC)

We completed ten years of our partnership with Amgen this year. Established in 2016, the most significant part of this partnership is SARC. Continuously expanding in scope, SARC delivers integrated drug discovery and development solutions through discovery chemistry and biology, peptide chemistry, antibody and protein reagents, pharmacokinetics and drug metabolism, and pharmaceutical development.

Progress Review

We added new capabilities this year to the breadth of our partnership, including projects to commission the yeast display facility and the addition of a new R&D facility for peptide-oligonucleotides and the construction of a new kilo laboratory.

Amgen was awarded 'Best Pharmaceutical Agent' for LUMAKRAS® at the 2022 Prix Galien Awards. These prestigious, Global awards honor excellence and innovation in life sciences. The SARC team was immensely proud to have been part of the journey of this highly impactful molecule, which is the first-in-class oral therapy for KRAS G12C positive non-small cell lung cancer.

Baxter Global Research Center (BGRC)

BGRC, our dedicated R&D Center for Baxter, was opened in 2013. BGRC scientists deliver research solutions across product and analytical development, pre-clinical evaluation in parenteral nutrition and renal therapy, and medical products and devices.

Progress Review

During the year, BGRC successfully achieved its agreed targets. Scientific highlights included an equivalence study addressing the concerns of the European Medical Agency (EMA) related to the comparability of a biosimilar to an on-market product. We extended analytical support for the registration of more than ten products in the EU and US, developed several complex drugs, and conducted compounding studies for four small molecules and three large molecules.

Athimoolam Arunachalampillai

Amgen Leader for SARC -
Process Development



"As we celebrate LUMAKRAS' Prix Galien, I want to congratulate SARC and Syngene for their partnership in developing this product through a number of compounds, impurities, standards, peak markers, starting material, and advanced intermediates."

Beena Uchil, Ph.D.

Director, Product Development
Capstone Development Services Co, LLC



"CHMP⁴ has adopted a positive opinion for our human insulin. Thank you and congratulations to the entire Syngene team for this successful application with EMA"

⁴ CHMP (Committee for Medicinal Products for Human Use) is the European Medicines Agency's (EMA) committee responsible for human medicines.

Biocon Bristol Myers Squibb Research & Development Center (BBRC)

This year marked 25 years of our partnership with Bristol Myers Squibb (BMS). The incremental trust built with every successive project led to the construction of BBRC in 2007, the first dedicated R&D Center housed in the Bangalore campus. Today, it is the largest R&D facility for BMS outside its own facilities in the US.

BBRC provides modality-agnostic, integrated drug discovery and development services across therapeutic areas such as cardiovascular, fibrosis, immunology, and oncology, and in functional domains including target identification, lead discovery, lead optimization, molecular and cell biology, protein sciences, assay biology, early and late-stage pharmaceutical development, and clinical biomarkers. Beyond the dedicated Center, BMS also leverages Syngene's capabilities across small and large molecule discovery and development.

Over the duration of the partnership, the BBRC has successfully advanced multiple drug candidates and supported numerous IND toxicology and first-in-human campaigns, in addition to filing more than 300 patents.

Progress Review

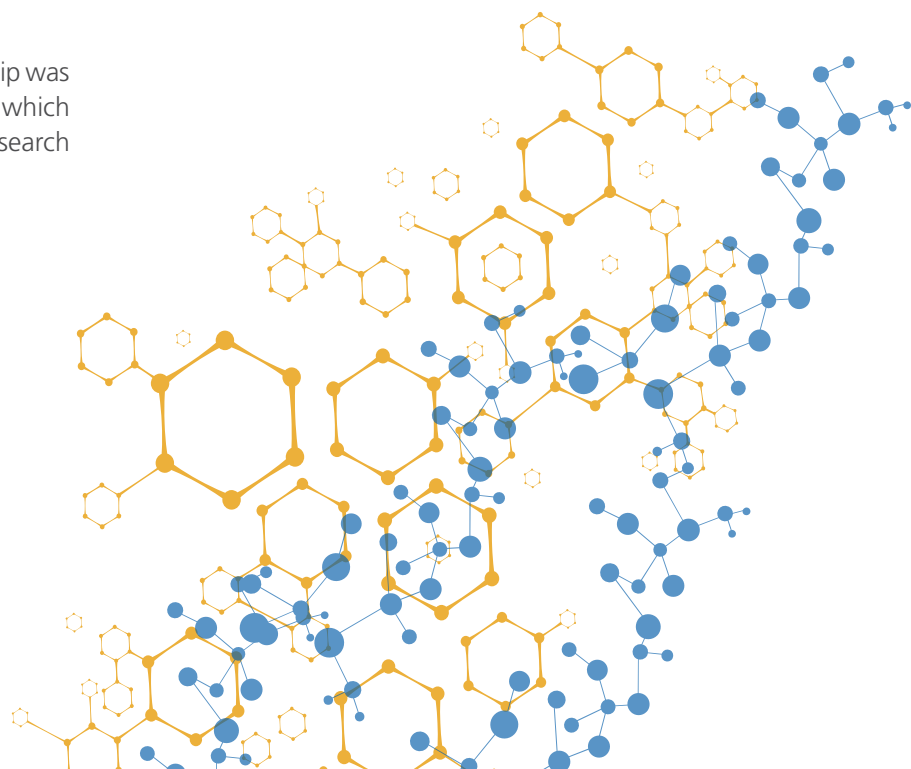
During the year, new scientists were recruited to support expansion in chemistry, biology, translational medicine and product development.

The 25th anniversary of the BMS-Syngene relationship was marked at the annual 'BBRC Science Fest' during which BBRC scientists were invited to showcase their research in presence of BMS' global R&D leadership team.

Michael Ellis

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

"Over the past 25 years, we've seen a strong foundational partnership with Syngene flourish into a tremendous opportunity to expand our global R&D efforts in India, as the country provides a significant number of highly skilled and specialized talent in key areas of focus for Bristol Myers Squibb. We look forward to continued successes from this collaboration as we expand our local research and development engine."



Development Services

Trusted partnerships drive growth momentum



As a seasoned service provider with a broad range of capabilities, we offer partners the advantages of convenience, speed and cost-effectiveness when it comes to integrated development pathways. One of our key services is a comprehensive chemistry, manufacturing, and controls (CMC) review, which guarantees the seamless and well-documented transition of compounds into the clinical phase.

The Development Services division of the Company oversees the progress of lead candidates from the discovery phase through early development, clinical scale, and potentially commercial scale manufacturing. Our offerings include preclinical development, API and drug product development, clinical trials, pilot-scale manufacturing, scale-up, and GMP production for both small and large molecules. In addition, our well-equipped GMP oligonucleotide manufacturing facility further distinguishes us as a development partner of choice for this therapeutic category.

A CMC dossier is a regulatory requirement before investigational medicinal products can be tested on humans. Across all services, the breadth of our CMC services makes us a one-stop shop, thereby streamlining the outsourcing needs of our clients.

Progress Review

The Development Services division achieved healthy performance throughout the year, primarily attributed to repeat orders from existing clients and an uptick in collaborations with emerging biopharmaceutical companies.

A major operational milestone was achieved with the construction of a cutting-edge sterile fill-finish facility. This GMP-compliant facility positions us to provide end-to-end solutions for drug product development and manufacturing, specifically for clinical supplies of small and large-molecule injectables.

Chemical Development

We extended our range of scientific expertise and capabilities through the year, demonstrated through successful delivery of projects for our clients including:

- Commissioning of a high potent laboratory to handle category four compounds⁵ on milligram scale to 500g scale
- Synthesis of linkers and toxins from milligrams to commercial scale
- Anionic polymerisation was used to customize polymer architectures for various applications
- Expertise in making polymeric architectures to be used as linkers in drug-polymer conjugates
- Developed a scalable process for a High Potent Active Pharmaceutical Ingredient (HPAPI) molecule

Our extensive experience in managing a wide range of projects in our laboratories enables us to add value, particularly in handling complex projects. This year, we had several notable achievements, including the successful delivery of an integrated drug discovery-development program that produced functionalized polymer-based drug formulations for ophthalmic use. We also developed and scaled an oligonucleotide-based molecule, which was submitted as an Investigational New Drug (IND) application. Additionally, we delivered multiple projects involving the development of newer polymers as linkers for use in human medicines.

⁵ Pharmaceutical compounds in Category 4 or 5 may have very high acute toxicity, where even a limited, short-term exposure has the potential to cause harm



Seamless integration across units in Development Services expedited the progress of several R&D programs, gaining recognition from clients for our contribution. Highlights include:

- Alexion Pharmaceuticals cited Syngene scientists in a patent related to the safe scale-up of diethylzinc chemistry: 'Methods for the synthesis of complement factor and inhibitors and intermediates thereof'
- Mirati Therapeutics acknowledged our support for their recent FDA-approved drug KRAZATI™ (Adagrasib), a targeted treatment option for locally advanced or metastatic non-small cell lung cancer

Bill Trebasky

Vice President,
Manufacturing & Supply Chain
from Mirati Therapeutics

“Thanks to the Syngene team for their support during the Adagrasib program over the last few years. We look forward to continuing the partnership and bringing our second commercial drug substance supplier in the coming year!”



In chemical development, scaling-up of drug batches is a crucial aspect from first-in-human through each clinical trial stage up to commercialization. Our scientists developed a ‘first-time right’ process that successfully advanced a novel vascular calcification inhibitor drug candidate from laboratory scale to toxicology batch manufacturing. This molecule, a first-in-class drug candidate for treating patients with vascular calcification disorders, showcased our expertise in this area. We also developed a novel route for an advanced intermediate of an early-phase drug candidate, eliminating the use of carbon monoxide that poses challenges during scale-up and manufacturing. The process involved three telescopic steps, leading to the isolation of the intermediate with >99% HPLC purity.

Reducing the cost of the synthesis process is a crucial factor, and we strive to optimize our processes to ensure cost-effectiveness. This year, we successfully developed an innovative asymmetric synthesis route using Ellman’s chemistry for a client project. This approach streamlined the process and eliminated the need for an expensive chiral Super Critical Fluid (SFC) purification step. In another project, we improved the synthetic process for myo-inositol polyphosphate, enhancing reaction yield and reducing impurity levels, leading to a significant reduction in the cost of goods.

Our development solutions have expanded beyond the pharmaceutical sector, and we have made notable achievements in other industries. For instance, we developed a scalable process that uses a less hazardous chemical route for the synthesis of an active ingredient in a branded skincare product. Additionally, our Performance Specialty Materials team identified substitutes for plastics used in the food industry, further demonstrating our commitment to sustainable solutions.

Clinical development

We apply rigorous standards that meet global regulatory expectations for Good Clinical Practice, enabling us to deliver early to late-phase clinical trials for drug development programs. Our clinical studies are conducted in patients and healthy volunteers (bioequivalence studies) and our extensive knowledge in translational research coupled with clinical research expertise underpins our bench-to-bedside integrated delivery model. Our capabilities have made us a trusted partner for clients seeking a one-stop solution for their clinical trial programs.

Our bioanalytical laboratory collaborated successfully with the Serum Institute of India Pvt. Ltd. (SIPL) and the Department of Biotechnology (DBT), Government of India, to develop a new indigenously developed quadrivalent human papillomavirus (qHPV) vaccine.

Syngene's role was to develop and validate single and multiplex methods to study the immunogenicity of the vaccine. Based on the data provided, the Government of India approved the vaccine in October 2022, and it has been launched, offering a low-cost alternative to currently available vaccines.

In addition to other achievements, our clinical development team successfully completed early-phase studies for biosimilar programs. Our scientists undertook assay development and validation studies for novel combination monoclonal antibodies against HIV and we worked on the immunogenicity of oligonucleotide therapeutics and antibody-drug conjugates.

We remain committed to regulatory compliance to meet global standards for quality. In October 2022, the US FDA conducted an onsite inspection at our clinical site and a remote data review of our small molecule bioanalytical laboratory. We are pleased to report that both inspections were concluded without any observations, further demonstrating our commitment to quality and regulatory compliance.

Formulations development

Formulations development offers an all-encompassing solution for drug product development, starting from solubility evaluations in the discovery stage to early preclinical formulation development, first-in-human formulation development, late-phase process development, and commercial supplies. Our team handles a range of dosage forms, from simple powders, tablets and capsules to modified-release oral dosage forms, highly complex polymer-based depot injectables, and micro- or nanoparticle-based targeted drug delivery systems via the parenteral route.

Formulating combination drugs poses a significant challenge due to potential interactions between active ingredients, making the process exponentially more complex. This year, our focus on delivering solutions for our clients led to the development of a drug combining five APIs in a first-in-class fixed dosage combination for use in animals. We also developed a novel biodegradable polymer nanoparticle-based intravitreal injection for the treatment of dry age-related macular degeneration, drawing on the expertise of our Performance and

Specialty Material team. The team developed the surface-modified polymer used to conjugate the drug to a nanoparticulate form. Additionally, the Formulation development team developed a novel lipid-filled hard gelatin capsule formulation for the treatment of acne. This complex formulation involved media milling of the active ingredient to enhance bioavailability, followed by molten lipid filling into a hard gelatin capsule.


PROTACs are an exciting new class of compounds with potential for targeted drug delivery and therapeutic effectiveness at low doses. However, formulating these compounds into dosage forms presents challenges due to their poor solubility or permeability and chemical stability issues. Nonetheless, our Formulation Development team successfully developed PROTAC preclinical prototypes used in exposure studies for our clients.

Commissioning our new sterile fill-finish facility was a significant milestone for the Company. This GMP-compliant facility adds to the end-to-end solutions in developing and manufacturing small and large-molecule injectables for clinical supplies. The facility has received approval from both the Karnataka FDA and the CDSCO and is equipped to manufacture 2,000 vials per hour. The facility will provide the opportunity to meet our clients' needs for high-quality, safe, and effective injectable products.


Analytical development

Our analytical development capabilities extend across a broad range of scientific approaches, including complex generics, animal health, oligonucleotides, nitrosamine testing, and stability studies. As a one-stop solution for our clients, we can handle analytical requirements from the development phase to commercialization.

During the year, we commissioned a new analytical laboratory that allows our team to adopt phase-appropriate cGMP quality systems. We added several new capabilities such as ultra-performance liquid chromatography, which improves turnaround time in development, a Quadrupole Dalton (QDa) detector for quick identification of masses of organic impurities and the introduction of powder diffraction to support polymorph screening studies.



Designing effective drug administration using a nasogastric feeding tube



A nasogastric tube is a thin, flexible plastic tube used to deliver specific medication directly into the stomach of patients. Nasogastric tubes are widely used in hospitals and home care settings to dispense medication to individuals who cannot swallow safely. They are recommended as a mode of administration of food or medicine for paediatric and adult patients.

A nasogastric tube study was awarded to Syngene by a client manufacturing a generic immunosuppressant. The product was in powdered form in a suspension. The aim of the project was to establish equivalence of the generic product with the innovator product as the basis for the Abbreviated New Drug Application (ANDA)¹.

¹ ANDA is used to gain approval for a generic version of a drug that is already on the market

In vitro studies mimic hospital conditions

Small-scale in vitro studies (where no patients are tested) were performed in the laboratory. The pilot scale Good Manufacturing Practices (GMP) campaign was completed for the drug administered as a suspension. After that different types of material for nasogastric tubes were tested including polyvinyl chloride, silicone, and polyurethane. In addition, varying dimensions of tubes were used to check the recovery of the drug, the sedimentation volume and different particle sizes of the drug. Physical parameters such as adherence, clogging, pressure and flushing volume were also determined during drug administration using the nasogastric tube.

The development team delivered the project based on the drug product's draft regulatory guideline because the US FDA standard guideline for in vitro drug testing via nasogastric tube was unavailable at the time of the study. However, the US FDA draft guidance was later released and the client's generic drug was compared with the original product to assess drug recovery from the nasogastric tube according to the recommendations.

The technical challenges identified during the execution of the study included: the selection of the nasogastric tube and its availability, recovery of drug from the tube, and the statistical evaluation showing similarity between the generic drug and the innovator product in terms of the confidence interval. The study tested the risk of the drug clogging the tube during administration as a suspension. The design and geometry of the feeding tubes were found to impact tube clogging and thus, influence the percentage of drug recovery after passing

through the tube. To overcome these challenges, scientists screened tubes with different designs and compositions and conducted experiments following product specification guidelines for generics. These were followed by determining the appropriate volume of flushing media after drug administration to prevent any adsorption or deposition of the API on the tube walls.

Once the research work was completed, the client submitted the ANDA to the US FDA for drug approval. The Syngene team also addressed all regulatory queries.

A specialist scientific niche

Nasogastric tube development and in vitro studies are required for 90% of small molecule oral drugs. A wealth of experience combined with a good balance of safety, quality compliance, technology and laboratory infrastructure and technical expertise make Syngene a vital partner.

At Syngene, we have developed a niche capability by replicating a hospital environment within our research and development (R&D) laboratories and Good Manufacturing Practice (GMP) area. We aim to generate valuable data for nasogastric administration, specifically regarding the compatibility between different drugs and specific tubes used for delivery. Once regulatory approvals are obtained, this information will be made available to doctors to administer drugs to patients within hospital settings accurately. This study enhances doctors' awareness and ensures appropriate tube use, ultimately promoting patient safety and complete drug delivery.



Combating dry eyes in elderly patients

Age-related macular degeneration (AMD) is a challenging disease of the retina, which may lead to blindness in the elderly population. Dry AMD affects the macula - an area of the retina responsible for clear vision. Over time, tissue in the macula may thin and lose the cells responsible for vision. A biotech company based in USA, is developing a glyco-immune therapeutic product which is a nanoparticle. The nanoparticle aims to increase the surface area of the drug product to improve its binding to ligands of specific macrophages. It modulates the innate immune dysfunction in AMD and prevents vision loss. In collaboration with Syngene, the company has developed a novel polymer-based nanoparticle to deliver the drug in the eyes via intravitreal injection.

Developing the drug delivery mechanism

The drug is delivered via biodegradable nanoparticles to target both cellular and humoral aspects of the inflammatory processes in the retina cells. Two Syngene teams contributed to the creation of the delivery particle: the Performance and Specialty Materials unit synthesized the functionalized biodegradable polymer; the Formulation Development unit developed the nanoparticulate-based ophthalmic drug delivery system using this polymer.

Challenging science

To meet the regulatory requirements, the project had a few challenges. First, to maintain the acceptable range of metal content in the biodegradable polymer, scavenging technology was used. Second, a controlled endotoxin technique was employed to maintain low levels of endotoxins in the drug product required for intraocular ophthalmic products. Third, the polymer had stability issues; the integrity of the polymer was maintained during the drug conjugation process using nanoparticles in a novel drug delivery system.

The outcome

The delivery system is capable of blocking ligands on specific macrophages responsible for inflammatory macular degeneration, thus treating the AMD condition.

The initial preclinical studies in rodents were promising and the teams are moving forward for the first-in-human clinical trial. Syngene completed the polymer production, nanoparticle formulation and the fill finish activities to provide the GMP compliant drug product for clinical trials. The filling was done at the new injectable fill-finish facility in Bangalore.





Ideation to commercialization: Making existing drugs better

A supergeneric drug is a better version of an original drug for which the patent has expired. These drugs are neither strictly generics¹ nor entirely new. Supergeneric drugs differ from the original product in formulation or dosage form, strength, or combination with other products or methods of delivery. A 505(b)(2) is the application manufacturers use to bring a formal proposal to the FDA for approval of a supergeneric drug and subsequent marketing to patients in the United States.

Advantages of Supergenerics

Supergeneric drug manufacturers obtain FDA approval for certain types of drugs with fewer approval steps as compared to those required for a New Drug Application (NDA) since the chemical entity is already present in approved drugs. The 505(b)(2) application usually does not require additional animal or human testing to establish safety. Instead, it allows manufacturers to submit their products for review by including data and study results that were originally collected by another manufacturer or researcher. This is possible because the FDA has already approved the drug and therefore, its safety has been proven. This approach is advantageous because it can save time and money.

What was the purpose of developing super generics from ideation to commercialization?

While working with our clients, the aim is to develop a formulation of an existing drug with increased bioavailability²,

resulting in one or more benefits such as: reduced dose of the drug consumed, reduced frequency of administration and dosing flexibility. The drug product development may also focus on improved pharmacokinetic profile to enhance clinical efficacy over the current dosage form, or explore alternative administration routes (oral, intravenous, or topical) for better efficacy or improved bioavailability in the body.

How is the outcome achieved?

A multidisciplinary team of Syngene scientists with core capabilities in formulation, manufacturing processes, analytical, clinical, chemistry, pre-clinical studies, regulatory, intellectual property and quality work closely to generate ideas to deliver 505(b)(2) case studies and Proof-of-Concept (PoC). The figure represents the end-to-end partnering for 505(b)(2) applications development from ideation to commercialization from PoC stage to Good Manufacturing Practices (GMP) stage.

¹ Generic drug contains the same active ingredient as the original branded drug and treats the same condition at the same dose.

² Bioavailability is the ability of a drug or other substance to be absorbed and have an active effect

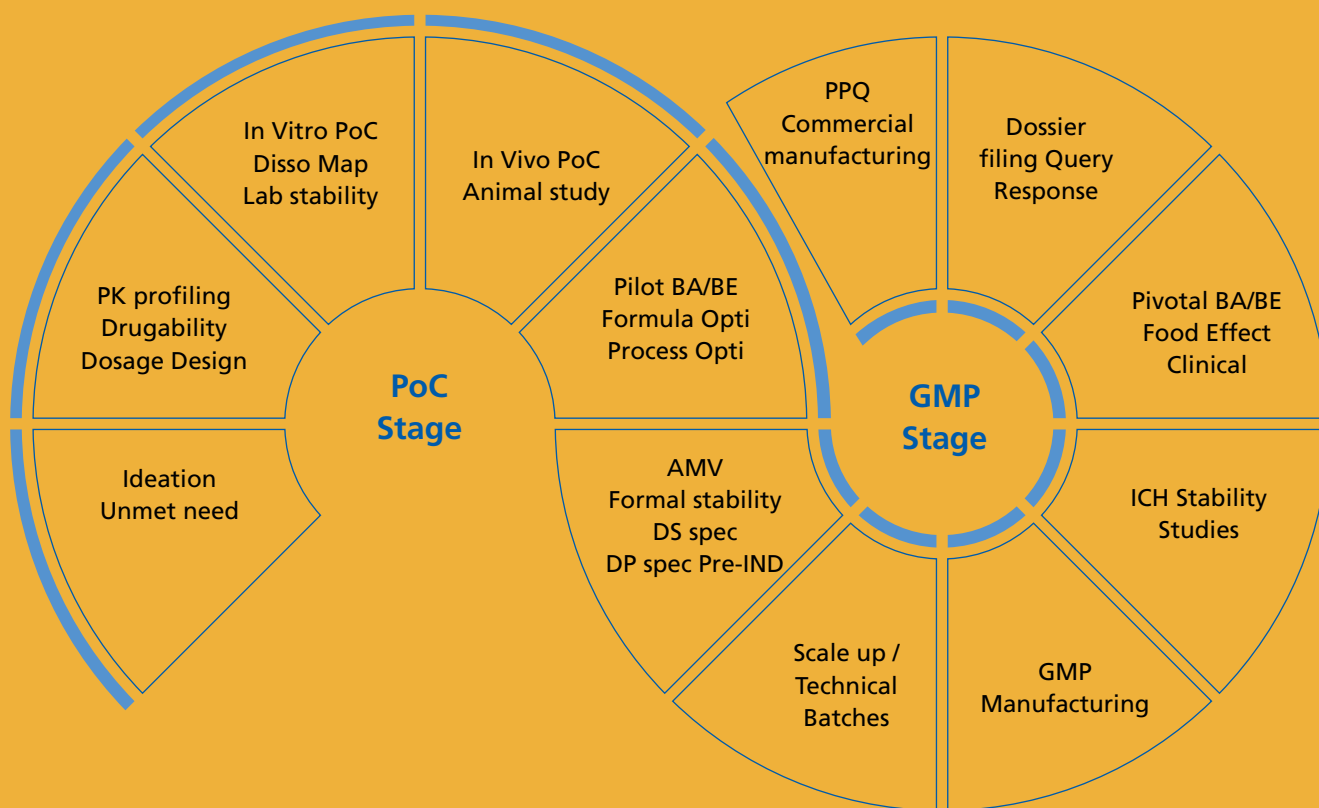


Figure: Syngene is an end-to-end partner for 505(b)(2) development from ideation to commercialization

Bringing benefits to patients

In the past 12 months, Syngene has developed effective supergenerics or 505(b)(2) drug products with improvements across several therapeutic areas including common systematic fungal infections; epilepsy and anti-coagulants. Some examples of the drug product modifications performed include:

- A formulation that can be administered with and without food
- Conversion of the dosing regimen from twice daily to once daily
- Conversion of a tablet dosage form to a liquid form for improving the safety profile
- Development of parenteral or injectable drugs

Conclusion

Supergenerics benefit both the manufacturer and the patients. The manufacturers benefit from pharmaceutical innovation that requires less time than novel drug development and an extension of the market exclusivity period for approved

generics that offer clinical benefits in new dosage forms. Patients benefit from the improved therapeutic effect driven by several factors, such as new drug combinations, improved dosing regimens and improved efficacy, at more affordable prices.

The key to successful innovation in this field lies in the ability to bring all the disciplines together under one roof to develop and manufacture a supergeneric that is meeting the specification of the innovator's product in quality, safety, efficacy and the most important being the proof of bioequivalence. With 10,000 sq ft of laboratory space in Bangalore, Syngene formulation development scientists working side by side with their peers from early discovery to large scale commercial manufacturing have delivered on the demands of such programs through innovative approaches. The product is an outcome of an investigative mindset, proximity to each other and shared commitment to the client outcome. Strong cross-domain collaboration streamlines the development process ensuring innovation is delivered while maintaining tight timelines.

Manufacturing Services

Partnering to deliver products at scale



The Company's world-class manufacturing facilities, combined with its accumulated expertise in solving complex manufacturing problems, make it an expert partner for advancing molecules from development through to full-scale commercial manufacturing. Our streamlined process advancing the project from development to manufacturing avoids the challenges of working with multiple service providers and simplifies commercial launches by eliminating the time and complexity required for technology transfer.

The Company's biologics facilities handle mammalian, microbial, yeast, and other expression systems, making us a fully integrated biomanufacturer. The recently expanded mammalian facility continues to deliver for existing and new clients while the addition of the microbial facility provides further integration opportunities and extends service offerings for GMP manufacturing of plasmid DNA and mRNA.

For small molecules, the Company's API manufacturing facility, designed to US FDA standards, has been inspected for regulatory approval. Once approved, the facility will strengthen the Company's position as a one-stop solution provider across the value chain. The new facility, combined with the existing Bangalore small molecule manufacturing facility, positions the Company well to cover a range of volume and chemistry requirements.

Progress review

Biologics

The biologics team achieved two major milestones in an important year. The first was the signing of a ten-year biologics manufacturing agreement with Zoetis, a leading animal health company. The partnership relates to the commercial manufacturing of the drug substance for Librela®, a first-of-its-kind injectable monoclonal antibody used to alleviate pain associated with osteoarthritis in canines.

This strategic partnership builds on the long association between Zoetis and Syngene, which began in 2011. Since then, Syngene has undertaken development work on several monoclonal antibodies for use in animal health, including developing and manufacturing clinical supplies of a treatment for allergic or atopic dermatitis and Librela®. The deal will leverage the sustained investments made in setting up world-class biologics production facilities in Bangalore and pave the way for the development and manufacturing of other large molecules in the coming years.

Gearing up for full-scale manufacturing, the team completed the process performance qualification batches of the drug substance at commercial scale. This triggered pre-approval inspections of the mammalian facilities by US FDA, EMA, and UK MHRA. The receipt of these approvals is indicative of the Company's commitment to high operating standards and the skills and experience of its operators who maintain these standards in their daily routines.

In addition to the Zoetis partnership, the acquisition of Biofusion, a small company with capability in the development of novel biologics, doubled the process development capacity and added cell line development capabilities to the team. These significant achievements demonstrate the Biologics team's commitment to advancing innovative solution and the company's dedication to providing exceptional service and value to its clients.



Our Manufacturing Operating System

SIOP

Sales, Inventory and Operations Planning (SIOP) to ensure stable operations as production is scaled up

6X

Continuous improvement through our 6X program which drives excellence across six areas: safety, quality, operations, maintenance, procurement and capital

Visual Workplace Management

Cross-functional hubs that house all team members to ensure close alignment and efficient problem-solving. Employing the SQDECC methodology for lean visual management broadly in Syngene

Outcomes

High Quality

High Predictability

High Reliability

Small molecules

The small molecule manufacturing facility located in the Mangalore Special Economic Zone (MSEZ) is on track to obtain key regulatory approvals in the current fiscal year, which will lay the foundation for a broader range of projects and clients. Significant investments have been made at the facility to serve the complex chemistry needs of clients. The main plant, designed to support the production of large-scale APIs and advanced intermediates, houses specialty reactors, including cryogenic, hydrogenation and high containment for handling high potency materials. It also has a state-of-the-art process development laboratory for route scouting, familiarization, and optimization of processes, and supporting in-house analytical development as an extension of the Company's Bangalore development capabilities.

The MSEZ facility is driven by digital technologies in GMP manufacturing, testing, and quality systems. It is also CFR 21 Part 111 compliant, ensuring the integrity and confidentiality of the data on the systems.

As part of the Company's commitment to environmental protection, the Mangalore campus has an offsite effluent

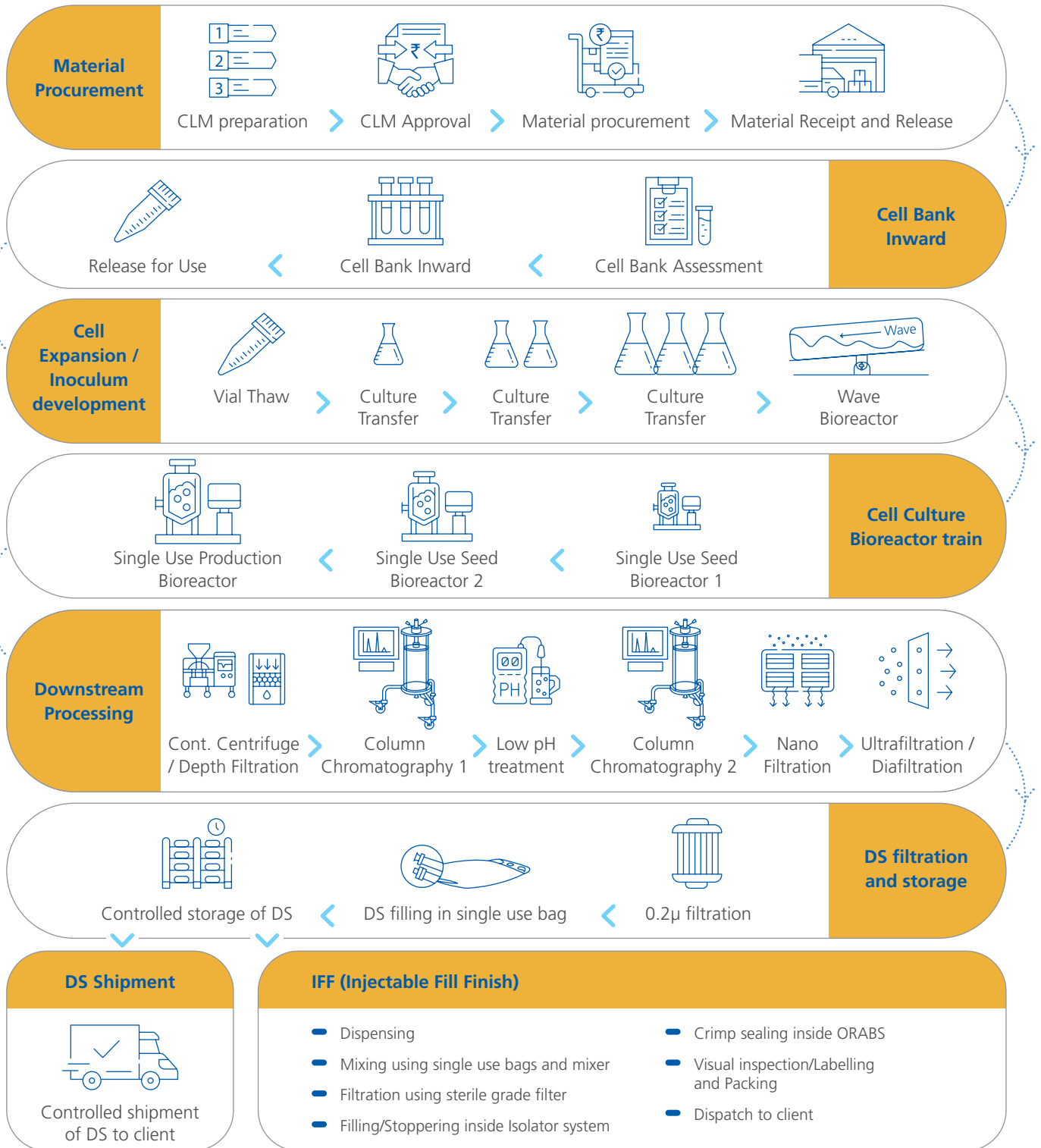
waste treatment plant. The facility is fully compliant with the Company's zero-discharge policy as all wastewater is recycled. Additionally, 24% of the energy consumption at the Mangalore campus is from renewable sources – this will increase in the future as an on site solar capability is fully installed.


As the manufacturing plant scales up to full operational capacity, efficient production will be achieved through the alignment of all functions supporting operational delivery. In the Mangalore campus, cross-functional hubs will sit at the heart of the Manufacturing Operating System, gathering teams together to expedite problem-solving and maximize efficiency.

During the year, the Mangalore facility was recognized with the silver medal in the 'National Award for Manufacturing Competency' from the International Research Institute for Manufacturing (IRIM) in Mumbai, India. This recognition reflects the Company's commitment to excellence in manufacturing and quality, and the dedication of the team to delivering exceptional service and value to clients.

Biologics Manufacturing Process Outline

A complex process requiring skill, precision and experience





Establishing Syngene as a provider of GMP grade pDNA and mRNA

The COVID-19 pandemic revealed the potential of modern genetic medicines and immunotherapies such as mRNA, DNA vaccines, viral vectors and cell and gene therapy. All these technologies depend on plasmid DNA (pDNA) as a critical starting material or an active pharmaceutical ingredient (API). In both cases, advanced manufacturing presents significant challenges for these oligonucleotide-based modalities.

The development of pDNA and mRNA production processes helped to understand the industrial challenges and ensure seamless delivery for clients.

Case study 1: pDNA production

pDNA is the foundation for many promising DNA vaccines and gene therapies against infectious diseases as well as genetic diseases such as cancer. Commercial production of pDNA requires a robust, reproducible and scalable process while maintaining the quality of the pDNA, which is subject to tight specifications making production of bulk pDNA challenging. The process requires continuous monitoring of important production parameters such as agitation, pH, temperature, dissolved carbon dioxide, pressure and foam formulation due to its high viscosity and sensitivity to shearing and large size. Solving these production challenges to meet large-scale manufacturing requirements is paramount to deliver efficiently with the highest quality.

Upstream and downstream alliance for pDNA production

The upstream microbial fermentation team at Syngene developed a platform process to produce pDNA at high titers. This process is a high cell density fermentation process based on semi-defined media with pH-stat controls. The platform process was initially developed at laboratory scale and subsequently scaled up to accommodate manufacturing batches. The development started in 2L bioreactors and progressed to 10L with the final scale-up at 50L. The team has fine-tuned the process to produce robust, consistent and scalable process that yield pDNA having purity more than 90%, higher than the FDA requirement of 85%.

In-house solution for pDNA process

The downstream scientists faced several challenges in optimizing the lysis step to purify the pDNA due to complexity of the pDNA process. To overcome these issues, a cell lysis vessel was introduced to allow control of critical parameters such as lysis pH, agitation, and temperature.

Upstream and downstream set-up

The Syngene downstream purification team was able to build a robust, two step, scalable process that can handle different plasmid sizes ranging from 2 to 14 kilobases and produce high titres with consistent quality and yield. Design-of-Experiments (DOE) and statistical approaches played a key role in defining the optimum lysis condition in a reduced timespan.

Case study 2: Synthesizing mRNA vaccine

The mRNA plasmids easily replicate and magnify the target gene sequence, allowing rapid production of mRNA. Syngene has developed the process to produce mRNA through successful in vitro transcription (IVT) of these plasmids with an effective scale-up and transfer to our manufacturing facilities in order to deliver GMP-grade mRNA to our clients.

Syngene biologics team took an innovative approach by using a screening process to select and optimize affordable transcription reagents. This resulted in an efficient IVT process to deliver mRNA with up to 100-fold increase in yields. Coupled with an optimized purification scheme, the team was able to deliver purified mRNA which was eventually scaled up for GMP manufacturing. All of these changes have ensured delivery of high quality of complex material such as mRNA at an affordable price for patients worldwide.

Analytical methods to monitor pDNA-mRNA attributes

Our analytical team developed robust methods for continuous process support, especially for different forms of p-DNA including super-coiled and circular forms. With a quick turn-around time, these methods supported the purification process including continuous monitoring in purifying pDNA-mRNA and the transfer to quality control to support manufacturing batches.

Through innovative improvements in upstream, downstream and analytical aspects of mRNA and pDNA production, Syngene has established its capability in this new technology area.

Our Workforce

Dynamic growth powered by our workforce



Embedded in our culture is a commitment to continuous learning, employee development and well-being. We aim to provide a positive work environment to enable employees to pursue their career aspirations; work with global leaders in research, development, and manufacturing; and shape their future.

8,500+

Total workforce



6,000+

scientists



500+

PhD scientists



2,500

New joinees



820,259

Hours of mandatory and technical learning



Positive employee experience

Ensuring a positive employee experience at Syngene is a critical part of our Human Resources strategy. We manage the employer/employee relationship efficiently and transparently, measuring and monitoring key metrics to ensure we deliver on this aspiration.

We manage individual objective-setting, regular development feedback and appraisal, promotions and reward through well-established and well-managed processes to ensure fair outcomes. For new joiners, managers use a buddy system to help ensure a good start to their careers at Syngene and provide the necessary guidance and support. A two-day induction program conducted in person on one of our campuses welcomes every new joiner and provides important information about the Company, our culture, values and priorities in terms of safety, personal integrity and the importance of compliance to high operating standards and regulatory norms.

Townhall meetings, provide direct access to senior leaders to answer questions and cover topics of interest. Hosted on all campuses, these sessions build a collective sense of purpose within the organization.

The Extended Leadership Group, including the 100 most senior leaders in the Company, meets monthly to discuss business and leadership issues. During the year, the group met in person and spent two days offsite discussing future business performance and delivery.

Committed to diversity, equity and inclusion

We recognize the value of a diverse workforce, which brings multiple perspectives, capabilities, and experiences to the workplace, enhancing innovation and improving decision-making. During the year, we reviewed core processes to ensure they are gender-neutral and began planning to make our campuses more accessible to differently-abled employees.

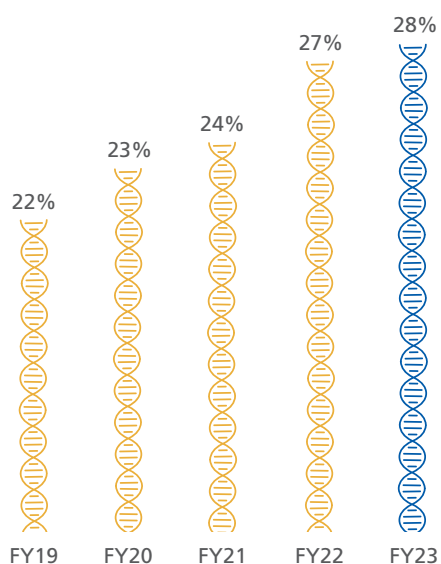
During the year, we re-energised our employee interest groups, with a focus on sports and community investment. In the second half of the year, our CSR group organized activities on each campus, enabling more than 250 employees to get involved in community action programmes.



We received the 2022 Brandon Hall Group HCM Excellence Bronze Award in Leadership Development for 'Best Unique or Innovative Leadership Program' for our program for emerging leaders.



Female representation in our workforce



We are committed to promoting gender neutral career paths. 28% of our workforce are women compared to an industry average of 11%. In addition, 20% of senior management positions are held by women compared with 11% in the previous year.

Investing in career-long learning

Continuous learning and development are crucial to both employee and Company growth. We offer a range of learning and development opportunities, including technical training, life skills, leadership development in addition to the four mandatory programs that require annual re-certification.



To support our scientists in keeping their skills and knowledge up to date, we offer selected scientific certification programs facilitated by a combination of internal and external senior scientists. One example is a six-month advanced certification course offered in collaboration with the Institute of Bioinformatics and Applied Biotechnology which helps our scientists enhance their knowledge in large molecule discovery and development. We also offer technical training to employees who need it to be compliant and operate safely in their chosen role.



We conducted a Company-wide review of English language capability, particularly among customer-facing roles, and offered language training courses run by the British Council to employees wanting to upgrade their language skills.

All staff are required to complete four mandatory training programs, including annual re-certification of the Code of Conduct, anti-bribery and anti-corruption, prevention of sexual harassment, and data integrity policies. We have a zero-tolerance policy for behavior that is not consistent with our values and Company Code of Conduct. Employees are encouraged to report any concerns to their line manager, and we also offer a third-party confidential helpline for individuals who feel unable to report inappropriate behavior through other channels.

Nurturing strong leadership

The development of capable leaders and competent managers is essential to the success of our Company. To address this, we run a Managerial Development Program aimed at enhancing the skills of our first- and second-line managers, enabling them to mentor and effectively engage employees. This program emphasizes the development of coaching skills to foster a supportive environment for all staff.

We received the 2022 Brandon Hall Group HCM Excellence Bronze Award in Leadership Development for 'Best Unique or Innovative Leadership Program' for our program for emerging leaders.

Quality Management

Exceptional partnerships and global standards



Our strong track record of regulatory inspections and a deeply embedded quality culture makes us a reliable partner for the delivery of fully compliant products and services. The standard applied across all operations is to be 'Anytime Audit Ready': a standard that is tested by an extensive internal audit program as well as client and regulator audits throughout the year.

A world-class quality system, highly trained personnel, and clear processes drive greater predictability across our operations. Our quality systems are fully digital, delivering significant benefits in terms of efficiency, speed, and an easily accessible audit trail: in addition our quality control (QC) laboratories will be fully paperless by December 2023.

While we recognize the importance of successful regulatory inspections and client audits in reinforcing our quality standards, we also conduct internal audits and self-inspections to ensure that we proactively identify and address any deficiencies. We remain committed to continuous improvement and we monitor the delivery metrics of our organization constantly.

Regulatory Inspections

We are delighted to report that our good track record in regulatory inspections continue, and we successfully cleared several important regulatory inspections during the year. Notably, we successfully completed inspections by the US, European and UK regulatory agencies of our biologics manufacturing facility in Bangalore.

Other approvals gained during the year include:

GMP approvals

- Biologics facilities cleared US FDA onsite inspection with no 483 observations (no action indicated)
- Biologic facilities cleared the onsite inspection jointly conducted by Veterinary Medicines Directorate (VMD), UK and Federal Agency for Medicines and Health Products (FAMHP), Belgium, on behalf of EMA

GCP approvals

- Clinical Development cleared a US FDA onsite inspection with no 483 observations (no action indicated) and a US FDA remote record review with no observations
- Clinical Development cleared the audit by CAP (College of American Pathologists) and received the renewal of accreditation

GLP approvals

- The animal facility cleared the inspection of the National GLP Compliance Monitoring Authority (NGCMA) and received the extension of validity for the current NGCMA certificate

Quality system accreditations

- The Company cleared the ISO 9001 audit and received the certificate
- The Company cleared the ISO 13485 (formulation) surveillance audit successfully



Information Technology

Protecting our partners' assets



Protecting our IT infrastructure remains a critical component of our ability to deliver high-quality data to our clients. We are committed to continually reinforcing this infrastructure and adopting the latest technologies to enhance innovation, increase productivity, and maintain the highest standards of cybersecurity.

We understand the value of technology in streamlining our processes and delivering efficient services. In addition to this focus on efficiency, we remain committed to information security and have implemented robust systems, policies, and governance to maintain the security, confidentiality and integrity of our IT systems and the data they contain.

Digital objectives

100% paperless laboratories to maintain data integrity and efficiency

Digital platforms for control systems and scientific systems

Organization-wide integrated workflow to streamline the client experience

Analytics and business intelligence to assist decision-making

Compliant, safe and secure infrastructure

100% paperless laboratories

Our digitization and automation efforts have enabled us to reduce human errors, maintain data integrity, and improve data entry compliance through complete data traceability. As part of this initiative, we successfully completed the shift to electronic laboratory notebooks in Discovery Services, and we are on track to make the Development Services laboratories completely paperless by the end of the fiscal year.

In addition, we have implemented an electronic batch manufacturing record (eBMR) system in Manufacturing Services, with the first phase completed for Biologics and Chemical Development facilities.

We have also begun the transition to electronic logbooks to record all shop floor activities in our manufacturing plants, which will eliminate the need for physical archiving of 1,000+ logbooks per annum. Finally, we are progressing towards accomplishing paperless validation of electronic/computerized systems for our Quality function by March 2024.

Digital platforms for control and scientific systems

Our centralized compound management and registration systems are progressing on schedule for completion in the current fiscal year. In addition, we have successfully digitized all chemical inventory transactions in our storage and laboratories by implementing a combination of QR codes and handheld devices. This innovative approach has enabled us to optimize inventory storage and reduce costs. We have also successfully deployed this technology in our warehouses, allowing us to track inventory transactions in real-time. Furthermore, we have implemented a single label concept in our warehouses, which has eliminated the need for multiple labels at

different stages of inventory movement.

Compliant, safe, and secure infrastructure

Our IT systems remain fully compliant with the ISO 27001 Information Security Standard. As cyber security threats continue to evolve, we remain committed to further strengthening our information systems and cyber security audit process.

Our efforts to enhance our information security architecture were informed by a thorough risk assessment, which served as the backdrop for our ongoing cybersecurity program.

Over the course of the year, we successfully completed a vulnerability assessment and penetration testing exercise, as well as a disaster recovery drill, as part of our continued efforts to safeguard our systems and data. No network or data breaches occurred during the year.



SYNGENE won the Gold Award for low cost digitalization/automation at the prestigious 7th Confederation of Indian Industry (CII) National Competition.

Strategic Sourcing

Partnering with suppliers



A combination of local and global procurement, digitization, compliance, and continuous improvement has enabled us to build a more resilient, reliable, and responsible supply chain.

Our suppliers play a pivotal role in our ability to fulfil our client commitments and uphold our environmental, social, and governance standards. When procuring goods and services, we strive to partner with suppliers who share our values as well as meet our product and service specifications.

We work with over 2,900+ suppliers from more than 30 countries to meet our diverse requirements, ranging from chemicals to electronic and capital equipment. Our procurement is overseen by a team of experienced sourcing and purchasing professionals who work closely with our global supplier base to ensure timely delivery of supplies and strict adherence to safety, quality, and regulatory compliance.

Leveraging the power of technology, we are driving end-to-end supply chain integration to enhance visibility, agility, cost efficiency, network collaboration, and risk management across our supply chain.

Local Procurement

In light of global supply chain disruptions resulting from geo-political issues, we have broadened our dual-sourcing practices and increased local procurement. This approach enables us to expedite the turnaround time for raw material supplies as well as reducing our carbon footprint helping us meet our sustainability priorities, while reducing the risk of supply chain disruptions.

Supplier Quality Assurance

During the year, Strategic Sourcing introduced a supplier quality assurance function to promote GMP compliance within our supplier network and guarantee complete traceability of all procured materials. This function concentrates on reducing supply risks by enhancing processes and documentation, while also improving supplier performance through safety and quality assessments. Additionally, we manage the supplier

onboarding portal, which has expedited documentation validation by providing simultaneous access to relevant stakeholders such as Legal, Strategic Sourcing, and Finance.

Inventory Management

As our manufacturing operations expand, inventory management becomes increasingly important due to growing volumes and values of raw materials. Effective inventory management is crucial to optimizing operating costs. Through diligent inventory management efforts, we were able to optimize the inventory during the year.



Operational Excellence

Partnership based on trust



At Syngene, operational excellence is a way of life. We rigorously monitor and measure our systems and processes, streamlining them to improve reliability and client delivery while ensuring strict adherence to quality and safety standards. This commitment to operational excellence is reflected in our continuous improvement efforts and dedication to providing exceptional service to our clients.

Operational efficiency is a shared responsibility for all employees and we monitor six performance parameters - safety, quality, delivery, engagement, compliance, and cost (SQDECC) - to ensure our organization-wide operational excellence program is effective. SQDECC visual dashboards are located throughout the organization in laboratories, manufacturing areas, and support functions. These dashboards track, monitor and report performance daily using a simple color code system, making it easy to identify areas and activities that are on track and those that require improvement. This approach ensures that we can quickly identify and address issues as they arise, enabling us to deliver exceptional service to our clients.

We use operational excellence tools such as Lean and Six Sigma to resolve systemic or recurring problems. During the year, we conducted over 500 why-why analyses to establish the root cause of issues, enabling us to address them effectively.

We also deploy Japanese management techniques including Gemba walks¹ and Kaizens², to engage employees and deliver multiple, low-cost, low-risk, high-impact improvements that reap positive benefits over time. Leaders at all levels in the Company are responsible for conducting Gemba walks and during the year, we provided Gemba training to 300 new managers. We received almost 2,000 Kaizen ideas which played an

important role in continuous improvement and ensuring operational excellence across the company.

Quality, On Time, In Full (QUOTIF) is a key performance measure at Syngene, ensuring a sharp focus on meeting client requirements according to committed timelines. Delivering to agreed deadlines is vital to our clients, whether providing specialized functional services or fully integrated end-to-end services. This year, we achieved improved levels of QUOTIF performance, demonstrating our commitment to meeting client needs and achieving exceptional outcomes.



¹ Gemba is a Japanese concept which involves seeing where the work happens and engaging the front line workers in finding the solution.

² Kaizen is a Japanese term for finding improvements through association with Lean methodology and principles.

Lean Six Sigma

All employees at Syngene are trained in and offered the opportunity to become certified in Lean Six Sigma techniques, with new staff required to undertake the first level (white belt) certification within 30 days of joining the Company. Advanced training programs are offered to achieve green belt and black belt certifications including identifying improvement projects and familiarising themselves with the DMAIC³ process. Green belt and black belt projects contributed to improving client delivery and generated significant cost savings throughout the year.

Lean Six Sigma certifications

2,500	74	28
white belts	green belts	black belts

Syngene won two Gold National awards in the 7th Confederation of Indian Industry national competition on low-cost automation, New Delhi, India.

- **Discovery Chemistry:** Low cost automation to enhance productivity and compliance for R&D laboratory operations in CRO/pharma industry (low cost digitization category)
- **Discovery Biology:** Low cost, semi-automation tool for monotonous routine work (productivity improvement – services category)



Kaizen helped reduce the operating costs of the purified water quality testing

The Biologics team collaborated with the Quality team to re-qualify the purified water system as part of a major regulatory audit. The teams evaluated every process step of the purified water system, identifying value-added and non-value-added steps through a structured approach. Non-value-added steps were eliminated as proposed in the Kaizen and the team validated the proposed changes from a regulatory perspective before implementing them.

This Kaizen not only helped meet regulatory requirements but also significantly reduced costs.

³DMAIC – Design, Measure, Analyze, Improve, Control



Kaizen improved the safety of solvent storage while reducing costs

A team from Chemical Development, Quality Control and Engineering and Maintenance worked on a Kaizen to address safety and storage issues posed by storing n-heptane flammable solvent in a barrel. The team identified a 40-kilolitre storage tank that was under-utilized and converted it into storage for the solvent, reducing handling and movement from unloading to the warehouse and further to the point of use.

The team verified safety, quality, and operations requirements before implementing this change, resulting in significant cost savings and reducing the safety risk of multiple people handling a class-A solvent.



Six Sigma Green Belt project reduced carbon footprint

A Mangalore team completed a successful green belt project to reduce our carbon footprint. The team used process mapping and root cause analysis techniques to analyze the existing process, uncovering the possibility to reduce emissions while reducing the cost of waste disposal. The team recommended pre-processing and co-processing to securely dispose of chemical sludge and multiple-effect evaporator salts in a cement kiln that routinely heats to extremely high temperatures – a solution that reduced costs while benefiting the planet.

A Six Sigma Black Belt project was initiated in Chemical Development to increase the recovery of palladium catalysts to >90%. The team followed the DMAIC methodology, conducting a loss analysis of the palladium recovery process through detailed mapping to identify sources of loss. The measure and analyze phase concluded that major losses were happening in the filter pad due to mixing of all types of used catalyst.

The team developed solutions during the improvement phase, including the design and implementation of a segregation and collection process for sludge, preparation of a metal recovery process from homogenous catalyst, introduction of a separate recovery process for expired catalyst, and centralization of catalyst planning and procurement. These solutions resulted in a significant improvement, increasing the palladium catalyst recovery from 28% to >90% while also saving costs.

Environment, Health, Safety and Sustainability (EHSS)

**Partnering to protect our employees,
our planet and the community**



The requirement to protect our employees, our communities and the natural environment shapes our operations. Workplace safety is a top priority in the Company which is governed by a robust safety management system. We pursue measures to conserve natural resources and carefully manage waste to protect the planet and create a sustainable environment for future generations.

69,280

hours of EHSS training



90.75%

of total hazardous and non-hazardous waste recycled



75%

of energy procured from green energy sources



3.8%

Reduction in energy usage



2,683 MT

equivalent CO₂ savings
from energy conservation

52,834 MT

equivalent CO₂ savings
from green power

40%

freshwater savings
achieved

71,389 KL

fresh water saved from
recycling, reusing and
rainwater harvesting

1,021 KL

rainwater harvested

8 EHS audits

6 external and 2 internal
audits

Energy Management

Syngene's energy management strategy focuses on reducing energy consumption, using energy from renewable sources and driving efficient energy usage. We track and benchmark the energy index in all operating units. During the year, 97% of the energy consumed at the main Bangalore campus and 75% across all campuses came from renewable sources. We reduced energy consumption by approximately 3.8% through energy conservation measures, resulting in a reduction of greenhouse gas emissions of approximately 52,766 metric tonnes (MT) from renewable energy and 2,683 MT from energy conservation measures.

- Implemented Lean mode operation of fresh air and exhaust air handling unit for fume hoods
- Implemented 'variable frequency drive' for heat pump water circulation motors and chilled water primary motors at optimum frequency
- Operation optimization of exhaust blowers of scrubbers through timer automation
- AHU motor operation optimization by reducing the frequency and use of timers, based on laboratory occupancy
- Advanced acoustic leak detection instrument used to detect and arrest the compressed air leakage, resulting

in compressed air input pressure for the nitrogen plant being reduced by 1 bar without affecting the quality parameters

- Implemented motion sensors for lighting control in additional facilities
- Utility chiller primary pump pipeline modified from open loop to closed loop system thereby stopping the secondary pump usage at the Mangalore plant
- Implemented variable frequency drive for QA/QC and API hot water pump and reverse osmosis permeate pump in the Mangalore plant
- Installed temperature controller to optimize the cooling tower fan operation in the Mangalore plant



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'.

Water management

Freshwater is a precious resource and an essential component of certain processes at Syngene. A two-pronged approach is followed to conserve water including reducing freshwater consumption by recycling and reusing water, as well as supplementing fresh water through rainwater harvesting. During the year, we achieved 40% freshwater savings, almost double the savings from the previous year.

A Gemba walk by the EHSS team helped to identify and reduce freshwater wastage by 3,000 litres per day on the Mangalore site by tapping reused water using reverse osmosis and recycling it in a purposeful manner.

Mindful of rising water consumption at our Bangalore campus due to business growth, a Kaizen was implemented to use recycled water from the effluent treatment plant, in the washrooms. This initiative generated freshwater savings of over 1,000 kilolitres per annum. A Kaizen was also implemented to further improve filtration of rainwater and make it suitable for utilities, generating a saving of 195 kilolitres of fresh

water during the year. A Six Sigma Green Belt project implemented at the Mangalore facility helped in reducing dependency on water procurement through rainwater harvesting.

Consistent with our commitment to zero liquid discharge, an advanced effluent treatment method was adopted at the Bangalore facility, resulting in 19% of the effluent being reclaimed and recycled.

Waste management

We maintain ISO 14001:2015 certification for our Environment Management System. As part of this, we ensure safe and efficient segregation, storage and disposal of hazardous and non-hazardous waste across all our campuses. We comply with local norms and regulations and metrics are displayed at all facilities.

To reduce our carbon footprint, we co-processed chemical sludge at the Mangalore campus in a cement kiln, achieving 20% cost-savings compared to landfill and limiting the release of toxic gases.



Phase-II of Miyawaki-Urban Forest Project was launched on World Environment Day in partnership with Vana Charitable Trust. 2,000 saplings of native tree species were planted with the support of our Mangalore employees and local communities.

We are committed to making Syngene a zero-plastic zone and have ended the use of single-use paper cups (which have a plastic lining) across all our facilities, following our earlier phase-out of single-use PET bottles and plastic bags within our premises.

Safety at work

We prioritize the safety and well-being of our employees above all else. To achieve this, we have implemented a robust risk management and prevention system, along with infrastructure improvements to prevent work-related hazards. We aim to prevent all incidents through extensive training and we encourage employees to report near misses so that timely action can be taken to prevent harm. We have occupational health facilities at each of our campuses which offer a first line of diagnosis and treatment in the event of an incident.

To enhance our on-site emergency response, we provide employees across all campuses with training in firefighting by the State Fire Department Training Academy. We also organized workshops on process safety and emergency prevention and response to analyze process hazards and identify risk-mitigating methodologies. Safety Training Kiosks, set up at all sites, provide job, industry, and equipment-specific training for vendors and contractors.

We take a proactive approach to safety, based on the principle that every incident is preventable. As such, we significantly increased the number of laboratory hazard assessments conducted during the year. Similarly, project safety reviews have also increased, and the number of work permits is growing steadily, with the objective of providing our employees with clear directions on hazard identification and safety protocols.

To track safety incidents and put corrective and preventive actions in place, we utilized digital tools such as 'SynZero', a safety incident and near-miss reporting portal. This was complemented by an online portal to record the biosafety key performance indicators, and a 'Chemwatch' digital safety datasheet was introduced to enable safe chemical usage.

We introduced a zero-contact solvent dispensing system at our Bangalore campus, to mitigate the high risk of fire associated with the use of highly volatile solvents. The new system makes the solvent dispensing process safer and prevents potential fires in the warehouse. A centralized and fully automatic solvent system was also introduced at our laboratory in Hyderabad. Other safety measures implemented during the year include the creation of a dedicated space to store high-energy chemicals and improved fire safety systems within cold rooms.

We ensured safety protocols through 'Gemba' safety walks, employee participation in the weekly safety hour and a thorough safety and incident management review process. We also observed various safety days like road safety week, chemical disaster prevention day, world environment day and the 52nd national safety week. Seminars and other employee engagement activities were conducted to encourage safe behavior amongst our employees.

Employee health & well-being

Promoting the health and well-being of our workforce is a crucial aspect of our employee value proposition. We offer all employees access to the Occupational Health Center (OHC) located within each campus. The OHC is staffed by a team of doctors, paramedics, and support staff, ensuring that our employees receive the best possible care. These Centers are available 24/7 for immediate triaging of injuries and first aid, providing our employees with peace of mind and prompt medical attention when required.

We also provide our employees with a range of further benefits aimed at promoting their health and well-being. These include an annual health check-up and a health insurance policy that covers both our employees and their dependents. We believe that these benefits are essential in ensuring that our employees remain healthy and productive, and we are committed to providing them with the support they need to achieve their full potential.

Corporate Social Responsibility (CSR)

Partnering with communities



Syngene is committed to making its contribution to the communities in which we work to build a positive and enduring legacy while improving the environment and the lives of those who live there. Our corporate social responsibility (CSR) programs primarily address environmental improvements, community health and science education and rural development. Most of our CSR activities are undertaken through the Biocon Foundation, the CSR arm of the Biocon group.

Quality healthcare

Community-based healthcare initiatives enabled with advanced technology are helping us to facilitate and scale up access to quality healthcare for people from all walks of life, particularly the underserved and weaker sections of the society.

Impact of healthcare initiatives FY23

23

eLAJ clinics across
7 districts of Karnataka

105,000+

patient visits recorded in
eLAJ clinics, a 50% increase
from the previous year

46,000

diagnostic tests conducted,
more than double the
previous year

3,700

beneficiaries of
specialist clinics

49%

reduced burden on income
experienced by eLAJ patients
compared with non-eLAJ patients
for treatment of chronic conditions

85%

of patients visiting
specialist clinics reported
a high satisfaction level

84%

of patients visiting Biocon
Foundation eLAJ Clinics reported
an increase in willingness to
seek medical help

>9,000

people benefited from
community outreach
activities

eLAJ Smart Clinics

Leveraging the power of technology to ensure healthier lives for people, eLAJ Smart Clinics revitalize primary healthcare across 20 Government healthcare Centers and three Biocon Foundation-run clinics in Karnataka, together serving a population of more than 1 Mn people.

An electronic system captures critical patient data and communicates it in real-time to support clinical consultations, advanced diagnostics and screening of non-communicable diseases. Serving as the first line of treatment for the patients, the clinics play a crucial role in delivering preventive healthcare and improving the quality of life for people across all age groups.

During the year, an exit survey was conducted with more than 2,000 outpatients to evaluate the effectiveness of eLAJ clinics. On a scale of 1-5 where 5 signified a very positive experience, the eLAJ clinics scored 4 or higher on all of the key performance indicators. The Biocon Foundation eLAJ clinic also drove a significant reduction

in out-of-pocket expenditure for chronic treatments thereby reducing the burden on income for eLAJ patients. A third-party impact assessment of the program revealed a beneficial change in healthy behaviour amongst patients. Electronic medical records were used for keeping track of patients with high-risk diseases thus reducing the doctor's workload and improving the patient experience. 78% of patients reported that their medical record was used every time they visited the clinic.

Outpatient exit survey

Six key performance indicators (KPIs) were identified, and a five-point scale was used to gauge patient satisfaction at eLAJ Smart Clinics. More than 2,000 outpatients graded their experience on a scale of 1-5, where 5 signified a very positive experience.

Biocon Foundation Clinics scored 4.9 or higher on all the KPIs signifying an exceptional patient experience and satisfaction with the services. Government eLAJ PHCs also scored four or higher on all parameters.

K. Nagmani

Lab Technician,
eLAJ Smart Clinic, Hennagara



“I am extremely happy about working with the eLAJ clinic. Predominantly, our patients are elderly, above the age of 50 years, with very little knowledge about healthcare practices. In addition to my job of conducting various tests based on requirement, I also find it gratifying to support them, create awareness amongst them and convince them to follow their medication regime strictly.”



Specialist clinics

The Company funds community-based healthcare clinics that address the issues of maternal and child health, elderly health, oral health and chronic diseases. Patients are counselled to assess themselves and modify risk behaviours with assistance from the community health workers.

Non-communicable diseases, geriatric, well baby and well women clinics were conducted during the year. About 3,700 patient visits were recorded across the specialist clinics during the year. An improvement in the cardiovascular and other health parameters was noted amongst the patients visiting these clinics.

Community outreach

The community outreach program furthers our commitment to improve the lives of people in the communities in which we work:

- **Cancer surveillance** – Screening camps were organized for three common cancers at small and medium enterprises in workplace settings and health

and wellness Centers. More than 350 women were screened for cervical cancer and 6% of them were referred after visual examination. More than 1,100 women were screened for breast cancer through clinical breast examination, and 8% of the screened participants were referred for regular follow-up.

- **Information education sessions** – Awareness sessions were also conducted on personal, hand and menstrual hygiene for 1,400 students and 650 Menstrupedia comic books were distributed. Sessions were conducted for more than 800 women on the techniques and importance of breast self-examination.
- **School health** – Camps were organized to facilitate health check-ups for about 2,400 students across 21 Government schools as a result 30% of students were treated for anaemia.
- **Child Health Activists Mentoring and Promoting Health in Society (CHAMPS)** – The CHAMPS program encourages healthy behaviour by training and equipping high school children to screen for

high blood pressure among local communities and prevent early onset of hypertension and cardiovascular diseases. The program resumed this year after a break due to COVID-19 in partnership with Agastya International Foundation.

>100
Students trained
as CHAMPS

>900
Individuals screened for
blood pressure by CHAMPS

Antimicrobial resistance tracker

Biocon Foundation has partnered with Indraprastha Institute of Information Technology Delhi (IIIT-Delhi) to develop an Ayushman Bharat Digital Mission (ABDM) compliant mHealth application to provide interpretable AMR statistics. This will enable tracking antimicrobial resistance in clinical and population settings and allow for trend analysis. The intervention will aid in enhancing awareness of antimicrobial resistance trends amongst healthcare professionals and the public. The application leverages AI-based models to identify and predict trends in AMR.

- (i) The application will be based on the first multi-centric (20 sites) evidence across India learned by AI models in collaboration with ICMR.
- (ii) The application will include AI-based approaches developed in lab to track and predict the emergence of AMR.
- (iii) The application will incorporate ABDM artefacts such as consent manager, laboratory investigation, and diagnostic report for integration into the National Health Stack.

Mental health and well-being

According to the findings of the National Mental Health Survey, Indian cities are associated with higher rates of common mental disorders compared to rural areas. In response to this, the Company has funded a program to promote mental health in collaboration with National Institute of Mental Health and Neurosciences (NIMHANS).

- **Bangalore Urban Mental Health Initiative (BUMHI)** – The project involves studying the concerns

about mental health and building community-based resources to protect it.

- **School Mental Health** – The program addresses the emerging issue of technology addiction and its negative impact on adolescents.
- **Women’s mental-health** – Primary care in India does not include screening for common mental disorders as a part of the antenatal check-up making it challenging for disadvantaged rural women to obtain care for their mental health during pregnancy and after delivery. In partnership with St. John’s Research Institute, peripartum mothers are being screened for common peripartum mental disorders and helped by community health workers. During the year, 190 peripartum women were assessed, 23 cases of depression and anxiety were identified and 10 cases were referred to a psychiatrist.

Science education

By increasing employability and sustained economic prospects for marginalized communities, education serves as the bedrock for equality and a better quality of life. Drawing from the Company’s scientific background, education initiatives were designed to provide science-based learning opportunities for women and children from underserved sections of society.

Education program impact FY23

25

Scholarships awarded
to women enrolled for
STEM study programs

Scholarships and mentoring for women

Focused on empowering women to build powerful communities, a scholarship and mentoring program was launched in partnership with the Research & Innovation Circle of Hyderabad (RICH) for women who come from tier-2 and tier-3 cities. The program supports women from low-income groups studying Science, Technology, Engineering, and Mathematics (STEM) to build necessary skills for employability, self-sustenance and building start-ups.

The initiative also aims to address the challenge of underrepresentation of women STEM graduates in India's STEM workforce. As part of the program, Syngene employees have provided mentorship to the students. During the year an orientation session was conducted to facilitate the STEM mentors, followed by a mentor-mentee connect on virtual as well as physical platforms. A student gap assessment process was also put in place to improve learning and enhance career opportunities for the mentees.

Indian Institute of Science (IISc)

The Company has provided funding for the construction of IISc postgraduate medical school and non-profit hospital – which will nurture a high-quality scientific talent pool and enhance scientific knowledge and innovation. The 147-bed Biocon-Syngene general medicine block of the hospital will provide affordable access to high-quality care with specialists and state-of-the-art diagnostic capabilities. It is expected to be operational by early 2025.

Science in schools

- The Mobile Science Labs initiative - each laboratory is equipped with more than 200 scientific models which provide an experiential learning platform for students in government schools. During the year, science fairs and a summer camp were organized for students to explore scientific concepts and apply them to solve real-world problems.
 - About 6,500 students from 46 government schools in Anekal, Bangalore and Chikkaballapur received more than 47,000 science exposures, each exposure being at least 1.5 hours in duration.
- Launched in November 2022, through Lab-on-a-Bike, about 1,700 students from 7 government schools in Shamirpet, Hyderabad received about 6,000 science exposures, each exposure being at least 1.5 hours in duration.
- An inter-school science quiz competition was organized for the students of 50 government schools to cultivate a spirit of curiosity and analytical thinking. More than 5,000 students of classes 6 and 7 participated in the competition.

Rural development

The rural economy of India contributes to nearly half of the country's national income. This makes rural growth and development crucial to India's growth and the overall well-being of its people. Through the Biocon Foundation, the Company has funded multiple initiatives in the areas of rural education and improvement in living standards.

Construction of 12 spacious and furnished classrooms across 9 schools in Karnataka, India, was undertaken to ensure inclusive quality education and promote lifelong learning opportunities for the students. 20 solar streetlights were installed in two villages of Karnataka. A children's park was constructed to benefit more than 200 displaced families living near the Mangalore Special Economic Zone.

Environmental sustainability

Significant efforts are made to preserve the Earth's natural environment and ensure a better planet for future generations. Initiatives include:

- **Mass Rail Transit:** Construction work of Biocon-Hebbagodi Metro Station to enable mass transit and protect the environment is nearing completion and is expected to commence operation in 2023. India has been predicted to experience nearly 14 times growth in passenger-kilometres between now and 2030. The Mass Rail Transit in Bangalore, India, is being developed as a green mobility solution to address the problem of growing traffic congestion and its resultant pollution and economic loss. The project is expected to lower air pollution significantly and lead to extensive savings on consumption of fuel because of shift of the commuters to the metro system from other modes of vehicular traffic.
- **Miyawaki Forest:** Phase II of Miyawaki forest in Mangalore, India, was launched this year involving the plantation of more than 2,000 saplings by our employees. The urban micro-forest spans 21,000 square feet, enabling biodiversity and fostering ecological balance.

Women and child welfare

Parihar is a program managed by the Bangalore City Police to safeguard women and children in distress which receives funding from the Company. Dedicated helplines answer the distress calls from the victims, followed by prompt remedial action by trained professionals. Women and children survivors are further supported through skill development and creation of a safe and nurturing environment.

15%

increase in scientific knowledge amongst students in Anekal from FY22

10%

increase in curiosity amongst students in Anekal from FY22

1,469

Cases registered under Parihar in FY23

1,387

No. of cases resolved/settled in FY23



- An expert roundtable, was organized for an open discussion on “Domestic Violence & Women’s Rights: Role of Civil Society Institutions” with the participation of notable delegates. The purpose was to increase women’s empowerment and welfare.
- Parihar also conducted capacity building of civil society organisations, sensitization in colleges and awareness raising sessions in the communities to promote safety of women and children with participation of more than 1,500 individuals.
- Parihar inaugurated a skill development center for women from weaker sections of society who were victims of violence. 55 women were provided with six-months of vocational training in tailoring.
- Through St. John’s Research Institute, with an objective to give children a healthy start to life, an initiative was started to monitor malnutrition and take remedial action for the Anganwadi children under five years of age. Capacity was built for more than 350 Anganwadi workers to be trained on the use of the POSHAN tracker app, a data management application to ensure greater assessment accuracy and faster action.

Employee engagement with the community

The employee volunteering programs provide meaningful social engagement opportunities for our employees and there was enthusiastic participation by our employees to play a role in various environmental and social activities:

- **Har Ghar Tiranga:** To commemorate the 75th Anniversary of Indian Independence, about 30,000 national flags were distributed in the local communities, encouraging people to bring the tricolour home and hoist it to mark the monumental occasion.
- **Miyawaki Plantation:** On the occasion of World Environment Day, Syngene employees actively participated in plantation of over 2,000 saplings to create the Miyawaki urban-forest in Mangalore, India.
- **Science Quiz:** Employees curated questions and conducted qualifier and stage rounds in Government schools to support an Inter-School science quiz competition.
- **Other activities:** Our employees volunteered at a special science fair at a Government school and ran a health camp at an old age home in memory of John Shaw. They also coordinated the launches of Women in STEM and Lab-on-a-bike programs in Hyderabad, volunteered for Tannirubhavi Beach cleaning in Karnataka and organized a girl’s health education program and yoga for concentration session in schools in Hyderabad.



Board of Directors



2 Jonathan Hunt
Managing Director and
Chief Executive Officer

Mr 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 and Chief Operating Officer, AstraZeneca, India. He has been a member of the Board of Directors of Syngene since 2016 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.

3 Catherine Rosenberg
Non-Executive Director

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

1 Kiran Mazumdar Shaw
Non-Executive Chairperson

Ms Mazumdar Shaw is a first-generation entrepreneur with over 45 years of experience in the field of biotechnology. She is the proud recipient of two of India’s highest civilian honours, the Padma Shri (1989) and the Padma Bhushan (2005). She was also honoured with the Order of Australia, Australia’s Highest Civilian Honour in January 2020. In 2016, she was conferred with the highest French distinction - Knight of the Legion of Honour. She has been conferred with the EY World Entrepreneur of the Year™ 2020 Award, which is a testimony to her entrepreneurial journey. She was felicitated with the Advancing Women in Science and Medicine (AWSM) Award for Excellence in 2017 by

The Feinstein Institute for Medical Research, USA, and the 2014 Othmer Gold Medal by The Chemical Heritage Foundation, USA.

Ms Mazumdar Shaw serves on the board of The Massachusetts Institute of Technology (MIT), USA, Pure-Tech Health, USA, Memorial Sloan Kettering Cancer Center, USA. She also serves as a Member of the National Academy of Engineering, USA. She is also an Honorary Member of the Indo-American Chamber of Commerce and the Vice Chair of the Global Board of Directors, U.S.-India Business Council. She is Non-Executive Director on the Board of Narayana Health and served as the Lead Independent Member of the Board of Infosys Ltd from 2018 to 2023 in India, apart from holding key positions in various industry, educational, government and professional bodies globally.

4 Kush Parmar Independent Director

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

5 Vinita Bali Lead Independent Director

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

6 Carl Decicco Independent Director

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

7 Paul Blackburn Independent Director

Mr Blackburn has a BSc in Management Sciences from Warwick University, United Kingdom, and a professional accounting qualification from the Chartered Institute of Management Accountants, United Kingdom. With more than 40 years' experience in the field of finance, he worked as a senior finance executive at GlaxoSmithKline in the UK. Mr Blackburn also served on the Board of Mereo Biopharmaceuticals, UK, and chaired the Audit and Risk Committee for five years ending October 1, 2020. At Syngene, Mr Blackburn is Chairman of the Audit Committee and the Risk Management Committee and a member of the Stakeholders Relationship & ESG Committee.

8 Sharmila Abhay Karve Independent Director

Ms Sharmila Abhay Karve is a Fellow of the Institute of Chartered Accountants of India. She retired as audit partner from Price Waterhouse in June 2019. During

her tenure in Price Waterhouse, she was an engagement partner with several large Indian and multinational clients. She was appointed as the Chief Ethics Officer. In 2009, she was appointed as the Assurance Leader of the firm and was elevated to the role of Assurance Risk & Quality Leader in April 2012. In her last role as Global Diversity Leader since December 2016, Ms Karve focussed her efforts on bringing more diversity throughout the PwC network. At present, she is a Director on the boards of CSB Bank Limited, EPL Limited, Vanaz Engineers Limited, Aadhar Housing Finance Limited and Thomas Cook (India) Limited in India. Her overseas directorships include 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.

9 Vijay Kuchroo Independent Director

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

Executive Committee



1 Jonathan Hunt
Managing Director and Chief Executive Officer

Jonathan 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 and Chief Operating Officer, AstraZeneca, India. He has been a member of the Board of Directors of Syngene since 2016 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.

2 Sibaji Biswas
Chief Financial Officer

Sibaji 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, Fascal 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.

3 Mahesh Bhargat
Chief Operating Officer

Mahesh holds a Ph.D. in Medicinal Chemistry from the University of Utah, United States and a bachelor’s degree in Pharmaceutical Sciences from the University of Mumbai. He has over 25 years of experience in biopharmaceuticals, vaccines and diagnostics. He has worked in different areas of Operations, R&D and Quality including analytical development, technology

transfer and regulatory sciences. During his career, he has been associated with companies such as Sanofi, Amgen, Celera Genomics, Molecular Probes, Monsanto and Biological E. Prior to joining Syngene, he was the Executive Director and Chief Operating Officer at Shantha Biotechnics, a Sanofi company, where he was also the Site Head for all vaccine operations and responsible for manufacturing, quality, engineering and projects, supply chain, project management and long-term strategic planning and development. Mahesh represents the company on industry committees such as CII Biotechnology. As Chief Operating Officer and a member of the Executive Committee, he is responsible for all operations, including discovery, development and manufacturing of small and large molecules. He also leads safety, engineering and maintenance, project management and is responsible for driving operational excellence.

4 Alex Del Priore Senior Vice President – Manufacturing Services

Alex 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.

5 Alok Mehrotra Chief Quality Officer

Alok 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.

6 Andrew Webster Chief Human Resources Officer

Andrew 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. Andrew 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. Andrew 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. Andrew succeeded Sanjeev Sukumaran as CHRO on 1 December 2022.

7 Caroline Hempstead Head of Corporate Affairs

Caroline 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.

8 Kenneth Barr Senior Vice President – Discovery Services

Kenneth 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 through optimization of internal and external R&D research efforts 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.

9 Joydeep Kant Senior Vice President – Development Services

Joydeep is an organic chemist with a Ph.D. from the University of Missouri (USA) and postdoctoral training in medicinal-organic chemistry from the University of Kansas School of Pharmacy (USA). Joydeep has over 30 years of experience in global pharmaceutical companies like Zoetis, Pfizer, Bristol-Myers Squibb, Johnson Matthey Pharmaceuticals, and Ranbaxy at various levels. He has a track record of scientific and leadership contributions to human and animal health drug development programs, including drug discovery and manufacturing in the USA and India. Coupled with his passion for science is his distinctive innovation track record including patents, publications in peer-reviewed journals, monographs, and technical presentations at international symposia, conferences, and academic institutions. Joydeep is a member of the Executive Committee and he is responsible for the strategy and operations of the Development Services Division.

Corporate Information

Company Secretary and Compliance Officer

Priyadarshini Mahapatra

Registered Office

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

Statutory Auditors

B S R & Co. LLP
Chartered Accountants
Maruthi Info-Tech Center
11-12/1 Inner Ring Road
Koramangala, Bangalore - 560 071,
Karnataka, India

Registrar and Share Transfer Agents

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

Secretarial Auditors

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



Statutory Reports

Board's Report

Dear Members,

Your Directors are pleased to present the 30th Annual Report of your Company, along with the Audited Financial Statements and Auditor's Report for the financial year ended 31st March, 2023. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

Financial review

Your Company's performance during FY23, compared to the previous year is summarised below.

Particulars	(Rs. in Million)	
	March 31, 2023	March 31, 2022
Total revenue	32,644	26,542
Total expenditure	22,592	18,080
Profit before depreciation, finance costs, exceptional items and tax expense	10,052	8,462
Less: Depreciation & interest	4,043	3,338
Profit before exceptional items and tax expense	6,009	5,124
Add: Exceptional items	-	(307)
Profit before tax expense	6,009	4,817
Less: Tax expenses	1,279	879
Profit for the year	4,730	3,938
Other comprehensive income	(972)	433
Total comprehensive income	3,758	4,371
Profit for the year excluding exceptional item	4,730	4,245

Key highlights of the Company's financial performance during FY23 are as follows:

- Revenue increased by 23% (from Rs. 26,542 Mn to Rs. 32,644 Mn)
- Earnings before interest tax depreciation and amortisation (EBITDA) increased by 19% (from Rs. 8,462 Mn to Rs. 10,052 Mn)
- Profit after tax increased by 20% (from Rs. 3,938 Mn to Rs. 4,730 Mn)

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

Operational Review

Syngene International Limited is an integrated research, development and manufacturing services organisation serving the global pharmaceutical, biotechnology, nutrition, animal health, consumer goods and specialty chemical sectors. Headquartered in India and listed on the National Stock Exchange of India Limited and Bombay Stock Exchange, the operations are driven by its highly qualified teams comprising

~6000 scientists and its state-of-the-art facilities, spread over 2.2 million sq. ft., across three locations in India: Bangalore, Hyderabad and Mangalore. Syngene has four business divisions: Discovery Services, Development Services, Manufacturing Services and Dedicated Centers.

Discovery Services

Discovery Services witnessed a healthy demand environment throughout the year as clients continued to make up the ground they lost during the pandemic and bring new projects forward. Discovery Chemistry, in particular, saw buoyant customer demand. Synvent, Syngene's integrated drug discovery platform, showed sustained growth during the year. The portfolio, which currently stands at 18 integrated programs, witnessed encouraging demand from emerging biotech companies.

During the year, Syngene's second campus in Hyderabad played an increasingly important role in Discovery Chemistry operations, now grown to over 900 scientists and got more expansion plans. With the commissioning of the new DMPK labs, the Hyderabad facility started Discovery Biology services

during the year. Syngene also commissioned a new PROTAC lab in Hyderabad during FY23. PROTAC is part of Syngene's novel drug discovery strategy for clients involved in the treatment of cancer.

Syngene's proprietary AI (Artificial Intelligence) platform Syn.AI™ was launched during the year. The platform enables a deeper understanding of disease and network biology to identify and prioritise targets. It evaluates targets on multiple parameters pertaining to relevancy, druggability, and safety, thereby decreasing the later-stage attrition.

The Discovery Services division cleared many client and regulatory audits during the year, notably the AAALAC's (Association for Assessment and Accreditation of Laboratory Animal Care) full accreditation for its animal laboratory facility.

Development Services

In Development Services, repeat orders from existing clients, as well as an increase in the number of collaborations with emerging biopharma companies, drove a robust performance during the year. Syngene continued to invest in new infrastructure and capability development to match its growing customer demands. During FY23, the Company commissioned a kilo lab to expedite formulation and process development work and a state-of-the-art sterile Fill-Finish facility for small-scale clinical manufacturing. With the commissioning of the Fill-Finish facility, Syngene can offer end-to-end solutions in drug product development and manufacturing for clinical supplies of small and large-molecule injectables.

The highlight of the year for Development Services is the successful tech transfer and completion of registration batches leading to two Abbreviated New Drug Application (ANDA) filings by clients.

Manufacturing Services

The Manufacturing Services division showed good growth and demand during the year. The highlight was the long-term agreement with Zoetis. The agreement, initially centred on Librela®, paves the way for development and manufacturing of other molecules in the coming years and is expected to be worth up to USD 500 Mn to Syngene over 10 years, subject to regulatory approvals and market demand. The Zoetis deal will leverage the sustained investments Syngene has made in developing world-class biologics production facilities. Manufacturing Services also completed the inspection of its biologics facilities by the US FDA, EMA and MHRA during the year.

The small molecule manufacturing facility in Mangalore is on track to obtain the key regulatory approvals around the mid of 2023. During the year, the Mangalore facility received ISO: 50001 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. Syngene commissioned a new yeast display facility to accelerate the advancement of Amgen's R&D projects. FY24 will mark the 25th year of Syngene-BMS collaboration.

Other business updates

Joydeep Kant joined the Company in November 2022 as SVP of Development Services. As a member of the Executive Committee, Joydeep drives Syngene's Development Services division connecting upstream Discovery Services programs through the development process to ensure a smooth transition into commercial manufacturing. Andrew Webster joined Syngene in December 2022 as the Chief Human Resources Officer (CHRO) and a member of the Executive Committee.

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 neither has any associate companies nor has formed any joint venture.

Syngene USA Inc. was incorporated in FY 2018, to help the Company have a firm foothold in the US market and allow easy access to the Company's clients based in that region. During FY23, Syngene USA Inc, posted a revenue of Rs. 453 mn and reported a profit(before tax) of Rs. 41 mn. Syngene Scientific Solutions Limited (SSSL) was incorporated on August 10, 2022 in India and is engaged in Contract Research and Clinical research services. Syngene Manufacturing Solutions Limited (SMSL) was incorporated on August 26, 2022 in India to carry on the business of manufacturing pharmaceutical, biopharmaceutical and biological products of any kind. During FY23, no revenue was generated in SSSL and SMSL as both Companies were yet to start their 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.

Further, 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 desirous of inspecting such documents is requested to write to 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, 2023.

Dividend

The Board has recommended a final dividend @ 12.50% i.e. Rs. 1.25 per share (comprising a regular dividend of Re.0.50 per share and a special additional dividend of Re. 0.75 per share to mark the 30th anniversary of the founding of the Company in November 1993) for FY23. The total dividend pay-out will amount to approximately Rs. 502.52 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 30, 2023, and the dividend pay-out date will be on or before August 07, 2023.

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 except for one transaction with a wholly-owned subsidiary, which was approved at book value as per the methodology defined under the Income Tax Act, details of which are mentioned in the Form AOC-2 attached as Annexure 2 to the Board's Report. 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 3.

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 Organisation and world-class partner delivering innovative scientific solutions.

Loans, guarantees or investments

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

Deposits

During FY23, 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 year, CRISIL Ratings Limited ("CRISIL") vide its letter dated November 30, 2022, had removed the long-term rating from watch with developing implications and has reaffirmed the long-term rating at "CRISIL AA+/Stable". The short-term rating has been reaffirmed at "CRISIL A1+". ICRA Limited ("ICRA") vide its letter dated November 17, 2022, has removed the short-term rating from watch with developing implications and has reaffirmed the short-term rating at "ICRA A1+". The long-term rating has been reaffirmed at "ICRA AA+ on watch with developing implications".

Paid-up capital

During the financial year, the paid-up share capital of the Company was increased by allotment of 6,38,000 Equity shares at Rs. 10 each to Syngene Employee Welfare Trust under the Syngene Long Term Incentive Restricted Stock Units (RSU) Plan, 2020. The paid-up share capital as on March 31, 2023 stood at Rs. 4,014,345,000.

Material changes and commitments

On April 26, 2023 the Board of Directors of the Company approved the allotment of 580,500 equity shares of Rs. 10 each

of the Company to Syngene Employee Welfare Trust at face value pursuant to shareholders' approval at the Annual General Meeting held on July 24, 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. Consequent upon the aforesaid allotment, the paid-up equity share capital of the Company stands at Rs. 4,020,150,000.

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 organisation. 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 FY23 was 6,847 permanent employees, including more than 6,000 scientists.

Particulars of employees

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

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 October 31, 2012, using

the proceeds from interest free loan of Rs. 150 million obtained from the Company. The NRC, on various occasions, has granted options to eligible employees of the Company through the Trust. During the financial year, there was no change in the ESOP Plan. During FY23, no options were granted to eligible employees under the ESOP Plan. However, 7,01,066 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 and 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 said Plan in future. The Trust has some surplus shares under this Plan, which has arisen 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.

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. Further, 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.

The Company has granted 89,704 RSUs as on March 31, 2023 under the RSU Plan. 8,17,184 equity shares were transferred to eligible employees by the Syngene Employee Welfare Trust on exercise of stock options.

The details of both plans form part of the notes to accounts of the Financial Statements in this Annual Report. The Company has obtained a certificate from the secretarial auditors of the Company that both the plans have been implemented in accordance with SEBI (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, 2023 with respect to both the plans are available on the website of the Company at <https://www.syngeneintl.com/investors/share-holder-services/>

The shareholders have vide special resolutions passed by Postal Ballot on April 23, 2023 approved Syngene Long Term Incentive Performance Share Plan 2023 and Syngene Long Term Incentive Outperformance Share Plan 2023 for grant of performance share units (PSUs) to eligible employees of the Company, holding company, subsidiary(ies) including future subsidiary(ies). The said new Plans will be implemented by the Trust.

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 value-led culture encompassing professionalism, integrity and excellence, which has been a key enabler in building stakeholders' trust, attracting and retaining financial and human capitals and meeting societal expectations.

The Company's report on corporate governance for the financial year ended March 31, 2023 as per regulation 34(3) read with Schedule V of the SEBI Listing Regulations forms part of the Annual Report.

Auditors' certificate on Corporate Governance

As required under Schedule V(E) of SEBI Listing Regulations, the auditors' certificate on compliance with the requirement of corporate governance is enclosed as Annexure 5 to this Report. The auditors' certificate for FY23 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. Professor Catherine Rosenberg 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, in pursuance of Regulation 36(3) of SEBI Listing Regulations, is annexed to the AGM Notice.

Key Managerial Personnel

As on March 31, 2023, the Key Managerial Personnel (KMP) of the Company appointed under the provisions of Section 203 of the Companies Act, 2013, are Jonathan Hunt, Managing Director and 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 managerial 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 FY23. 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 FY23 was discussed by the Independent Directors, Nomination and Remuneration Committee at their respective meetings held on January 17, 2023 and January 23, 2023.

Number of meetings of the Board

The Board met 5 (five) times during the 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, 2023. The Board accepted all recommendations made by the Audit Committee.

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

Adequacy of Internal Financial Control

The Company has implemented a robust internal financial controls framework within the Company with well-defined guidelines, policies, processes and structures. The Internal Financial Controls have been documented and embedded in the business processes. These control processes enable and ensure the orderly and efficient conduct of the Company's business, including safeguarding of assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation of reliable financial information. There are control processes both in

manual and IT applications including ERP applications, wherein the transactions were approved and recorded. Review and control mechanisms are built in to ensure that such control systems are adequate and operating effectively.

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

Risk Management Policy

In compliance with Regulation 21 of the SEBI Listing Regulations, the Board of Directors has a duly constituted the Risk Management Committee ("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.

Directors' Responsibility Statement

Based on the framework of internal financial controls established and maintained by the Company, work performed by the internal, statutory and secretarial auditors, reviews performed by the management and the relevant Board Committees, the Board, in concurrence with the Audit Committee, is of the opinion that the Company's internal financial controls were adequate and effective as on March 31, 2023.

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:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (b) The Directors selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.

- (c) The Directors took proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) The Directors prepared the annual accounts on a going concern basis.
- (e) The Directors laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.
- (f) The Directors devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Auditors

Statutory Auditors

B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248WW-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, 2023 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 July 20, 2022, had re-appointed M/s. Ernst & Young LLP as the Company's Internal Auditors for the period up to December 31, 2023.

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 FY23. 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 6.

Pursuant to the SEBI circular vide no. CIR/CFD/CMD/1/27/2019 dated February 8, 2019, the Annual Secretarial Compliance Report for the financial year ended March 31, 2023, issued by M/s. V. Sreedharan & Associates, Practicing Company Secretaries is attached as Annexure 7 to this Report and shall also be submitted to the stock exchanges where the shares of the Company are listed.

Reporting of fraud by auditors

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

Annual Return

In compliance with Section 92 and Section 134(3)(a) of the Companies Act, 2013 read with applicable Rules made thereunder, the Annual Return is available on the Company's website <https://www.syngeneintl.com/investors/share-holder-services/statutory-disclosures-fy2023/>

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 CSR initiatives are based on the principle of making enduring impact through programs that promote education, science, social and economic inclusion and environmental sustainability. The Company is committed to innovation, science, affordability and access to healthcare. In line with this commitment and as a socially responsible organisation, the Company has always invested in CSR programs aimed at making a difference in the lives of marginalised communities. Syngene's CSR programs pivot around social welfare, environmental sustainability, healthcare and promoting education in the fields of science and medicine. The Company's CSR activities this year have been executed directly and through Biocon Foundation. Biocon Foundation develops and implements healthcare, educational, infrastructure, rural development projects, promotes gender equality and safety of vulnerable sections of society. The Company's CSR policy is available on its website at <https://www.syngeneintl.com/investors/corporate-governance/governance-reports-policies/>. A detailed report on CSR activities is annexed to this Report as Annexure 8.

Business Responsibility and Sustainability Report

Syngene had 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 FY23, to engage more meaningfully with stakeholders. The BRSR indicates 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 impacts on the Company.

Whistle Blower Policy/Vigil Mechanism

The Company's whistle blower policy allows employees, Directors and other stakeholders to report genuine grievances, corruption, fraud, misconduct, misappropriation of assets, and non-compliance 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 the complaints and co-ordinate with the whistleblower, if required. During FY 23, 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. The Policy is applicable to all employees including the Company's contractual employees. The Company is committed to providing a workplace that is free from discrimination, harassment and victimisation, regardless of gender, race, creed, religion, place of origin, sexual orientation of a person employed or engaged with the Company. The Internal Committee ('IC') has been constituted to consider and redress all complaints of sexual harassment at workplace. Employee sensitisation programs on POSH were conducted during the year. In FY23, a total of 2 complaints were received and closed within the stipulated timeline.

Significant and material orders by the regulators or courts or tribunals

During FY23 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 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 FY23 and look forward to their continued support in future.

For and on behalf of the Board

Kiran Mazumdar Shaw

Place: Bangalore

Chairperson

Date: April 26, 2023

DIN: 00347229

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

(Rs. in Mn.)

S. No	Particulars			
1.	Name of the subsidiary	Syngene USA Inc	Syngene Scientific Solutions Limited	Syngene Manufacturing Solutions Limited
2.	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
3.	Reporting currency	US\$	INR	INR
4.	Exchange rate on March 31, 2023	INR 82.18	NA	NA
5.	Share capital	US\$ 50,000/ ₹4.10	210	10
6.	Reserves & surplus	US\$ 9,90,383/ ₹81.38	(41.64)	Nil
7.	Total assets	US\$ 21,83,257/ ₹179.42	237.99	10
8.	Total Liabilities	US\$ 11,42,874/ ₹93.92	69.63	Nil
9.	Investments	Nil	Nil	Nil
10.	Turnover	US\$ 55,17,593/ ₹453.43	0.24	Nil
11.	Profit before taxation	US\$ 5,01,472/ ₹41.21	(41.64)	Nil
12.	Provision for taxation	US\$ 1,58,364/ ₹13.01	Nil	Nil
13.	Profit after taxation	US\$ 3,43,108/ ₹28.19	(41.64)	Nil
14.	Proposed Dividend	Nil	Nil	Nil
15.	% of shareholding	100%	100%	100%
16.	Country	USA	India	India

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: Syngene Manufacturing Solutions Limited
- Names of subsidiaries which have been liquidated or sold during the year: **None**

Part B : **Not Applicable**

Annexure-2

Form AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

- (a) Name(s) of the related party and nature of relationship: Syngene Scientific Solutions Limited (SSSL), Wholly owned subsidiary
- (b) Nature of contracts/arrangements/transactions: Slump sale of Hyderabad operations of the Company to SSSL
- (c) Duration of the contracts/arrangements/transactions: Not Applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Slump sale of Hyderabad operations of the Company to SSSL for a consideration not exceeding Rs. 4,000 Million. The transaction was approved at book value as per the methodology defined under the Income Tax Act.
- (e) Justification for entering into such contracts or arrangements or transactions: SSSL has a roadmap to evolve as a premium destination for cutting-edge drug discovery research. As a part of this roadmap, it is planned to undertake all research-related activities in SSSL. The slump sale of the Hyderabad operations to SSSL is a step towards establishing it as a centre of excellence in drug discovery and will, in turn create a connected and integrated approach towards multiple facets of the drug discovery process.
- (f) Date of approval by the Board: January 23, 2023
- (g) Amount paid as advances, if any: NIL
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable

2. Details of material contracts or arrangements or transactions at arm's length basis – Not Applicable

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts/arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
- (e) Date(s) of approval by the Board, if any:
- (f) Amount paid as advances, if any:

For and on behalf of the Board

Place: Bangalore
Date: April 26, 2023

Kiran Mazumdar Shaw
Chairperson
DIN: 00347229

Annexure 3

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, 2023)

Power and Fuel Consumption Details	FY 23	FY 22
1. Electricity		
a) Purchased		
Million Unit	97.90	85.22
Total amount (Rs. mn)	644.72	588.53
Rate/Unit (Rs.)	6.59	6.90
b) Captive generation		
HSD Quantity, KL	312.93	303.22
Million Units	1.22	1.18
Units / Litre	3.91	3.90
Cost/Litre (Rs.)	116.65	70.11
Generation cost, Rate / Unit (Rs.)	29.87	17.97
2. Steam		
a) Furnace Oil		
Quantity, Tons	19.20	-
Total amount (Rs. mn)	0.72	-
Average rate Rs/Kg	37.7	-
b) LDO		
LDO Quantity, KL	135.91	355.91
Total amount (Rs Mn)	10.45	18.27
Average rate/Litre (Rs)	76.90	51.33
c) LPG		
LPG Quantity, Tons	295.78	274.83
Total amount (Rs Mn)	22.34	18.06
Average rate/Kg (Rs)	75.52	65.71

A. Conservation of energy

S. No.	Energy conservation measure	Investment	Energy saved per Annum	
		(Rs.) Million	(Unit) Million	(Rs.) Million
1	Implemented lean mode operation of fresh air & exhaust AHU for fume hoods in S2, S16 and Hyderabad facilities	0	1.5	9.9
2	Implemented VFD (Variable frequency drive) for heat pump water circulation motors and chilled water primary motors at optimum frequency in S20A	1.5	0.21	1.36
3	Operation optimisation of exhaust blowers of scrubbers through timer automation in S20A and S17	0.03	0.05	0.32
4	AHU motors operation optimisation by reducing the frequency and controlled through timers as per Lab occupancy in S16 & S19.	0.02	0.04	0.26
5	Acoustic leak detection advanced instrument used to detect and arrest the compressed air leakage and compressed air input pressure for Nitrogen plant has been reduced by 1bar without affecting the quality parameters in S16	0.05	0.06	0.40
6	Implemented motion sensors for lighting control in S2, S16 and Hyderabad facilities.	0.58	0.05	0.33
7	Utility chiller primary pump pipeline modified from open loop to closed loop system and thereby stopped the secondary pump usage in MSEZ.	0.04	0.8	5.3
8	Implemented VFD (Variable frequency drive) for QA/QC & API hot water pump and RO permeate pump in MSEZ	0.44	0.84	5.55
9	Installed temperature controller to optimise the cooling tower fan operation in MSEZ	0.04	0.2	1.32

(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 and awarding them.
- MSEZ team participated in National level competition organised 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. 250KW Roof top plant was commissioned. This helped to address 75% of energy from renewable sources, thereby avoiding 52,834 metric tons of CO₂ emission. Energy conservation projects are ongoing every year. During FY23 3.75 million units of energy were saved thereby avoiding 2,683 metric tons of CO₂ emission.

(iii) the capital investment on energy conservation equipments.

Rs. 2.7Mn capital investment made for energy conservation equipments.

B. Technology absorption, adoption and innovation

No technology imported.

(i) the efforts made towards technology absorption;

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the year under reference) –

a) details of the technology imported;

b) the year of import;

c) whether the technology has been fully absorbed and if not, areas where absorption has not taken place, and the reasons thereof;

(iv) the expenditure incurred on Research and Development.

C. Foreign exchange earnings and outgoings

Foreign exchange earnings and outgoings for the year*:	FY23	FY22
Foreign exchange earnings	30,712	23,225
Foreign exchange outgoings	8,048	6,967

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

For and on behalf of the Board

Kiran Mazumdar Shaw
Chairperson
DIN: 00347229

Place: Bangalore
Date: April 26, 2023

Annexure 4

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

(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, 2023)

(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 FY23:

Sl. No.	Name of Director/KMP and Designation	% increase in remuneration in FY23	Ratio of the remuneration of each Director/KMP to the median remuneration of all the employees (1)
Non-Executive Directors			
1	Kiran Mazumdar Shaw	9.47%	11.46
2	Dr Carl Decicco	11.02%	7.37
3	Professor Catherine Rosenberg	15.38%	10.09
Executive Director			
4	Jonathan Hunt, CEO	11.06%	117.99
Independent Directors			
6	Vinita Bali	11.58%	10.55
7	Dr Kush Parmar	20.16%	7.81
8	Paul Frederick Blackburn	10.77%	11.01
9	Sharmila Abhay Karve	15.84%	10.55
10	Dr Vijay Kuchroo	17.93%	9.19
Key Managerial Personnel			
11	Sibaji Biswas	20.98%	46.50
12	Priyadarshini Mahapatra	9.06%	7.09

The remuneration paid to Non-Executive Directors (including Independent Directors) is on accrual basis and includes commission and sitting fees. It is based on the position they occupied in the various committees and meetings attended by them during the FY23.

The remuneration does not include perquisite value on account of stock options. 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, 2022 to March 31, 2023.**

The percentage increase in the median remuneration of employees in the Financial Year	2.9%
The number of permanent employees on the rolls of Company as on 31st March, 2023	6847

- [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 2023. Increase in managerial remuneration is already shown in the data presented above.

- [3] **Affirmation**

It is hereby affirmed that remuneration paid for FY 23 was according to the Company's Policy on Director's Appointment and Remuneration.

For and on behalf of the Board

Kiran Mazumdar Shaw
Chairperson
DIN: 00347229

Place: Bangalore
Date: April 26, 2023

Annexure 5

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 28 March, 2023.
2. We have examined the compliance of conditions of Corporate Governance by Syngene International Limited ("the Company"), for the year ended 31 March 2023, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

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

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2023.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

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

Restriction on use

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

For B S R & Co. LLP

Chartered Accountants

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

Sampad Guha Thakurta

Partner

Membership No: 060573

ICAI UDIN: 23060573BGYNDC3310

Place: Bengaluru
Date: 26 April 2023

Annexure 6

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2023

[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 Rd, Bommasandra, Bengaluru - 560099

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Syngene International Limited** 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 authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2023 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings. There was no Overseas Direct Investment done by the Company during the period under review;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not Applicable to the Company during the Audit Period)**;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable to the Company during the Audit Period)**;
 - h. The securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**; and
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

We further report that:

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

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

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

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

For V SREEDHARAN & ASSOCIATES

(Devika Sathyanarayana)
Partner
FCS: 11323; CP No.17024
Peer Review Certificate No.: 589/2019
Address: No. 291, 1st Floor, 10th Main Road,
3rd Block, Jayanagar, Bengaluru - 560011.

Place: Bengaluru
Date: April 26, 2023
UDIN: F011323E000194321

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

'Annexure'

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

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

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

For **V SREEDHARAN & ASSOCIATES**

(Devika Sathyanarayana)
Partner
FCS: 11323; CP No.17024
Peer Review Certificate No.: 589/2019
Address: No. 291, 1st Floor, 10th Main Road,
3rd Block, Jayanagar, Bengaluru - 560011.

Place: Bengaluru
Date: April 26, 2023
UDIN: F011323E000194321

Annexure 7

Secretarial compliance report of Syngene International Limited for the year ended March 31, 2023

[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 authorised 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, 2023, 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 **Syngene International Limited** ("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, 2023 ("Review Period") in respect of compliance with the provisions of:

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

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

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Company during the Review 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 Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Review Period);**
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not Applicable to the Company during the Review Period);**
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not Applicable to the Company during the Review Period);**

- (j) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (k) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable to the Company during the Review Period)**;
- (l) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

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.	<p>Secretarial Standards:</p> <p>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.</p>	Yes	
2.	<p>Adoption and timely updation of the Policies:</p> <ul style="list-style-type: none"> • 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	
3.	<p>Maintenance and disclosures on Website:</p> <ul style="list-style-type: none"> • 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	
4.	<p>Disqualification of Director:</p> <p>None of the Directors of the Company are disqualified under Section 164 of the Companies Act, 2013 as confirmed by the listed entity.</p>	Yes	
5.	<p>Details related to Subsidiaries of listed entities have been examined w.r.t:</p> <ul style="list-style-type: none"> (a) Identification of material subsidiary companies. (b) Disclosure requirement of material. 	Not applicable	Your company has no material subsidiaries. Hence, this point is not applicable during the review period.

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/remarks by PCS
6.	<p>Preservation of Documents:</p> <p>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.</p>	Yes	
7.	<p>Performance Evaluation:</p> <p>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.</p>	Yes	
8.	<p>Related Party Transactions:</p> <p>(a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions.</p> <p>(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.</p>	Yes Not applicable	All the related party transactions have been taken place with the prior approval of audit committee. Hence, point 8(b) is not applicable during the review period.
9.	<p>Disclosure of events or information:</p> <p>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.</p>	Yes	
10.	<p>Prohibition of Insider Trading:</p> <p>The listed entity is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015.</p>	Yes	
11.	<p>Actions taken by SEBI or Stock Exchange(s), if any:</p> <p>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.</p>	Yes	
12.	<p>Additional Non-compliances, if any:</p> <p>No additional non-compliance observed for all SEBI regulation / circular / guidance note etc.</p>	Yes	

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:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/Remarks by PCS*
1.	Compliances with the following conditions while appointing/re-appointing an auditor.		
	<p>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</p> <p>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</p> <p>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.</p>	Not applicable	The auditors of the listed entity have not resigned during the audit period.
2.	Other conditions relating to resignation of statutory auditor		
	<p>i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	Not applicable	The Auditors of the listed entity have not reported any concerns during the audit period.

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/Remarks by PCS*
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.

The listed entity was not required to take any actions as there were no observations made by the Practicing Company Secretary (Secretarial Auditors) in previous reports.

The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder.

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
Peer Review Certificate No.: 589/2019
Address: No. 291, 1st Floor, 10th Main Road,
3rd Block, Jayanagar, Bengaluru - 560011.

Place: Bengaluru
Date: April 26, 2023
UDIN: F011323E000194431

Annexure 8

Annual Report on CSR activities to be included in the Board’s Report for financial year ended March 31, 2023

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
1	Prof. Catherine Rosenberg	Chairperson/Non-Executive Director	04	04
2	Ms. Vinita Bali	Member / Independent Director	04	04
3	Prof. Vijay Kuchroo	Member / Independent Director	04	04

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.	Not applicable
	However, a voluntary third-party impact assessment was conducted for eLAI Smart Clinics program. URL to Executive Summary: https://www.bioconfoundation.org/reports/eLAI%20Smart%20Clinics_%20Impact%20Assessment_Executive%20Summary.pdf

5. (a) Average net profit of the company as per sub-section (5) of section 135	Rs. 4,882 Mn
--	--------------

(b) Two percent of average net profit of the company as per sub-section (5) of section 135	Rs. 97.7 Mn
(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	NIL
(d) Amount required to be set-off for the financial year, if any	NIL
(e) Total CSR obligation for the financial year [(b)+(c)-(d)]	Rs. 97.7 Mn

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	Rs. 81.8 Mn
(b) Amount spent in administrative overheads	NIL
(c) Amount spent on impact assessment, if applicable.	NIL
(d) Total amount spent for the financial year [(a)+(b)+(c)]	Rs. 81.8 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.	Name of the Fund
15.9	Not Applicable
Date of transfer	Amount
To be transferred before April 30, 2023	Date of transfer
81.8	

(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	97.7
(ii)	Total amount spent for the financial year	81.8
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

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

1	2	3	4	5	6		7	8
					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)		
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	Date of Transfer	Amount remaining to be spent in succeeding Financial Years (in Rs. Mn)	Deficiency, if any
1	FY-1 (2021-2022)	52.7	Nil	40.9	NIL		11.8	NIL
2	FY-2 (2020-2021)	20.8	6.9	3.8	NIL		3.1	NIL
3	FY-3 (2019-2020)	NIL	NIL	NIL	NIL		NIL	NIL

8 Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year:

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:

The Company is committed to focusing on healthcare and promoting education in the fields of science and medicine. This commitment is manifested through the CSR initiatives undertaken by the Company. The Company has entered into a Memorandum of Understanding with the Indian Institute of Science, Bangalore (IISc) during FY22 to fund research grants over a period of three years. The Company had set aside Rs. 13.10 Mn from the FY23 budget for funding the grants, which could not be spent as anticipated during the year. Further, an amount of Rs. 2.8 Mn. from the FY23 budget was allocated for construction of school infrastructure for Chikkabalapura Project. The project was delayed owing to delay in approvals and need for demolition at few locations. The above initiatives being multi-year projects have been classified by the Board as ongoing projects and the aggregate unspent amount of Rs. 15.9 Mn will be transferred to a separate Unspent CSR account of the Company before April 30, 2023.

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

Catherine Rosenberg
(Chairperson CSR Committee)
DIN: 06422834

Corporate Governance Report

Governance philosophy

The governance philosophy of your Company is inspired by its core values of professionalism, integrity, and excellence. It provides the framework for attaining the Company's objectives while balancing the interests of all its stakeholders and ensuring that the business is being conducted in a fair manner. At Syngene, we believe effective leadership, robust corporate governance practices and a rich legacy of values form the hallmark of our best corporate governance practices.



Our legacy of deep commitment towards the contribution to the evolution of scientific research, and experience to find solutions to the world's most complex challenges, resonates through the organisation. Our vision to be a world-class partner delivering innovative scientific solutions is upheld throughout the organisation and has evolved into our endearing purpose. This purpose ultimately guides our organisational decisions and anchors our every action.

Syngene believes that timely disclosures, transparent accounting policies coupled with a strong and independent Board go a long way in maintaining good corporate governance, preserving shareholders' trust and maximizing long-term corporate value. Syngene's strong leadership and effective corporate governance practices have helped in the effective implementation of plans, adequate disclosures, fair dealings with stakeholders, and maintenance of high standards of business ethics and integrity, thereby reinforcing stakeholder confidence and maximizing long-term corporate value. Our core principles represent the edifice of our three-tier governance model, with the Board of Directors and the Committees of the Board at the apex, followed by the Managing Director & Chief Executive Officer (MD&CEO) and the Executive Committee of the Management at the operational level. The Board and its Committees guide, support, and complement the Management's ideas and initiatives. The Management, in turn, assumes accountability and strives to achieve the defined objectives. Together, the Management, the Board, and its Committees ensure that Syngene remains a company of uncompromised integrity and excellence and is driven toward sustainable growth. The processes, controls, and

limits within which the Company functions can be envisaged in this report.

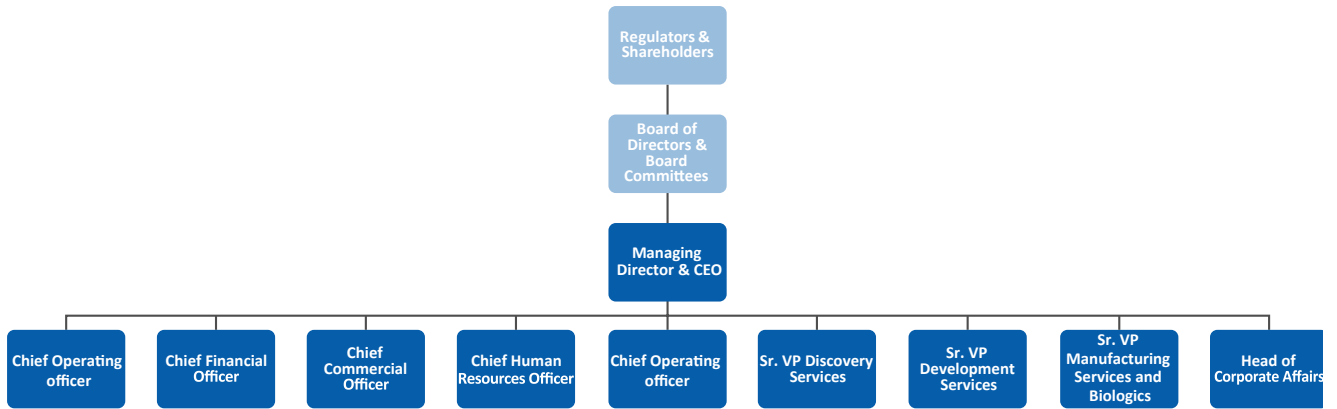
Your Company is cognizant of the fact that effective corporate governance is about creating long-term sustainable value for its stakeholders. While Syngene strives to achieve the highest governance standards, it continues to refine its ongoing practices to ensure the fulfillment of this goal.

The detailed report on Corporate Governance for the Financial Year ended March 31, 2023, as per Regulation 34(3), read with Part C of Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI Listing Regulations") is set out below.

Governance structure

Syngene is a professionally managed Company functioning under the overall supervision of the Board of Directors, which is the apex body constituted by shareholders. The Board brings to the fore a wide repertoire of skills and experience, which elevates the quality of the Board's decision-making. It guides the Management, provides a constructive critique of the Company's strategic business plans and operations, and advises on matters requiring domain expertise. The Board approves all actions with conscious deliberation and after considering their impact on the 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, wherein it reviews and monitors monthly performances, addresses challenges faced by the business, draws strategies and policies, and keeps the Board informed about essential developments in the Company.



● Constitutes Executive Committee

Board of Directors

Board composition and category of Directors

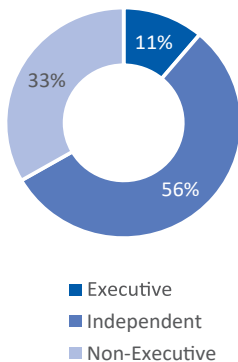
The Syngene Board comprises professionals of eminence and stature drawn from diverse fields. The Board is an ideal mix of knowledge, perspective, professionalism, divergent thinking and experience. The Non-Executive Directors, including the Independent Directors, are well qualified, experienced, and renowned persons from the fields of science, biotech, research, finance and taxation, commercial, manufacturing, information technology etc. The Board Members actively participate in the Board and Committee Meetings and provide valuable guidance to the Management on various aspects of business, governance

and strategy execution. The Board provides leadership, strategic direction, and objective and independent views to the Company’s management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure.

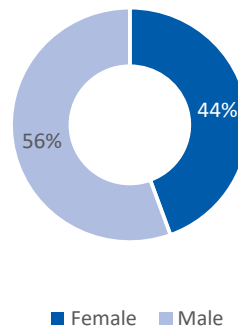
The Company has a balanced and diverse Board with an appropriate mix of Executive Director (ED), Non-Executive Directors (NEDs) and Independent Directors (IDs) to maintain the Board’s independence and separate its functioning of governance and management. The Company has also devised a policy on board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

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

Board Independence



Board Diversity



As on March 31, 2023, the Board comprised nine (9) Directors, consisting of three (3) Non-Executive Non-Independent Directors, five (5) Independent Directors and the MD & CEO. There are four (4) Women directors on 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

is a member of more than ten committees and a chairperson of more than five committees across all public limited companies in which they are a Director. For the purpose of determination of Committee position limits, chairperson and membership positions of the Audit Committee and the Stakeholders Relationship Committee have been considered in terms of Regulation 26 of the SEBI Listing Regulations. Further, none of your independent directors 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 FY 22. 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 effective functioning of the Board.

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

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

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

- Regular business updates, strategic opportunities and diversification plans of the Company, if any
- Updates on Corporate Social Responsibility (CSR) activities
- CSR budget, annual action plan and any alterations thereto
- Related party transactions and significant changes in accounting policies and internal controls
- Mergers or acquisitions or acquiring a controlling or substantial stake in another company
- Recruitment and remuneration of senior management 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, if any.

- Severe or fatal accidents, dangerous occurrences, material effluent or pollution problems, if any
- Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company
- Issues that involve possible public or product liability claims of substantial nature, including any judgement or order that may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company, if any
- Details of any joint venture or collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- Significant 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 and
- Non-compliance of any regulatory, statutory or listing requirements and shareholders' services such as non-payment of dividends, delay in share transfer and so on.

Board membership criteria and selection process

The responsibility for identifying and evaluating a suitable candidate for the Board is delegated to the Nomination and Remuneration Committee (NRC). The existing composition of the Board, the tenure as well as the years left of the existing members to serve on the Board and the need for new domain expertise are reviewed by this Committee regularly. When such a need becomes evident, the Committee reviews potential candidates in terms of their expertise, skills, attributes, personal and professional backgrounds and their ability to attend meetings. It then places the details of the candidates to the Board for its consideration. For the Board, diversity comprehends plurality in perspective, experience, education, background, ethnicity, nationality, age, gender and other personal attributes. If the Board approves, the person is appointed as an Additional Director, subject to the approval of members in the Company's next general meeting.

Further, at the time of induction of a Director, a formal invitation to join the Board is sent and a Directors' handbook comprising a compendium of the role, powers and duties to be performed is handed over to the new Director. The Independent Directors

annually provide a certificate of independence, in accordance with the applicable laws, which is taken on record by the Board. All Board members are encouraged to meet and interact with the management.

Board procedure

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

The Company Secretary drafts the agenda for each meeting, along with explanatory notes, in consultation with the Chairperson and Management and circulates to the Directors as per timelines through the digital platform. The Board Agenda includes an Action Taken Report comprising actions emanating from the Board Meetings and status updates thereof. 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 leverage technology and reducing

paper consumption, the Company has adopted a web-based application for transmitting Board/Committee agenda, pre-reads and draft Minutes. The Directors of the Company receive the agenda, pre-reads and draft Minutes in electronic form through this application, which can be accessed through browsers or iPads. The application helps to maintain a seamless and safe flow of information between the Management and the Board.

The guidelines for Board and Committee meetings facilitate an effective post-meeting follow-up, review and reporting process for decisions taken by the Board and Committees thereof.

Important decisions taken at Board/Committee meetings are communicated promptly to the concerned departments. All the recommendations of the various Committees of the Board have been accepted by the Board of Directors and none of the Directors are influenced by the Management.

Meetings of the Board

During the financial year, five meetings of the Board were held on April 27, 2022, July 20, 2022, October 19, 2022, December 01, 2022 and January 23, 2023. 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, 2023 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 20, 2022
Kiran Mazumdar Shaw	Non-Executive Chairperson	5	5	Yes
Jonathan Hunt	Managing Director & CEO	5	5	Yes
Dr Carl Peter Decicco	Non - Executive Director	5	4	Yes
Professor Catherine Rosenberg	Non - Executive Director	5	5	Yes
Vinita Bali	Lead Independent Director	5	5	Yes
Dr Kush Parmar	Independent Director	5	5	Yes
Paul Blackburn	Independent Director	5	5	Yes
Sharmila Abhay Karve	Independent Director	5	5	Yes
Dr Vijay Kuchroo	Independent Director	5	5	Yes

Each Director informs the Company on an annual basis about the Board and Board Committee positions they occupy in other companies and notify of any changes regarding their Directorships and Committee positions.

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, 2023.

Names of the listed entities wherein the Company’s directors are holding directorship along with their category and membership/chairmanship in various committee(s) as on March 31, 2023:

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

S. No.	Name of Director	Name of Company	Designation / Category	Chairmanship/Membership in Committees of other listed entities
6	Dr Kush Parmar	Syngene International Limited	Independent Director	Member: <ul style="list-style-type: none"> Science and Technology Committee Risk Management Committee
7	Paul Blackburn	Syngene International Limited	Independent Director	Chairperson: <ul style="list-style-type: none"> Audit Committee Risk Management Committee Member: <ul style="list-style-type: none"> Stakeholders Relationship and ESG Committee
8	Sharmila Abhay Karve	Syngene International Limited	Independent Director	Chairperson: <ul style="list-style-type: none"> Stakeholders Relationship and ESG Committee Member: <ul style="list-style-type: none"> Audit Committee Nomination and Remuneration Committee
		EPL Limited	Independent Director	Chairperson: <ul style="list-style-type: none"> Audit Committee Member: <ul style="list-style-type: none"> Stakeholders Relationship Committee
		CSB Bank Limited	Independent Director	Chairperson: <ul style="list-style-type: none"> Audit Committee Member: <ul style="list-style-type: none"> Nomination and Remuneration Committee Committee for Monitoring Large Value Frauds. NPA Management Committee Customer Service Committee
		Thomas Cook India Ltd.	Independent Director	Member: <ul style="list-style-type: none"> Audit Committee Risk Management Committee
9	Dr Vijay Kuchroo	Syngene International Limited	Independent Director	Chairperson: <ul style="list-style-type: none"> Science and Technology Committee Member: <ul style="list-style-type: none"> Nomination and Remuneration Committee Corporate Social Responsibility Committee
		Biocon Limited	Independent Director	Member: <ul style="list-style-type: none"> Corporate Social Responsibility & ESG Committee Nomination and Remuneration Committee Stakeholders Relationship Committee

Composition of the Board and details of directorship and committee membership/chairpersonship held in other companies as on March 31, 2023:

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	-	-
Dr Carl Peter Decicco	08576667	Director	1	-	-
Professor Catherine Rosenberg	06422834	Director	1	-	1
Independent Directors					
Vinita Bali	00032940	Lead Independent Director	2	-	2
Dr Kush Parmar	09212020	Director	1	-	-
Paul Blackburn	06958360	Director	1	1	2
Sharmila Abhay Karve	05018751	Director	6	4	8
Dr Vijay Kuchroo	07071727	Director	2	-	1

Notes:

Directorship in companies includes Syngene International Limited.

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

As per Regulation 26 of SEBI Listing Regulations, membership/chairpersonship 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, 2023, the following Non-Executive Directors hold equity shares in the Company.

Name	Shareholding as on March 31, 2023
Kiran Mazumdar Shaw	21,964
Prof Catherine Rosenberg	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 assessing skill requirements of the board and identifying areas of expertise

which would be beneficial for the Company. The Independent Directors are given a formal letter of appointment containing the terms of appointment, roles, duties and code of conduct, among other items, as required by Regulation 46 of the SEBI Listing Regulations. The draft letter of appointment is available on the Company's website at www.syngeneintl.com

The maximum tenure of the Independent Directors is in compliance with the provisions of the SEBI Listing Regulations and the Companies Act, 2013. No Independent Director of the Company has resigned during the year.

Independent Directors' meetings

The Companies Act, 2013 and Rules thereunder mandate that the Independent Directors of the Company hold at least one meeting in a year, without the presence of Non-Independent Directors and members of the Management. The Independent Directors met 4 times during the year on April 27, 2022, July 14, 2022, October 19, 2022 and January 23, 2023. 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 assess the quality, quantity and timeliness of flow of information between the Management of the Company and the Board that is necessary for the Board to effectively and reasonably perform its duties. The Lead Independent Director chaired the Meetings of the Independent Directors and conveyed to the Board of Directors at the immediately succeeding board meeting any suggestions or concerns that were discussed at the Meeting of the Independent Directors.

Details of familiarisation programmes 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 a major contributor to familiarize the directors with the dynamics of the industry to familiarise engaging them in meaningful deliberations and in taking informed decisions. Complying with Regulation 25(7) of SEBI Listing Regulations, 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 business units/verticals were presented to the Directors by the Management team. Further, a Board

development session was conducted on July 19, 2022 by subject matter experts, giving the Board an insight on the cyber security. During December 2022, the Board members got together in Boston to attend a detailed one-day review of the Company's business strategy. Customer interactions with the Board were arranged and the Board members also participated in panel discussion with customers at Boston. In January 2023, a site visit to various CSR projects of the Company in and around Bangalore was arranged for the Board Members to witness the positive impact brought about by these initiatives.

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

Confirmation on Independent Directors

The Board, based on the disclosures received from all Independent Directors, confirms that all Independent Directors fulfil the criteria of independence as specified in the SEBI Listing Regulations, and are independent of the management of the Company for the year ended March 31, 2023.

Skills, expertise and competencies of the Board

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

Board Skills, Expertise and Competencies



The table below highlights the core areas of expertise/skills/competencies of the Board members:

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

Board Evaluation

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 the FY 2022-23 in compliance with Section 134 of the Companies Act, 2013 and Regulation 17(10) of the SEBI Listing Regulations. This is as per the criteria laid down by the Nomination and Remuneration Committee, which includes the following:

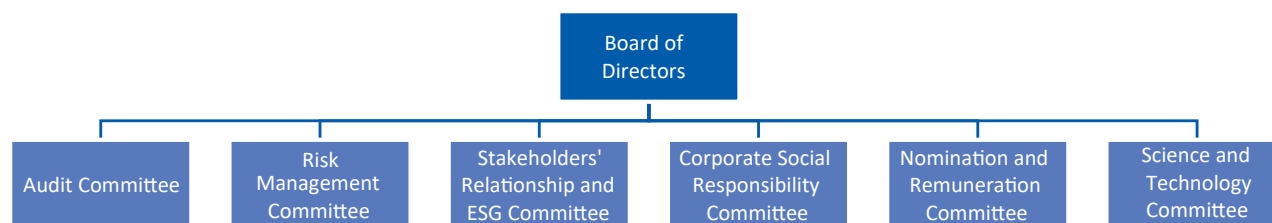
- The Board: Composition, expertise, meetings, functions, management and professional development, among others.
- The Committees: Composition, effectiveness, structure, meetings, independence of the committee, contribution to decision making of the Board, among others.
- Individual Directors (including Chairperson, Independent Directors and Non-Independent directors): leadership, governance, commitment, contribution, experience, expertise, independence, integrity, attendance, responsibility, among others.

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 their peers. The feedback-cum-assessment of individual Directors, the Board and its Committees, was discussed by Independent Directors and the Board for the FY 2022-23 and collective action points for improvement were put in place. The Directors acknowledged the productive functioning of the Board and its Committees. The Board is also committed to reviewing the progress on the priorities identified for the year under review. The Directors expressed their satisfaction with the evaluation process and endorsed that it has been an effective exercise and has helped to bring out specific areas of improvement to work on in the years to come.

To further uphold the effectiveness of the Board's governance, an overview of the suggestions as drawn from the evaluation exercise was deliberated and recommended for implementation by the Board. The outcomes witnessed directional improvement in several areas. The evaluation also threw light on the need to have continuous improvement in gender diversity amidst the senior management and the increased need to have periodical discussions on the Company's competitive strategy thereby redefining the Company's edge in the market.

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.



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, 2023 namely Paul Blackburn as Chairman and Vinita Bali and Sharmila Abhay Karve as members.

The attendance of members at the meetings of the Audit Committee held in FY23 is given below:

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

©: Chairperson

ID: Independent Director

Terms of Reference:

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

Finance & Accounts

- To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- Review with the management the quarterly, half-yearly, and annual financial statements before submission to the Board for approval
- To review with the management the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section 3 of Section 134 of the Companies Act, 2013
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management

- o Significant adjustments made in the financial statements arising out of audit findings
- o Compliance with listing and other legal requirements relating to financial statements
- o Compliance with the applicable Accounting Standards issued by ICAI or other appropriate authority
- o Disclosure of any related party transactions and review subsequent modification in the related party transactions with related parties of the Company
- o 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 utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation 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 utilisation 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
- Recommend to the Board, the appointment, re-appointment, terms of appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees
- Review the appointment, removal and terms of remuneration of the internal auditor
- Approval of all audit and permitted non-auditing services to be provided by the independent auditor to the Company
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- Mandatorily review the management letters /letters of internal control weaknesses issued by the statutory auditors
- Review with the statutory auditors any significant findings and follow up there on
- Review the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- Review with the Management, performance of the Statutory and Internal auditors and adequacy of the internal control systems
- Review with Internal Auditors any significant findings and follow up there on
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discuss with the internal auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- Mandatorily review internal audit reports relating to internal control weaknesses
- Establish a vigil mechanism for directors and employees to report their genuine concerns or grievances
- To review the implementation and functioning of the Vigil Mechanism/ Whistle Blower Mechanism in the Company

Audit Management

- Review and monitor with the management, auditor's independence, effectiveness of audit process and performance of statutory auditors

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 utilised 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, the Companies Act, 2013, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and any other law
- Review and evaluate the internal financial controls and risk management systems
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- To periodically review the report under the Insider Trading Code of the Company
- To review and approve the report recommending to the Stock Exchanges the Draft Scheme of arrangement/ amalgamation/ merger/ reconstruction/ reduction of capital taking into consideration the Valuation Report and commenting upon the following:
 - o Need for merger/ demerger/ amalgamation/ arrangement
 - o Rationale of the scheme
 - o Synergies of business of the entities involved in the scheme
 - o Impact of the scheme on the shareholders
 - o Cost benefit analysis of the scheme
 - o To undertake self-evaluation of its functioning and identification of areas for improvement towards better governance
 - o To review and reassess periodically the adequacy of Audit Committee charter and recommend any proposed change to Board for its approval

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

During the year, six meetings of the Committee were held on April 26, 2022, July 19, 2022, September 30, 2022, October 18, 2022, January 23, 2023 and March 15, 2023. Apart from the quarterly meetings scheduled to discuss the financial results, two additional meetings were held during the year to discuss matters other than financial results. The Statutory Auditors attended the quarterly meetings of the Audit Committee in which the financials were noted and the Internal Auditors attended all the six meetings. The Committee met the Statutory Auditors and the Internal Auditors separately, independent of the Management, every quarter to obtain their inputs on significant matters relating to their respective areas of the audit. The Company Secretary acts as Secretary to the Committee. The Internal Auditor reports functionally to the Audit Committee. The Board accepted all recommendations made by the Audit Committee during the financial year.

Paul Blackburn, Chairman of the Audit Committee, was present at the last AGM of the Company held on July 20, 2022.

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.

The Risk Management Committee comprises the following directors as of March 31, 2023:

Paul Blackburn – Independent Director and Chairman

Dr Carl Decicco – Non-Executive Director

Dr Kush Parmar – Independent Director

Jonathan Hunt – Managing Director and Chief Executive Officer

The attendance of the members in the Risk Management Committee Meetings held in FY23 is given below:

Name	Category	No. of Meetings which the member was entitled to attend	Meetings attended
Paul Blackburn ©	ID	4	4
Jonathan Hunt	ED	4	4
Carl Decicco	NED	4	4
Kush Parmar	ID	4	4

©: Chairman

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

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 19, 2022, July 14, 2022, October 13, 2022 and January 18, 2023.

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 widen the powers of the Committee to review and monitor the ESG matters. On the approval of the Board, the Stakeholder 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, 2023 namely Sharmila Abhay Karve, independent directors as the Chairperson, Paul Blackburn, Independent Director, Professor Catherine Rosenberg, Non-Executive Director and Jonathan Hunt, Executive Director as Members.

The attendance of Members at the Stakeholders Relationship and ESG Committee meetings held in FY23 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	4
Paul Blackburn	ID	4	4

©: Chairperson

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

Terms of Reference

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

- To look into redressal of all grievances pertaining to equity shareholders /any other security holders
- To deal with all grievances relating to non-receipt of annual report and/or general meeting notices, non-receipt of declared dividends, non-receipt of interest and any other related grievances of the equity shareholders /any other security holders
- To deal with all matters relating to the transfer, transmission of shares and other allied matters. However, Company Secretary is severally authorised to approve the transfer and transmission up to two thousand equity shares
- To deal with all matters relating to issuing new or duplicate share certificates
- Review the measures taken by the Company for the effective exercise of voting rights by the shareholders
- Review of adherence to the service standards adopted by the Company in respect of various services rendered by the Registrar & Share Transfer Agents
- Review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividend and any other unclaimed amount
- Review of various measures and initiatives taken by the Company to ensure timely receipt of dividend /annual reports/statutory notices by the shareholder of the company
- To maintain and promote the corporate image of the Company among stakeholders including potential stakeholders

- Reviewing movement in key shareholdings and ownership structure
- To review expectations and concerns of shareholders and analysts about the Company, emerging during face-to-face interactions, analysts' briefings or survey of shareholders. The Committee shall also review the engagement with or reports made on the company by various stakeholders including credit rating agencies, Environment, Social and Governance rating agencies and ensure that the views / concerns of the stakeholders are highlighted to the Board at appropriate time and that the steps are taken to address such concerns
- Review of the Annual Internal Audit Report from the Registrar and Share Transfer agent pursuant to 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 25, 2022, July 18, 2022, October 18, 2022 and January 18, 2023.

Sharmila Abhay Karve, Chairperson of the Committee was present at the last AGM held on July 20, 2022. There were no shareholders' complaints received during the financial year ended March 31, 2023. There were however 38 requests received by the Company/RTA for various issues such as copies of annual report, renewal of IPO refund order, renewal of dividend warrant amongst others. All the requests were closed within the stipulated time.

Compliance Officer

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

Role of Company Secretary

The Company Secretary plays a key role in ensuring that effective Board procedures are followed and reviewed periodically. She is primarily responsible for ensuring compliance with all the provisions of the Companies Act, SEBI Listing Regulations, Secretarial Standards issued by the Institute of Company Secretaries of India and provisions of all other applicable laws to the Company. She ensures timely flow of information along with relevant supporting documents to the Directors and the Senior Management team for effective decision making at the respective meetings. She also assists and advises the Board in following good corporate governance practices.

Corporate Social Responsibility Committee

In terms of Section 135 of the Companies Act, 2013, the Board, on October 23, 2013, constituted the Corporate Social Responsibility (CSR) Committee. The CSR Committee comprises two Independent Directors and one Non-Executive Director as on March 31, 2023 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 FY23 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

Syngene believes and acknowledges its responsibility towards the environment, its customers, employees and other stakeholders. Our CSR initiatives are based on the principle of making an enduring impact on the society through programmes that promote social and economic inclusion. The Company's contributions and initiatives towards social welfare, promoting education and research in the fields of science and medicine,

and environment sustainability have been integral to its business all along. The overarching principle on Company's CSR highlights an inclusive, integrated and participatory approach towards the community and ecology.

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

During the financial year, four meetings of the Committee were held on April 26, 2022; July 18, 2022, October 19, 2022 and January 17, 2023. The CSR Report as required under the Companies Act, 2013 for the year ended March 31, 2023 is annexed as Annexure 8 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, 2023 namely Dr Vijay Kuchroo, Independent Director as the Chairperson, Dr Kush Parmar, Independent Director, Dr Carl Decicco and Professor Catherine Rosenberg, Non-Executive Directors and Jonathan Hunt, MD & CEO as Members.

The attendance of the members at the meetings of the Science and Technology Committee held in FY23 is given below:

Name	Category	No. of meetings which the member was entitled to attend	Meetings attended
Dr Vijay Kuchroo©	ID	4	4
Mr Jonathan Hunt	ED	4	4
Dr Carl Peter Decicco	NED	4	3
Professor Catherine Rosenberg	NED	4	4
Dr Kush Parmar	ID	4	4

©: Chairperson

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

Terms of Reference:

- Identifying emerging areas of science and technology to be assessed by Syngene
- 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, four meetings of the Committee were held on April 26, 2022, July 19, 2022, October 13, 2022 and January 18, 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, 2023 namely Vinita Bali, Independent Director as the Chairperson and Dr Vijay Kuchroo and 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 held in FY23 is given below:

Name	Category	No. of meetings which the member was entitled to attend	Meetings attended
Vinita Bali ©	ID	8	8
Professor Catherine Rosenberg	NED	8	8
Sharmila Abhay Karve	ID	8	8
Dr Vijay Kuchroo	ID	8	6

©: Chairperson

ID: Independent Director, NED: Non-Executive Director

Terms of Reference:

- Review the Structure, Diversity, Competencies and Composition of the Board and its Committees and make any recommendations to the Board in this regard
- Identify persons who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal
- Identify the succession pipeline for Directors, based on competencies required on the Board and recommend new appointments to the Board as necessary
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director
- Review senior management performance and potential, talent development and succession plan, in order to maintain the appropriate balance of skill, experience and expertise in the senior management team
- Identify and nominate candidates for the approval of the Board for any new appointments -- whether of independent directors, executive or non-executive Directors. The Committee may use an external search agency and/or any other means to assist in this recruitment process
- Recommend to the Board the rationale for the appointment or removal of a Director, Key Managerial Personnel or Senior Management
- Evaluate the performance of the Key Managerial Personnel and Senior Management, in the context of the Company's performance and industry benchmarks, and determine the structure of total compensation
- Review and approve the Company people and compensation strategy from time to time in the context of the prevailing market conditions in all relevant geographies and in accordance with applicable laws
- Recommend to the Board a policy, relating to the overall remuneration structure of the Company and specifically the total compensation of the Directors and Senior Management
- Review the HR dashboard and ensure that the key metrics relating to people and culture are consistent with the values of the Company and are being continually tracked
- Recommend to the Board, all remuneration, in whatever form, payable to the Senior Management and Directors
- Specify the process and criteria of annually assessing Board and Committee effectiveness and individual director assessments, to be conducted internally by the Nomination and Remuneration Committee or by an independent external agency and review its implementation, including the term of Directors
- Formulation of criteria for evaluation of the performance of Independent Directors and the Board of Directors
- Ensure appropriate induction, training and education programs are in place for new and existing Directors and review its effectiveness
- Devise a policy on the diversity of Board of Directors
- Determine whether to extend or continue the term of appointment of the independent director based on report of performance evaluation of independent directors
- Perform such necessary functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Share Based Employee Benefits 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, eight meetings of the Committee were held on April 26, 2022, May 07, 2022, May 24, 2022, July 14, 2022, October 18, 2022, January 17, 2023, February 24 2023 and March 15, 2023.

Remuneration Policy

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

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

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

Remuneration Of Directors

Compensation to Executive Directors

Jonathan Hunt held the position of Managing Director & CEO as on March 31, 2023. All other directors are Non-Executive Directors. Jonathan Hunt has been appointed as the Managing Director & CEO of the Company w.e.f April 01, 2020 for a period of five years, which was approved by the shareholders at the 27th AGM of the Company held on July 22, 2020. The remuneration of Jonathan Hunt includes annual base pay subject to performance-linked increment, variable pay linked to Company's performance,

long-term incentives, including stock options, and perquisites, as well as other allowances as per the Company's policy and as approved by the Board. The shareholders vide resolution passed by postal ballot dated February 27, 2022, increased the overall limit of managerial remuneration payable to Jonathan Hunt from 5% to 14% of the net profits of the Company and consequently increased the overall managerial remuneration limit payable to all directors to 15% of the net profits of the Company computed in accordance with Section 198 of the Companies Act, 2013 for a period of three years from March 01, 2022. The above increase in managerial remuneration was approved to facilitate the exercise of Employee Stock Options/Restricted Stock Units granted to and vested unto Jonathan Hunt. The increase in remuneration of Jonathan Hunt was approved to accommodate an increase in the perquisite value arising upon exercise of vested stock incentives granted to him in the previous years coupled with the significant increase in share price. Such increase will neither entail any additional charge or outflow for the Company nor impact the Statement of Profit and Loss Account of the Company.

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

Pecuniary relationship or transactions of the Non-Executive Directors

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

Criteria for Making Payment to Non-Executive Directors

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

Compensation/fees paid to Non-Executive Directors

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

The shareholders vide resolution passed by postal ballot dated February 27, 2022, increased the overall limit of managerial remuneration payable to Jonathan Hunt, MD & CEO from 5% to 14% of the net profits of the Company and consequently increased the overall managerial remuneration limit payable to all directors to 15% of the net profits of the Company computed

in accordance with Section 198 of the Companies Act, 2013 for a period of three years from March 01, 2022. The Company however has not modified the limit of remuneration payable to the Non-executive directors i.e. 1% of the Net Profits of the Company as approved by the shareholders of the Company by postal ballot on March 05, 2019.

S. No	Particulars	Annual Board Fees in USD
1	Board Meeting - Non-Executive Chairperson	100,000
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 actual basis.

The details of remuneration and sitting fees paid or provided to all the Directors during the year ended March 31, 2023 are as under: (Rs. in Million)

Name of the Director	Salary & Perquisites [®]			Others		Total
	Fixed Pay + Bonus	Stock Options	Retiral Benefits*	Commission*	Sitting Fees*	
Kiran Mazumdar Shaw	-	-	-	7.82	0.41	8.23
Jonathan Hunt	84.75	-	-	-	-	84.75
Carl Decicco	-	-	-	4.40	0.89	5.30
Prof. Catherine Rosenberg	-	-	-	5.38	1.87	7.25
Kush Parmar	-	-	-	4.40	1.21	5.61
Vinita Bali	-	-	-	5.70	1.87	7.58
Paul F Blackburn	-	-	-	6.36	1.55	7.91
Sharmila Abhay Karve	-	-	-	5.70	1.87	7.58
Dr Vijay Kuchroo	-	-	-	5.38	1.55	7.25

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. No options were granted during the year.

Service Contracts, Notice Period and Severance Fees

As on March 31, 2023, the Board comprised nine members, including one Executive Director and eight Non-Executive Directors, of which five are Independent Directors. Jonathan Hunt, being in employment, as per terms of appointment, is eligible for severance fees equivalent to three months' notice. However, other Directors are not subject to any notice period and severance fees.

General body meetings

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

S. No	Financial Year	Date and Time	Location	Special Resolutions passed
1	2019-20	July 22, 2020 4:00 P.M.	Held through video conference ("VC")/ other audio-visual means ("OAVM") deemed to be held at Biocon Campus, 20 th K.M. Hosur Road, Hebbagodi, Bengaluru, 560100	1. To re-appoint Dr Vijay Kumar Kuchroo (DIN: 07071727) as an Independent Director of the Company. 2.To re-appoint Vinita Bali (DIN: 00032940) as an Independent Director of the Company.
2	2020-21	July 21,2021 3:30 P.M.	Held through video conference ("VC")/ other audio-visual means ("OAVM") deemed to be held at Biocon Campus, 20 th K.M. Hosur Road, Hebbagodi, Bengaluru, 560100	No Special Resolution was passed at the AGM.
3	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, 20 th K.M. Hosur Road, Hebbagodi, Bengaluru, 560100	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.

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

During the financial year, the Company had sought approval of the shareholders through postal ballots. The Board had 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 for conducting the postal ballot process in fair and transparent manner. The details of the postal ballots are as follows:

Name of the Resolution	Type of resolution	No. of votes polled	Votes cast in favour		Votes cast against	
			No. of votes	%	No. of votes	%
Postal Ballot – April 2022						
Date of Postal Ballot Notice: April 27, 2022						
Voting Period: May 01, 2022 to May 30, 2022						
Date of Approval: May 30, 2022						
Date of Declaration of Result: June 01, 2022						
1. To approve the appointment of Dr Carl Decicco (DIN: 08576667) as a Non-Executive Director of the Company.	Ordinary	341,038,301	341,032,817	99.9984	5,484	0.0016

Name of the Resolution	Type of resolution	No. of votes polled	Votes cast in favour		Votes cast against	
			No. of votes	%	No. of votes	%
1. To approve the Syngene Long Term Incentive Performance Share Plan 2023 and grant of Performance Share Units (PSUs) to eligible employees of the Company.	Special	333,926,266	316,573,105	94.8033	17,353,161	5.1967
2. To approve the Syngene Long Term Incentive Outperformance Share Plan 2023 and grant of Performance Share Units (PSUs) to eligible employees of the Company.	Special	333,926,265	316,573,205	94.8033	17,353,060	5.1967
3. 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).	Special	333,926,265	310,988,572	93.1309	22,937,693	6.8691
4. 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).	Special	333,926,303	310,988,572	93.1309	22,937,731	6.8691
5. 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 Syngene Long Term Incentive Outperformance Share Plan 2023.	Special	333,926,164	316,564,044	94.8006	17,362,120	5.1994
6. To approve the termination of Syngene Employee Stock Option Plan 2011 ("the ESOP Plan").	Special	334,615,463	334,608,096	99.9978	7,367	0.0022

Communication of financial results

I. Quarterly financial results

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

II. News releases, presentations

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

III. Presentations to institutional investors/analysts

Presentations are made to institutional investors and financial analysts on quarterly financial results of the Company. These presentations are also published on the Company's website <https://www.syngeneintl.com/investors/financial-information/> and are sent to Stock Exchanges. The

schedule of meetings with institutional investors/financial analysts are intimated in advance to the Stock Exchanges and disclosed on Company's website at <https://www.syngeneintl.com/investors/stock-exchange-disclosures/>

IV. Website

The website of the Company i.e. www.syngeneintl.com contains a separate and dedicated "investors" section to serve shareholders, by giving complete information pertaining to the Board of Directors and its Committees, financial results including subsidiaries financials, stock exchanges disclosures and compliances such as shareholding pattern, corporate governance report and press releases, Notice of the Board and General Meetings, details of Registrar and Transfer Agents, details of unclaimed dividend and IEPF related information amongst others. The Company's Annual Report along with supporting documents and the ESG report are also available on the website in a user-friendly and downloadable form. As per the recent requirements of 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 application designed by NSE and BSE respectively, for the Corporates for smooth filing of information with the stock exchanges. All periodical compliance filings like shareholding patterns, corporate governance report, media releases are electronically filed on NSE Digital/ NEAPS and BSE Listing Centre.

VI. SEBI Complaints Redress System (“SCORES”)

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

General Shareholders' Information	
Day and date of Annual General Meeting	Wednesday, July 26, 2023
Time	3:30 PM
Venue	The meeting shall be held through video conferencing/other audio-visual means. The deemed venue for the meeting shall be Biocon Campus, 20th K.M. Hosur Road, Hebbagodi, Bengaluru, 560100
Financial year	1 st day of April to 31 st day of March in the next calendar year
Dividend payment date	On or before August 07, 2023
Date of Book Closure / Record Date / Cut off	June 30, 2023
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 2023-24 (tentative dates)	
For the quarter ending June 2023	July 26, 2023
For the quarter ending September 2023	October 17, 2023
For the quarter ending December 2023	January 23, 2024
For the quarter ending March 2024	April 24, 2024

Market price data for FY23

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, 2022 to March 31, 2023 is given below:

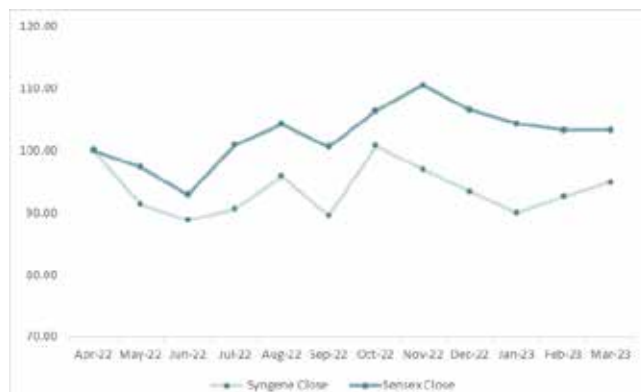
Months	NSE			BSE		
	High Price (Rs.)	Low Price (Rs.)	Volume of Equity Shares	High Price (Rs.)	Low Price (Rs.)	Volume of Equity Shares
Apr/22	683.00	592.60	13,144,557	682.25	592.95	398,381
May/22	633.00	510.05	5,804,181	632.80	511.50	225,799
Jun/22	578.95	521.35	6,766,869	585.00	521.30	193,909
Jul/22	627.15	544.35	12,781,745	626.80	544.25	390,400
Aug/22	620.25	552.30	9,754,915	619.65	552.65	365,815
Sep/22	615.50	542.40	17,362,490	615.25	542.75	24,200,639
Oct/22	632.75	535.10	13,160,893	632.65	535.50	1,490,441
Nov/22	648.00	593.20	10,259,605	647.50	593.05	391,115
Dec/22	614.80	563.00	6,657,638	614.00	563.20	324,571
Jan/23	626.55	557.05	11,023,281	628.55	557.05	305,992
Feb/23	587.95	545.00	13,560,237	587.45	545.10	40,345,715
Mar/23	601.50	568.05	7,926,154	600.75	568.05	256,888

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

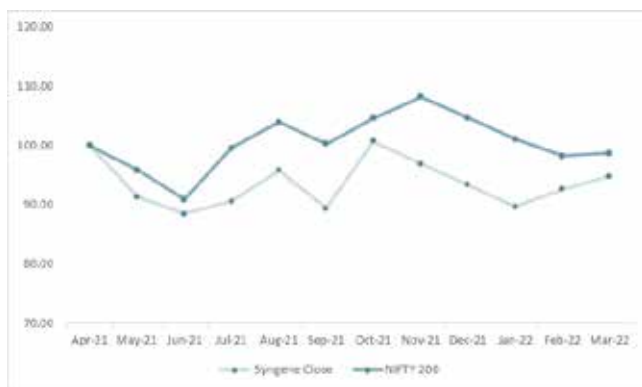
Relative Movement Chart



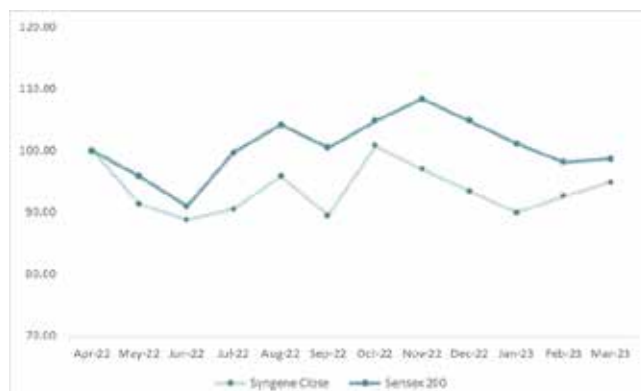
Syngene and S&P Nifty share price movement from April 1, 2022 to March 31, 2023



Syngene and BSE Sensex share price movement from April 1, 2022 to March 31, 2023



Syngene and NIFTY 200 share price movement from April 1, 2022 to March 31, 2023



Syngene and BSE Sensex 200 share price movement from April 1, 2022 to March 31, 2023

As on March 31, 2023 the securities of the Company are not suspended from trading.

Registrar and share transfer agent

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

KFin Technologies Limited

(Unit: Syngene International Limited)
 Plot 31-32, Selenium, Tower B, Gachibowli,
 Financial District, Nanakramguda, Serilingampally Mandal,
 Hyderabad – 500032 Telangana.
 E-mail id: einward.ris@kfintech.com

Share Transfer System

All the Company’s shares are held in dematerialised form, except for 96 shares that were in physical form as on March 31, 2023. 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 received as per the time limits and procedure specified in Regulation 40 of SEBI Listing Regulations, 2015. No requests for transmission or transposition of shares in the physical form were received during the year. There are no shares in Demat suspense account and unclaimed suspense account as of March 31, 2023.

Distribution of shareholding by the number of shares as of March 31,2023

Sl. No	Category	Number of Shares	% to paid up Capital
1	Promoters	220,321,511	54.88
2	Foreign Institutional Investors	93,537,225	23.30
3	NRI & Foreign Nationals	2,305,948	0.58
4	Mutual Funds, Banks, FIs, AIFs	40,758,507	10.16
5	Directors	100,000	0.02
6	Bodies Corporate	4,386,989	1.09
7	Indian Public & Others	38,181,374	9.51
8	Non-Promoter Non-Public	1,842,946	0.46
	TOTAL	401,434,500	100.00

List of shareholders holding more than 1% of the paid-up share capital as of March 31, 2023

Sl No	Name	Shareholding	% to paid up Capital
1	Biocon Limited	219,185,608	54.60
2	Government of Singapore	15,780,410	3.93
3	ICICI Prudential Pharma Healthcare and Diaganostic	8,758,916	2.18
4	Government Pension Fund Global	7,377,314	1.84
5	UTI-Unit Linked Insurance Plan	5,570,637	1.39
6	Mirae Asset Focused Fund	5,016,217	1.25
7	Invesco India Arbitrage Fund	4,579,666	1.14
	Total	266,268,768	66.33

Distribution of shareholding by number of shares as on March 31, 2023

Sl. No	Category	No. of shareholders	Total shares	% to shareholders	% to paid-up share capital
1	1 - 5,000	114,600	10,600,796	89.57	2.64
2	5001 - 10,000	7,011	5,136,474	5.48	1.28
3	10001 - 20,000	3,520	4,986,116	2.75	1.24
4	20,001 - 30,000	926	2,294,325	0.72	0.57
5	30,001 - 40,000	425	1,496,184	0.33	0.37
6	40,001 - 50,000	256	1,167,110	0.20	0.29
7	50,001 - 100,000	489	3,502,359	0.38	0.87
8	100,001 & Above	722	372,251,136	0.57	92.74
	Total	127,949*	401,434,500	100.00	100.00

*Note: The number of shareholders consolidated as per their permanent account number is 124014.

Dematerialisation of shares and liquidity

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

Other outstanding instruments

There are no outstanding GDR/ADR/warrants/any convertible instruments as on March 31, 2023.

Commodity price risk or foreign exchange risk and hedging activities

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

Statement showing un-claimed dividend as at March 31, 2023

Section 124 of the Act read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") stipulates transfer of dividend that has remained unclaimed for a period of seven years, from the unpaid dividend account to IEPF. Further, the Rules also stipulate transfer of shares in respect of which the dividend has not been paid or claimed for a period of seven consecutive years or more to the demat account of the IEPF Authority.

The Company has appointed a Nodal Officer under the provisions of the Rules, the details of which are available on the website of the Company at <https://www.syngeneintl.com/investors/investor-contact/>

The Company, to the requirement of the IEPF Rules, had in December 2022 sent the reminder letters to shareholders to claim the unclaimed shares due for transfer. The Company, under investor's 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 at March 31, 2023 (in Rs.)	Due date for transfer of unclaimed dividend amount to IEPF (IEPF rule 3(1))
1	2015-16	Interim Dividend	1.00	56,447.00	April 16, 2023*
2	2016-17	Final Dividend	1.00	50,937.00	September 1, 2024
3	2017-18	Final Dividend	1.00	53,613.00	September 28, 2025
4	2018-19	Final Dividend	0.50	39,045.00	August 29, 2026
5	2021-22	Final & Special Dividend	1.00	76,886.00	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 IPO amount Rs. 1,049,400 to the IEPF Authority.

*Note: The amount will be transferred within 30 days of such amount becoming due to be credited to the Fund as per Rule 5(1) of IEPF 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

Address for Correspondence

<p>Financial Disclosure Sibaji Biswas President – Finance & Chief Financial Officer Tel: 91 80 – 6891 9807 E-mail id: sibaji.biswas@syngeneintl.com</p>	<p>For queries related to shares / dividend / compliance Priyadarshini Mahapatra Company Secretary and Compliance Officer Tel.: 91 80 - 6891 8781 E-mail id: priyadarshini.mahapatra@syngeneintl.com</p>
<p>Media Shotorupa Ghosh Corporate Communications Tel: 91- 8450977080 E-mail id: Shotorupa.Ghosh@syngeneintl.com</p>	<p>Investor Relations (Investors & Research Analysts) Krishnan G Investor Relations Tel: 91 80 – 6891 9807 E-mail id: Krishnan.G@syngeneintl.com</p>
<p>Regd. 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</p>	<p>Registrar and Share Transfer Agent 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</p>

Credit Rating

During the year, CRISIL Ratings Limited (“CRISIL”) vide its letter dated November 30, 2022, had removed the long-term rating from watch with developing implications and has reaffirmed the long-term rating at “CRISIL AA+/Stable”. The short-term rating has been reaffirmed at “CRISIL A1+”

During the year, ICRA Limited (“ICRA”) vide its letter dated November 17, 2022, has removed the short-term rating from watch with developing implications and has reaffirmed the short-term rating at “ICRA A1+”. The long-term rating has been reaffirmed at “ICRA AA+ on watch with developing implications”.

Other disclosures

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

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

All transactions entered with related parties as defined under the Companies Act, 2013 during the financial year were in the ordinary course of business and on an arm’s length basis except for one transaction with a wholly-owned subsidiary, which was approved at book value as per the methodology defined under the Income Tax Act, details of which are mentioned in the Form AOC 2 attached as Annexure 2 to the Board’s Report. 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. Further, reports on the transactions entered into are also placed before the Audit Committee and the Board on a quarterly basis for review. Details of related party transactions are also presented in the notes to financial statements.

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

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

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

The Company’s Whistle Blower policy allows employees, directors and other stakeholders to report genuine grievances, corruption, fraud, misconduct, misappropriation of assets and non-compliance of code of conduct of the Company or any other unethical practices. The Policy provides adequate safeguard against

victimisation to the Whistle Blower and enables them to raise concerns to the Integrity Committee and also provides an option of direct access to the Chairperson, Audit Committee. The Company has published the e-mail ID to send e-mails directly to the Audit Committee Chairman in the Whistle Blower policy. Syngene has engaged "Navex Global" to provide online platform to raise complaints by whistle blower. During the year, none of the employees have been denied access to the Chairman of the Audit Committee.

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

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

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

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

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

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

VI. Disclosure of accounting practices

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules,

2015 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

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

These financial statements have been prepared for the Company as a going concern based on relevant Ind AS that are effective at the Company's annual reporting date, March 31, 2023. These financial statements were authorised for issuance by the Board on April 26, 2023.

VII. Policy for determining material subsidiaries

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.

VIII. Policy for determining Related Party transactions

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

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

The Company has not raised any fund through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) during the FY 2022-23.

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 in Note no. 25 of the Consolidated Financial Statements.

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	-

XII. Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount

Neither the Company nor its Subsidiary has given any loan or Loans and advances in the nature of loans to firms/ companies in which directors are interested.

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

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, the same to be disclosed along with reasons thereof:

All the recommendations of the Committees which were mandatorily required during the financial year were accepted by the Board.

XVI. Code of Conduct

In compliance with Regulation 26(3) of the SEBI Listing Regulations, 2015 and the Companies Act, 2013, the Company has framed and adopted the Code of Conduct for the Board and Senior Management. The Company has received confirmations from the Board and Senior Management regarding compliance of the code during the financial year under review. The Code of Conduct is available on the website of the Company at <http://www.syngeneintl.com/investor-relations/corporate-governance>. All the members of the Board and Senior Management have affirmed compliance to the Code as on March 31, 2023.

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.

XVII. 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.

XV. Certificate from Company Secretary in practice

As required under the SEBI Listing (Amendment) Regulations, 2018, Schedule V Part C (10) (i), the

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, 2023.

For Syngene International Limited
Jonathan Hunt

Managing Director &
Chief Executive Officer

Date: April 26, 2023
Place: Bangalore

Annexure A

Certificate of Non-Disqualification of Directors

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
SYNGENE INTERNATIONAL LIMITED
Biocon SEZ, Biocon Park, Plot.No.2 & 3,
Bommasandra Industrial Area IV Phase,
Jigani Link Rd, Bommasandra, Bengaluru - 560099

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SYNGENE INTERNATIONAL LIMITED** bearing **CIN L85110KA1993PLC014937** and having registered office at Biocon SEZ, Biocon Park, Plot. No.2 & 3, Bommasandra Industrial Area IV Phase, Jigani Link Rd, Bommasandra, Bengaluru - 560099 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs (MCA).

Details of Directors:

Sl. No.	Name of Director	DIN	Date of appointment in Company
1.	Mrs. Kiran Mazumdar Shaw	00347229	18/11/1993
2.	Ms. Vinita Bali	00032940	31/07/2017
3.	Ms. Sharmila Abhay Karve	05018751	01/08/2019
4.	Ms. Catherine Patricia Rosenberg	06422834	08/08/2000
5.	Mr. Paul Fredrick Blackburn	06958360	26/08/2014
6.	Mr. Vijay Kumar Kuchroo	07071727	01/03/2017
7.	Mr. Jonathan Brittan Hunt	07774619	01/05/2017
8.	Mr. Carl Peter Decicco	08576667	01/10/2019
9.	Mr. Kush M Parmar	09212020	22/06/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **V SREEDHARAN & ASSOCIATES**

(Devika Sathyanarayana)
 Partner
 FCS: 11323; CP No.17024
 Peer Review Certificate No.: 589/2019
 Address: No. 291, 1st Floor, 10th Main Road,
 3rd Block, Jayanagar, Bengaluru - 560011.

Place: Bengaluru
 Date: April 26, 2023
 UDIN: F011323E000194651

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, Bangalore - 560099, Karnataka, India
5. Corporate address	Syngene International Limited Block II, First Floor, Velankani Technology Park, Electronic City Phase I, Bangalore - 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	2022-2023
10. Name of the Stock Exchange(s) where shares are listed	BSE Limited National Stock Exchange of India Limited
11. Paid-up Capital	Rs. 401,43,45,000
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 standalone basis

II. Products /Services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Contract research, development and manufacturing services	Provide scientific solutions through integrated research, development and manufacturing	100%

15. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/Service	NIC Code*	% of Turnover of the entity
1.	Contract research, development and manufacturing services	NIC code: 72 (Scientific Research and Development)	100%

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

III. Operations

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

Location	Number of plants	Number of offices	Total
Bangalore	2	2	4
Mangalore	1	0	1
Hyderabad	2	0	2

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	8
International (No. of Countries)	35

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

Exports contribute to ~95% of the revenue from operations for FY23.

c. A brief on types of customers:

Syngene offers services in a wide range of industrial sectors, including pharmaceutical, biotechnology, nutrition, animal health, consumer goods and specialty chemical. The clientele of Syngene includes:

- Large Biopharma (Companies with R&D spend greater than \$1 Bn)
- Mid-sized Biopharma (Companies with R&D spend less than \$1 Bn and greater than \$200 Mn)
- Emerging Biopharma (Companies with R&D spend less than \$200 Mn).
- Animal Health Companies
- Agrochemical (Companies focussed on largely agriculture and nutrition segments)
- Chemical/Polymers (Performance and specialty materials and chemicals)

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No.(B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	6847	4965	72.5%	1882	27.4%
2.	Other than Permanent (E)	313	211	67.4%	102	32.5%
3.	Total employees (D + E)	7160	5176	72.2%	1984	27.7%
WORKERS						
4.	Permanent (F)	Nil	Nil	Nil	Nil	Nil
5.	Other than Permanent (G)	1454	1243	85.5%	211	14.5%
6.	Total workers (F + G)	1454	1243	85.5%	211	14.5%

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	0%	Nil	Nil
2.	Other than Permanent (E)	Nil	Nil	Nil	Nil	Nil
3.	Total differently abled employees (D + E)	1	1	0%	Nil	Nil
DIFFERENTLY ABLED WORKERS						
4.	Permanent	Nil	Nil	Nil	Nil	Nil
5.	Other than Permanent (G)	Nil	Nil	Nil	Nil	Nil
6.	Total differently abled workers (F + G)	Nil	Nil	Nil	Nil	Nil

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

19. Participation/inclusion/representation of women

	Total (A)	No. and percentage of females	
		No.(B)	% (B / A)
Board of Directors	9	4	44.44%
Key Management Personnel	3	1	33.33%

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

20. Turnover rate for permanent employees and workers

	FY23			FY22			FY21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	22.2%	30.4%	24.4%	24.2%	28.1%	25.2%	16.4%	17.8%	16.8%
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

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

21. (a) Names of holding /subsidiary /associate companies /joint ventures:

S. No.	Name of the holding / subsidiary / associate companies / joint ventures	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?
1.	Biocon Limited	Holding	-	No
2.	Syngene USA Inc.	Subsidiary	100%	No
3.	Syngene Scientific Solutions Limited	Subsidiary	100%	No
4.	Syngene Manufacturing Solutions Limited	Subsidiary	100%	No

VI. CSR Details

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

(ii) Turnover: Rs. 31,935 Mn as on March 31, 2023

(iii) Net worth: Rs. 36,189 Mn as on March 31, 2023

VII. Transparency and disclosures compliances

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

Stakeholder group from whom complaint is received	Grievance redressal mechanism in place (Yes/No) (If Yes, then provide web-link for grievance redress policy) [®]	FY23			FY22		
		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	09	Nil	Nil	07	Nil	Nil
Customers	Yes	11	Nil	NA	03	Nil	NA
Value Chain Partners	Yes	22	Nil	Nil	24	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.

24. Overview of the entity’s material responsible business conduct issues

Indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk 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 inherent in the nature of our business as we store, move and handle hazardous materials	<ul style="list-style-type: none"> • Safety is a primary concern across all operations and extensive efforts are made to establish a “safety first” mindset with all staff from their first day of employment and throughout their tenure with the company • A company-wide safety program, KAVACH, provides a governance framework, training and best practices around safety. • Safety consciousness is driven through communication campaigns and is reinforced through strictly monitored safety operating protocols • Near miss reporting is encouraged and learnings are discussed and shared across the organisation • Safety leadership has been made integral to all line managers’ roles and is explicitly included in job descriptions and performance targets • Safety performance for individuals, teams, divisions and the company is a factor in performance and reward assessments • Safety behaviors and mindset are a factor in selection and promotion decisions 	Negative - Safety hazards may have negative implications including loss of life, property, financial and reputation damage

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)
2	Promotion of inclusion and diversity	Opportunity	A diverse and inclusive workforce brings new ideas and experiences which can help drive innovation for long-term value creation. It is our constant endeavor to provide an inclusive work environment to our employees and celebrate their uniqueness.	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	Due to the inherent nature of business, the Company must comply with environmental, health and safety regulations.	<p>Risk mitigation of regulatory non-compliances follows a strategy that involves identification, resolution and escalation:</p> <ul style="list-style-type: none"> • Identify the applicable Acts, Regulations and the requirements arising therefrom • Validate and initiate actions for compliance • Monitor for changes in laws, check their applicability, and implement the changes • Governance on actions undertaken • Software/tool-based approach being used for identification of gaps in compliance to all environment, health and safety regulations • Constant engagement with regulatory authorities to identify actions required to ensure all approvals are in place 	Negative - Non-compliance may have negative implications, including legal, regulatory, financial and reputational loss

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				<ul style="list-style-type: none"> Working in collaboration with Biocon group companies to ensure all 'group-level' compliance commitments are met. Compliance assurance done through Synpliance , Compliance Management Tool and supported by a specialised legal and regulatory help desk, ensuring compliance monitoring. 	
4	Risk arising from inadequate controls leading to loss of data	Risk	Risk is inherent to Syngene's business as we store critical information on IT infrastructure	<p>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 the emerging threats</p> <p>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</p> <p>People: Continuous education and awareness of employee on cyber threats and phishing risk</p>	Negative - Non-compliance can lead to legal, financial, reputational and regulatory 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)
5	Risk arising from failure to uphold high standards of business integrity and ethics	Risk	As Syngene’s clients are mainly located in the U.S. and Europe, all contracts are covered by the legislation of the respective jurisdictions	<p>The approach to risk mitigation has 4 elements - the establishment of a company ABAC policy (which also applies to suppliers); Mandatory training for all employees every year; a program of supplier assessments conducted by a third party; and constant communication reinforcing the importance of ABAC Policy</p> <p>Implementation of ABAC Policy:</p> <ul style="list-style-type: none"> • A companywide Anti-bribery and Anti-Corruption (ABAC) policy has been rolled out which covers all employees and partners of Syngene <p>Conducting Training:</p> <ul style="list-style-type: none"> • Specific annual mandatory learning modules on ABAC policy and procedures has been rolled out for all employees in FY23 • All employees are required to complete an annual mandatory online training on Code of Conduct and ethical practices which includes anti bribery aspects also <p>Vendor Assessment:</p> <ul style="list-style-type: none"> • ECOVADIS, global ESG assessor, onboarded to scan full base of vendors and rollout a process to create a sustainable and compliant supply chain • ABAC compliance is completed for ~68% of the total active vendor base. ABAC assessment for all critical vendors was completed in March 2021; ABAC assessment for all new vendors prior to on-boarding is implemented from April 2021 • ABAC governance structure implemented through the Compliance Management Tool-Synpliance <p>Regular Communications:</p> <ul style="list-style-type: none"> • Regular communications are sent to vendors reinforcing zero tolerance for ABAC violations 	Negative - Non-compliance can lead to legal, financial, reputational and regulatory 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)
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 manages a complex supply chain that requires niche sourcing skills, timely delivery and demanding specifications from its suppliers	The issue of sourcing resilience is managed by the following program: <ul style="list-style-type: none"> • Build a local ecosystem of raw materials supply • Aggregating demand to convince global suppliers to open local warehouses to support the Indian CRDMO industry • Creating deep category capabilities • Building resilience in logistics • Building skill-based teams for sourcing, procurement operations and business partnering backed by digitised processes, analytics and sustainable governance practices 	Negative - This risk may have negative implications, including loss of business, financial and reputational loss
7	Risk arising from not being aligned with large pharma clients' sustainability goals thereby getting excluded from clients' procurement activity	Risk	Aligning to clients' sustainability goals is critical in our nature of business	Mitigation action has been initiated to determine science-based -targets and ensure delivery across operations to meet required annual emission reduction targets.	Negative – This risk may have negative implications, including loss of business
8	Capital allocation and productivity	Opportunity	Capital allocation and productivity channelises financial resources into meaningful investments and expenditures based on the defined strategy.	Not Applicable	Positive – creates value for stakeholders
9	Community Engagement	Opportunity	It enables us to create shared value for our local communities to foster social and economic equity primarily focused on community health, environmental sustainability, research and science education	Not Applicable	Positive- Building sustainable solutions in the community

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the National Guidelines for Responsible Business Conduct (NGRBC) Principles and Core Elements. The NGRBC as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses when engaging in influencing public and regulatory Policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Policy and management processes									
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	N*	Y	Y
	*Syngene, through regular engagement with specific external stakeholders, regulatory authorities and industrial associations, plays an active role in influencing public policies. While the Company may share its expertise to help in the formulation of public policies, it does not directly engage in lobbying or advocacy activities and hence, does not have a specific policy for this purpose.									
	b. Has the Policy been approved by the Board? (Yes/No)	The Policies have been approved by the Board or the respective Board committees/ MD & CEO/ Executive Committee members within their delegated powers. The Board of Directors on the recommendation of the Stakeholders' Relationship and ESG Committee has also approved the Business Responsibility Policy covering the nine NGRBC principles at its meeting held on April 26, 2023.								
	c. Web Link of the Policies, if available	All policies are available on the intranet for internal stakeholders. However, policies applicable to external stakeholders are hosted on the Company's website at https://www.syngeneintl.com/investors/corporate-governance/governance-reports-policies/								
2.	Whether the entity has translated the Policy into procedures. (Yes / 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, as well as Sustainable Procurement Policy, largely cover the abovementioned principles and the value chain partners are expected to adhere to the requirements outlined.								

<p>4.</p>	<p>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.</p>	<p>P2</p> <ul style="list-style-type: none"> • ISO Certificate for Quality Management System (ISO 9001:2015) • GxP standards (the global standard for documentation-ALCOA+) • 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) • Organisation for Economic Co-operation and Development (OECD) guidelines • ICH Series guidelines • ISO Certificate of Registration for Medical Device Quality Management (ISO 13485:2016) • GLP (Good Laboratory Practices) Certification by the National GLP Compliance Monitoring Authority, Government of India • ISO IEC 17025:2017, National Accreditation Board for Testing and Calibration Laboratories (NABL) • ISO 15189:2012, NABL and College of American Pathologists (CAP) for Clinical and Molecular diagnostics • Accredited for bioequivalence / bioavailability and Phase I studies on healthy volunteers by US FDA – USA, MHRA / EMA – U.K. and ANVISA – Brazil • ISO Certificate for Information security management System (ISO/IEC 27001:2013) • AAALAC certification for handling Animals • ISO certificate for energy management for manufacture of active pharmaceutical ingredient (ISO 50001: 2018) for Syngene Mangalore plant <p>P3</p> <ul style="list-style-type: none"> • ISO Certificate for Occupational Health and safety management System (ISO 45001:2018) <p>P6</p> <ul style="list-style-type: none"> • ISO Certificate for Environment Management System (ISO 14001:2015)
<p>5.</p>	<p>Specific commitments, goals and targets set by the entity with defined timelines, if any.</p>	<p>Syngene’s ESG strategy primarily includes:</p> <ul style="list-style-type: none"> • Green chemistry solutions promoted to all clients in proposals • Membership of the UN Global Compact • Commit to Science-based targets and prioritise climate action on emission reduction (scope1, scope 2, scope 3) • Continue energy conservation program to reduce carbon footprint; new projects to adopt energy efficiency design through green buildings • Operations to continue applying the 3Rs approach to environmental management, focusing on energy, water and waste • Consideration of ESG parameters, supplier diversity and Anti Bribery Anti-Corruption compliance for sourcing decisions • ESG assessments for all tier-one suppliers • 100% of employees to complete 4 ‘Licence to operate’ training modules every year concerning: 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

<p>6.</p>	<p>Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.</p>	<p>The performance of the entity against the specific commitments is as under:</p> <p>Responsible Procurement:</p> <ul style="list-style-type: none"> • Partnered with Eco-Vadis for benchmarking on ESG parameters and evaluated 131 principal suppliers entailing 275+ suppliers till FY23. • Completed ABAC compliance for 2446 vendors. • 161 vendors completed 14 different safety training in FY23. • 40 vendor site safety audits conducted in FY23 which is approx. 66% of high-risk vendors. <p>Operational Excellence:</p> <ul style="list-style-type: none"> • In FY23 the operations showed an average 2% improvement compared to FY22 in on-time delivery to clients. <p>Quality Management:</p> <ul style="list-style-type: none"> • 78 audits of operations conducted in FY23 <p>Talent Acquisition:</p> <ul style="list-style-type: none"> • In FY23, 402 new graduates were hired; 54% were women <p>Diversity and inclusion at workplace:</p> <ul style="list-style-type: none"> • 32% of new hires for FY23 were women • Women at the Senior Management level are at 20% compared to 11% in FY22 <p>Recycling, reuse and disposal of waste:</p> <ul style="list-style-type: none"> • 90.75% of total hazardous and non-hazardous waste generated from operations was recycled in FY23 • Total waste water reused and recycled: 71389 KL • Total waste water reused: 37367 KL (21%) • Total waste water recycled: 34022 KL (19%) • 77% of total hazardous and non-hazardous waste recycled <p>Occupational Health and Safety:</p> <ul style="list-style-type: none"> • Lost Time Injury Frequency Rate (LTIFR) for FY23: Employees 0.08 • Lost Time Injury Frequency Rate (LTIFR) LTFIR for FY23: Contractors 0.58 <p>Reduction in energy consumption:</p> <ul style="list-style-type: none"> • 3.8% energy savings achieved • 2683 metric tons of CO₂ emissions avoided <p>Responsible usage of water:</p> <ul style="list-style-type: none"> • 40% freshwater savings achieved
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Governance, leadership and oversight							
7.	<p>Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure): Refer page 24 of the Annual report, 'Message from the Managing Director and CEO</p>						
8.	<p>Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</p> <p>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.</p>						
9.	<p>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.</p> <p>Yes, the Stakeholders Relationship and ESG Committee is responsible for decision-making on sustainability-related issues. In addition, the Risk Management Committee also assesses risks pertaining to specific principles of business responsibility as identified by Committee.</p>						
10.	<p>Details of review of NGRBCs by the Company:</p> <table border="1"> <thead> <tr> <th>Subject for review</th> <th>Indicate whether review was undertaken by Director / Committee of the Board/ any other Committee together with the frequency of the review</th> </tr> </thead> <tbody> <tr> <td>Performance against above policies and follow up action</td> <td>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.</td> </tr> <tr> <td>Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances</td> <td>The Board reviews the status of compliance with all applicable statutory requirements on a half-yearly basis.</td> </tr> </tbody> </table>	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.
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.	<p>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.</p> <p>An internal review of the workings of the policies has been carried out. However, no external evaluation/assessment has been undertaken.</p>						
12.	<p>If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:</p> <p>Principle 7- Syngene, through regular engagement with specific external stakeholders, regulatory authorities and industrial associations, plays an active role in influencing public policies. While the Company may share its expertise to help in the formulation of public policies, it does not directly engage in lobbying or advocacy activities and hence, does not have a specific policy for this purpose. However, the Board of Directors on the recommendation of the Stakeholders' Relationship and ESG Committee has approved the Business Responsibility Policy covering the nine NGRBC principles at its meeting held on April 26, 2023.</p>						

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 (BOD)	The Company conducted familiarisation programmes for its Board of Directors during the year which covered topics such as cybersecurity and ransomware attack, strategy building, customer interactions. Business model and overview of business units and other updates were provided and CSR field trip was also arranged	CSR field trip – 55% Others - 100%
Key Managerial Personnel (KMP)	Training was undertaken on various topics namely Code of Ethics, Integrity and Whistle-Blower Policy, Information Security, Job Description Addendum for Operating Units/ Department Heads, Phishing and Social Engineering Awareness, Code of Conduct for Prevention of Insider Trading, Prevention of Sexual Harassment (POSH) Awareness for Remote Workforce, Data Integrity & Data Privacy	Code of Ethics – 100% Information Security – 33% Prevention of Sexual Harassment – 33% Data Integrity – 100% Job Description Addendum for Operating Units/ Department Heads - 67%
Employees other than BoD and KMPs	All employees undergo various training programs throughout the year. Training was undertaken on various topics/aspects namely behavioral competency based training, emerging leadership development program, technical, Code of ethics, information security, POSH remote work force, data integrity	Behavioural – 35% Competency Based Training – 3% Managerial development Program – 8% Technical – 57% Code of ethics – 100% Information security -100% POSH remote work force – 100% Data Integrity – 100%
Workers	60 sessions were conducted Training Topics: 1) Company Policy and POSH. 2) Employee and workplace Safety. 3) Skill Development and Data integrity. 4) Personality Development.	84% Covered

NOTE:

As part of sustaining the license to operate, every employee must complete the eLearning modules on: Code of Ethics and Business Conduct, Prevention of Sexual Harassment (POSH), Information Security and Data Integrity. Any employee who joins the organisation 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 employees.

2. Details of fines/penalties/punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website): Nil

3. Of the instances disclosed in Question 2 above, details of the appeal/revision preferred in cases where monetary or non-monetary action has been appealed: Nil

4. Does the entity have an anti-corruption or anti-bribery Policy? If yes, provide details in brief and if available, provide a web-link to the Policy.

Yes. The Company has implemented the anti-bribery and anti-corruption Policy together with its governance framework. The Policy is committed to conducting business in an honest and ethical manner and displays zero-tolerance towards bribery and corruption. All employees of the Company or any Group Company or any person working on behalf of the Company in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives and business partners, sponsors, or any other person associated with the Company, wherever located are bound by the Policy to uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which the Company operates.

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 such as the Prevention of Corruption Act, 1988, U.S. Foreign Corrupt Practices Act ("FCPA"), and U.K. Bribery Act and all other anti-bribery laws of the countries where Syngene and its clients operate. This prohibition against bribery and corruption is a cornerstone of Syngene's commitment to conducting business in an ethical manner, which is one of the core values reflected in Syngene's Code of Ethics and Business Conduct. Syngene expects all its employees and business partners to abide by the Anti-bribery Anti-corruption standards.

The laws relating to bribery and corruption apply across the borders and Syngene including its suppliers rendering services to its clients can jointly and individually be held liable for any such offenses.

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

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
	29 Training	Construction related Safety training-1 Chemical Handling & Storage-2 Fire Safety training-3 Road Safety training-1 ESG Benchmarking-1 Gas Cylinder Safety-2 Emergency Response Training-1 Vendor safety Training-14 First Aider Training - 2 Safety Cupboard content & SCBA set training - 1 Rescue Safety Training - 1	~50 % of respective Category vendors were covered
	40 vendor audits	Audit on Safety Parameters	40 vendors (representing 66% of high risk vendors) were audited and reports were shared together with actions

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

Yes, the Company has in place a “Code of Ethics and Business Conduct” and a ‘Policy on Related Party Transactions’, which provide the processes to avoid/manage conflict of interest and are applicable to the board members. 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 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.			
		FY23	FY22	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 contract 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, which became effective in December 2021 and was reviewed and revised in January 2022. Measuring and accounting for how the suppliers impact the natural world is an emerging necessity. The Company has embarked on a program of ESG assessment for suppliers to add to the assessments of compliance with the Supplier Code of Conduct.

(Weblink : <https://cdn.syngeneintl.com/2022/01/28202053/Sustainable-Procurement-policy-2022.pdf>)

<https://cdn.syngeneintl.com/2022/01/27163931/Supplier-code-of-Conduct-2022.pdf>

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

Currently, with our ESG rating agency (Eco-Vadis) we have started assessing our High Risk & top spend vendors basis nature of their business. Till date we have assessed approx. 132+ principal vendors who contribute to ~35% of our total spend.

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 the scope. However, plastic waste generated in our operations are handed over to authorised plastic recycling partners. E-wastes, other wastes and hazardous wastes are disposed through State Pollution Control Board authorised 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 are handed over to authorised plastic recycling partners and the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Board.

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)? 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 same along-with action taken to mitigate the same There is no significant social or environmental concerns and/or risks identified. 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 metric tonnes) 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).
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).

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators												
1.	a. Details of measures for the well-being of employees:											
	Category	% of employees covered by										
		Total (A)	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	4965	4965	100%	4965	100%	NA	NA	4965	100%	4965	100%
	Female	1882	1882	100%	1882	100%	1882	100%	NA	NA	1882	100%
	Total	6847	6847	100%	6847	100%	1874	100%	4965	100%	6847	100%
	Other than Permanent Employees											
	Male	NA										
	Female	NA										
	Total	NA										

b. Details of measures for the well-being of workers:											
Category	% of workers covered by										
	Total (A)	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	NA										
Female	NA										
Total	NA										
Other than Permanent workers⁴											
Male	131	131	100%	131	100%	NA		131		100%	
Female	02	02	100%	02	100%	NA		02		100%	
Total	133	133	100%	133	100%	NA		133		100%	

1. Health insurance, accidental insurance is provided to all full-time/permanent employees only.
2. Male employees can claim maternity related expenses (medical hospitalisation) for their spouses.
3. Organisation-wide we have a tie-up with day care facility providers, which our employees and workers can use as needed.
4. The above stated casual workers (other than Permanent workers) are covered under private health and accidental insurance benefits. The remaining workers are covered under the Employees' State Insurance Act, 1948

2. Details of retirement benefits, for FY23 and the previous financial year.

Benefits	FY23			FY22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
Provident Fund ¹	100%	100%	Yes	100%	100%	Yes
Gratuity ²	100%	100%	NA	100%	100%	NA
ESI	0.1%	90.85%	Yes	2.61%	93.39%	Yes
Others – please specify (National Pension Scheme) ⁴	3.17%	NA	Yes	2.70%	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> and <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.

Gender	Permanent employees	
	Return to work rate	Retention rate
Male	100%	91%
Female	100%	96%
Total	100%	94%

*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.

Yes. The Company has the following grievance redressal mechanisms for employees and workers:

Permanent Employees	<p>Employees, associates, trainees, and interns, can raise their concerns through the following channels:</p> <p>(i) Integrity Committee (Vigil Mechanism)</p> <ul style="list-style-type: none"> • Purpose: to make protected disclosures of any actual or suspected incidents of unethical practices, violation of applicable laws and regulations including the Code of Ethics & Business Conduct • Committee Constitution – CHRO, Head of Legal and Chief of Staff (one female member mandatory) • Whistle-blower Contacts: Hotline: 0008000502115 for India & (844)9053016 for United States Website: www.syngeneintl.ethicspoint.com Email: Chairman.Auditcommittee@syngeneintl.com <p>(ii) Prevention of Sexual Harassment Committee</p> <ul style="list-style-type: none"> • Purpose: to report matters related to sexual harassment in the Company • Internal Complaints Committee comprises the Chairperson, 8 internal members and an external advisor. • Contact details: posh.committee@syngeneintl.com <p>(iii) Grievance Committee</p> <ul style="list-style-type: none"> • Purpose: To report real or perceived concerns in relation to work, general administration, payroll/reimbursements or any other concern in relation to any existing policy which is raised by an employee (complainant) within scope of company defined policies. • Grievance Committee comprises the Administration team lead, Performance Management lead and a senior member from Finance team • Contact details: Grievance redressal portal available on the Company's intranet.
Other than Permanent Employees	Same mechanisms as permanent employees
Permanent Workers	Not Applicable (The Company doesn't have any permanent workers)
Other than Permanent Workers	Same mechanisms as permanent employees

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

None

8. Details of training given to employees and workers:

Category	FY23					FY22				
	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	4965	4476	90%	4476	90%	4585	4585	100%	2387	52%
Female	1882	1729*	92%	1729*	92%	1738	1738	100%	1276	73%
Total	6847	6205*	91%	6205*	91%	6323	6323	100%	3663	58%
Workers										
Male	1243	1167	93.9%	1167	93.9%	692	622	90%	487	70%
Female	211	192	91%	192	91%	170	130	76%	124	73%
Total	1454	1359	93.5%	1359	93.5%	862	752	87%	611	71%

*Employee includes Permanent & Other than Permanent employees

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

Category	FY23			FY22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	3540	3540	100%	2820	2820	100%
Female	1375	1375	100%	860	860	100%
Total	4915	4915	100%	3680	3680	100%
Workers						
Male	Nil					
Female	Nil					
Total	Nil					

Note: Only permanent employees are considered for performance review. The figures in A and C indicate the number of employees 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) and the figures in B and D indicate the number of eligible employees reviewed.

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).

The Company has a robust process safety management (PSM) and fire safety system. Regular training is imparted to the employees on Safety.

Earth rite system, Distributed Control System operation (DCS), Powder transfer system (PTS), Local exhaust ventilation, Rupture disc, Safety relief valve, dump tank, Water sprinklers, LEL detector, Multi gas detectors are installed where required. Solvents are stored under hazardous area classification with breather valve, including flame arrestor, dike wall, Sprinkler systems, etc. All sites have full-fledged emergency response plan in place with dedicated ERT leads. Mock drills are undertaken on fortnightly basis for each building for all the identified scenarios and drill performance is evaluated and accordingly corrective actions are put in place to improve the drill performance.

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 works on the systematic approach of identifying, evaluating and controlling hazards:

- Physical (e.g. slips, trips and falls, entanglement, noise, vibration, harmful energy sources);
- Chemical (e.g. inhalation, contact with or ingestion of chemicals);
- Biological (e.g. contact with allergens or pathogens such as bacteria or viruses);

The following processes are used to identify the hazards in the workplace:

- i. Safety interactions and safety walks in the workplace to identify potential hazards
- ii. Employee participation during Friday safety hours
- iii. Comparison of Standard Operating Procedure (SOP) with current practice.
- iv. Reviews of incident management reports
- v. Reviews of safety data sheets
- vi. Reviews of first aid/injury records

After identifying a hazard, controls are put in place to bring the Hazard to ALARP (As low as reasonably practical) state.

c. Whether you have processes for workers to report 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 and 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?

Yes, all the employees and contract employees have access to the onsite Occupational Health Centre (OHC) for immediate triaging and first aid. We have medically qualified doctors, para-medical nurses, and support staff in shift operation to support for any medical emergency. The Company has also tied up with well-established hospitals to deal with any kind of incident, accident or medical emergency. Employees are required to undergo an annual health check-up and healthcare advice is provided. During the pandemic, employees benefitted from the routine Covid 19 testing and company sponsored vaccination drive. 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	FY23	FY22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.08*	0.00*
	Workers	0.58*	0.42*
Total recordable work related injuries	Employees	3**	2**
	Workers	3	1
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	1	1

*Injury Frequency Rate is taken as 12-month rolling average.

**Details include total number of employees/workers affected by work-related injuries or ill-health.

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 accordingly, corrective actions are put in place.

13. Number of complaints on the working conditions and health & safety made by employees and workers during FY23 & FY22:

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 and corrective and preventive actions (CAPA) are put in place with a defined target date for closure.

Few examples of the corrective and preventive actions (CAPA) are: 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 the process, etc.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (B) Workers

Yes, the Company provides Group Term Life Insurance and other applicable benefits to the employees. 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 in their nature of 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 affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY23	FY22	FY23	FY22
Employees	0	0	0	0
Workers	1	1	1	0

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	Till date we have completed assessment for 40 vendors representing 66% of high risk vendors
Working Conditions	

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.

The team conducts safety assessment of 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. Out of 40 vendors audited in FY23, 23 vendors had observations.

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.**

The process of identification of key stakeholders in the Company is defined by their interest, involvement and impact on the operations and engagement on various ESG matters. In 2021 a detailed stakeholder engagement exercise was conducted to understand their key concerns and material topics that are essential to Syngene's value-creation process and reporting on the topics which are important to the stakeholders. A six-step stakeholder engagement and materiality assessment process was conducted to collect and review stakeholder feedback. Each step of the process was based on guidance from the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) and the AA1000 Stakeholder Engagement Standard (AA1000SES). Eleven key stakeholder groups were identified to take part in the Company's first materiality assessment. These groups represent 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	Channel for communication	Nature of communication
CSR partners	The majority of the Company's CSR programs are managed by the Biocon Foundation, the CSR arm of the Biocon Group. The Company also directly engages with agencies/institutions for CSR activities.	Day-to-day engagement enabled by the Biocon Foundation
R&D, manufacturing and other commercial partners	A key account management framework ensures that clients have a clear connection point with the Company.	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 center and is agreed upon as part of the contract in each case.
Vendors	The Strategic Sourcing team leads ESG oversight with all vendors as part of the procurement process.	Category managers are the first point of contact for vendors. They help to put the contract together and handle any issues or feedback during the delivery of the contract.
Local and national authorities	Engagement with authorities may be through direct contact 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.

Stakeholder	Channel for communication	Nature of communication
Media	Corporate Communications handles all communication with the media directly or through a specialist consultancy.	Quarterly business briefings are undertaken for business media wanting to cover the financial results. Individual engagement with trade media provides an opportunity to showcase scientific achievements.
Employees	Employees have various options for engaging with each other and the management, including quarterly town halls, divisional townhalls, and specific scientific engagements. Employees can approach the Human Resources (HR) team for support or use the HR chatbot for personal matters	Employees are invited to submit questions before every town hall and questions are answered either in the town hall or later on the intranet. Managers are expected to engage with their team members regularly. They also conduct a full year and mid-year performance review for each team member. The HR team provides support where needed to resolve personal difficulties in the workplace.
Investors/ shareholders	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 in July 2022 was held virtually. Nonetheless, shareholders have been able to ask questions directly to the Chairperson and other members of the Board.
Quality stakeholders	Engagement with these stakeholders is usually in the context of a virtual or physical audit of Company operations.	The Chief Quality Officer leads the engagement with all regulatory authorities on behalf of the Company. The engagement is organised according to the needs of the regulator.

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.

Respective operational/ functional heads engage with the stakeholders on various ESG topics and the relevant feedback from such interactions is provided to the Board or relevant committees of the Board quarterly and 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. 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 stakeholder materiality survey was conducted in FY21 to establish and prioritise material issues for the Company. Eleven stakeholder groups 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. The stakeholder engagement framework together with the ESG priorities are published on the Company's website at: <https://esgreport.syngeneintl.com/stakeholder-engagement.html>

ESG priorities are reflected in the Company's Code of ethics and business conduct, Supplier Code of Conduct, as well as other focused policies. The said 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/marginalised 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	FY23			FY22		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Permanent	6847	6847	100%	5975	5975	100%
Other than permanent	313	313	100%	337	337	100%
Total Employees	7160	7160	100%	6312	6312	100%
Workers						
Permanent	Nil	Nil	Nil	Nil	Nil	Nil
Other than permanent	1454	1360	93.5%	862	862	100%
Total Workers	1454	1360	93.5%	862	862	100%

Note: Training is provided through the completion of specific mandatory modules such as Prevention of Sexual Harassment. Other dimensions of human rights in the workplace are covered in training related to the Company code of business conduct. New joiners are introduced to the Code of Conduct during their induction to the Company and all employees are required to complete refresher training every year.

2. Details of minimum wages paid to employees and workers:

The Company is paying more than the statutorily required minimum wages to all its employees and workers.

3. Details of remuneration/salary/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)	4	6.10	4	7.58
Executive Director(s)	1	84.75	Nil	Nil
Key Managerial Personnel (other than Executive Directors)	1	33.40	1	5.09
Employees other than BoD and KMP	5174	0.85	1983	0.52
Workers	1243	0.25	211	0.22

Note: Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall basis at the end of each year and accordingly, have not been considered in the above information. Perquisite value of stock options is excluded.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes, Syngene has established a robust process for preventing and redressing any abuse or violation of human rights. Individuals, including community members, suppliers, customers and all other stakeholders are encouraged to speak up if they believe that the Syngene policies, including the Code of Conduct, regulations, or any laws are being breached or an individual or group is acting in a manner that would adversely impact the reputation of the Company and or its employees. The Company's Human Rights Policy is aligned with international standards and guidelines on human rights and is available on our website at <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.

Employees, associates, trainees and interns can raise their concerns through the following channels:

Integrity Committee (Vigil Mechanism)

- Purpose: to make protected disclosures of any actual or suspected incidents of unethical practices, violation of applicable laws & regulations including the Code of Ethics & Business Conduct
- Committee Constitution – CHRO, Head of Legal and Chief of Staff (one female member mandatory)
- Whistle-blower Contacts:
Hotline: 0008000502115 for India & (844)9053016 for United States
Website: www.syngeneintl.ethicspoint.com
Email: Chairman.Auditcommittee@syngeneintl.com

Prevention of Sexual Harassment Committee

- Purpose: to report matters related to sexual harassment in the Company
- Internal Complaints Committee comprises the Chairperson, 8 internal members and an external advisor.
- Contact details: posh.committee@syngeneintl.com

Grievance Committee

- Purpose: To report real or perceived concerns in relation to work, general administration, payroll/ reimbursements or any other concern in relation to any existing policy which is raised by an employee (complainant) within scope of Company defined policies.
- Grievance Committee comprises the Administration team lead, Performance Management lead and a senior member from Finance team
- Contact details: Grievance redressal portal available on the Company's intranet

6. Number of complaints on the following made by employees and workers:

	FY23			FY22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	2	Nil	Nil	1	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labour/Involuntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights related issues	Nil	Nil	Nil	7	Nil	Nil

7. 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 Whistle-blower 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.

8. Do human rights requirements form part of your business agreements and contracts?

Yes.

9. 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 are conducted seeking 100% compliance

10. Details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

No significant risks or concerns were highlighted.

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

No significant risks or concerns were highlighted. During the year, the human rights policy was formulated. 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 chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	35%
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 actions were taken/are underway to address significant risks/concerns arising from the assessments at Question 4 above:

- a. Inclusion of clauses on environmental, labor, human rights, and ethics requirements in all contracts; Inclusion of a clause for termination of the contract for top spend suppliers when expectations concerning sustainability issues are not met
- b. Deploy a sustainable procurement management system across the target supplier base
- c. Assess the suppliers' operational sites, including facilities such as manufacturing plants, offices, etc.
- d. Impart training on sustainable procurement to buyers

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	FY23	FY22	Remarks
Total electricity Consumption (A) Grid Units* [⊗]	2,27,89,569	1,90,32,084	Units (KWH)
Total DG set's Consumption (B) DG Units	12,22,228	11,83,300	Units (KWH)
Energy consumption through other sources (C) Green Energy (Wind, Hydro, Solar)	7,38,93,760	6,62,06,995	Units (KWH)
Total energy consumption (A+B+C) Units	9,79,05,557	8,64,22,379	Units (KWH)
Total fuel (HSD) consumption (in Litres)	7,63,814	9,34,068	Diesel in Litres, LPG, and FO in Kgs
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.0031	0.0033	-

*Increase in energy consumption was on account of the expansion of activities on the Hyderabad campus. Increase in grid units due to Hyderabad business where there is a restriction for green power from the Government.

⊗ The figures for FY22 have been restated to provide the actual grid and green units of energy consumed as against the units of energy procured as provided in the FY22 BRSR.

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	FY23	FY22
Water withdrawal by source (in kilolitres)		
(i) Surface water (River Water from Govt.)	1,72,711	1,65,792
(ii) Groundwater (Bore Well Water)	6,624	5,242
(iii) Third party water (Tanker Supply)	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,79,335	1,71,034
Total volume of water consumption (in kilolitres)	*1,79,335	1,71,034
Water intensity per rupee of turnover (Water consumed / turnover)	0.000006	0.000007

*Note: Increase in water consumption arises from increased occupancy on all campuses and growth in Biologics, Discovery Chemistry, Biology and increased activity in the BMS dedicated centre.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency:

No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Reflecting our commitment to managing effluent run-off, the Company has a zero liquid discharge policy. Syngene's zero liquid discharge policy requires that all water pollution hazards are closely monitored and all water management practices comply with the laws and regulations of the State and Central Pollution Control Board of India. The facilities in Bangalore and Mangalore have conventional effluent treatment plants, strippers, multiple effect evaporators, Agitated Thin Film Driers (ATFD) and reverse osmosis units to treat wastewater and reuse it within the plant premises. In the Hyderabad campus, wastewater is pre-treated in the effluent treatment plant managed by authorised third parties and sent to a third-party effluent treatment plant for further disposal.

5. Details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	FY23			FY22		
		Bangalore	Mangalore	Hyderabad	Bangalore	Mangalore	Hyderabad
NOx	µg/m ³	19.5	18.2	17.1	15.51	132	17.8
SOx	µg/m ³	8.3	16.9	13.9	7.97	26.9	14.7
Particulate matter (PM10)	µg/m ³	72.6	71.8	55.9	69.08	19.2	56.2
Persistent organic pollutants (POP)					NA		
Volatile organic compounds (VOC)	µg/m ³	Benzene, methanol, carbon tetra chloride, toluene, methyl chloride, mercaptan, hydrogen sulphide was monitored. VOC monitoring values are below the detection limit.					
Hazardous air pollutants (HAP)					NA		
Others– please specify							
Particulate matter *(PM2.5)	µg/m ³	28.1	46.2	22.8	22.95	29.3	22
Ozone	µg/m ³	3.0	Below Detection Limit	13.2	3.0	Below Detection Limit	15.1
Ammonia	µg/m ³	4.5	Below Detection Limit	18.8	8.3	Below Detection Limit	18.9

**Note: Process emissions pass through air pollution control equipment (Scrubbers). The Pollution Control Board has set a permissible limit of acid mist – company values are well within these standards. Air quality values measured are well within the maximum permissible limit as per (NAAQS).*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

In order to conduct a monthly assessment of the ambient air quality, source emissions, volatile organic compound (VOC), noise monitoring, National Accreditation Board for testing and calibration laboratories (NABL) and Ministry of Environment and Forests (MOEF) approved external laboratories that are engaged as follows:

- In Bangalore, Robust Materials Technology Private Limited
- In Hyderabad, M/s. Star Analytical Services
- In Mangalore, Hubert Enviro Care Systems Private Limited

6. Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY23	FY22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	5,821 MT	6,207 MT
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	18,433 MT	15,777 MT
Total Scope 1 and Scope 2 emissions per rupee of turnover	-	0.00076 Kgs	0.00084 Kgs

Scope-2 emission increased by 17% compared to FY22 owing to facility expansion at Hyderabad.

The following emissions were added additionally as those were not captured in FY22: Process emissions, Dry Ice, Refrigerants, Steam(BSEZ), CO₂ Fire extinguishers.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

No

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes. Green power projects with 26% equity share model (10.4MW-Wind power plant & 27.45mwdc Solar power plant) were commissioned. 250KW Roof top plant was commissioned. This helped to address 75% of energy from renewable sources, thereby avoiding 52,834 metric tons of CO₂ emission. Energy conservation projects are ongoing every year. During FY23 3.75 million units of energy were saved thereby avoiding 2,683 metric tons of CO₂ emission.

8. Details related to waste management by the entity:

Parameter	FY23	FY22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	230	217.08
E-waste (B)	3.82	Nil
Bio-medical waste (C)	109.51	98.77
Construction and demolition waste (D)	NA	NA
Battery waste (E)	3.70	4.30
Radioactive waste (F)	0.030	0.024
Other Hazardous waste. Please specify, if any. (G)	2,310.74	2,116.48
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	1,226.47	597.9
Total (A+B + C + D + E + F + G + H)	3,884.27	3,034.53

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	3,524.97	2,805.38
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	Nil	Nil
Total	3,524.97	2,805.38

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste

(i) Incineration	329.94	146.40
(ii) Landfilling	29.33	82.38
(iii) Other disposal operations	Nil	Nil
Total	359.27	228.78

Note: Hazardous and Non-Hazardous waste has increased in past 12 months due to expansion of activities in Hyderabad facility.

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. All types of waste generated in Syngene are collected, packed, stored in leak proof containers, the generated waste is sent for recycling or disposed for treatment / incineration within the stipulated time as per applicable rules through KSPCB authorised disposal facilities.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

- The Standard Operating Procedure (SOP) for handling liquid and solid waste, in accordance with the applicable rules, determines the approach to proper waste management in the Company's dedicated facility in Bangalore. It outlines the process of segregation, according to compatibility, of each category of generated waste. The waste is packed in leak proof containers (using biodegradable bags or puncture proof containers), labelled, and transferred using trolleys to the storage area in each building from where it is then transferred to Central waste yard (inside the facility) using electric vehicles.
- The waste is 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 hydrant system, smoke detectors, fire alarm system for handling any fire/emergency. Casual employees are provided with appropriate PPE's to avoid any contact and infection.
- The Company practices green concepts 3R's (Reuse and Recycle) in the operations. It also follows an integrated Inventory management system to minimise waste generation.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
None of the Syngene operations are in ecologically sensitive areas			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

No such projects were undertaken by the Company.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances:

The Company is in compliance with applicable environmental norms.

Leadership Indicators

1. Break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources:

Parameter	FY23	FY22
From renewable sources		
Total electricity consumption (A)	2.65X10 ¹⁴	2.38X10 ¹⁴
Total fuel consumption (B)	7,63,814 Litres	9,34,068 Litres
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	2.65X10¹⁴	2.38X10¹⁴
From non-renewable sources		
Total electricity consumption (D)	8.7X10 ¹³	4.6X10 ¹³
Total fuel consumption (E)	-	-
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	8.7X10¹³	4.6X10¹³

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. Details related to water discharged:

Not Applicable, the Company has a zero liquid discharge policy.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Not Applicable

4. Details of total Scope 3 emissions & its intensity:

Parameter	Unit	FY23	FY22
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	88,150	NA
Total Scope 3 emission intensity*	MTCO ₂ e/Rs Mn	2.76	NA

*calculated as Emission Intensity = Total emissions (MTCO₂e) / Turnover (Rs Mn)

5. With respect to the ecologically sensitive areas reported at Question 10 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.

6. 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:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Utilisation of Green power	--	75% of the Energy consumption is from green energy sources
2	Waste Recycling	Spent solvent, plastic, metal, paper waste are recycled through authorised recycling partners	90.75% of the waste generated from our operations are recycled

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Syngene has business continuity plans for each of its Operating Units and Enabling Functions. The business continuity plans contain strategies for ensuring continuity of operations at a minimum acceptable level, providing a structured approach to crisis management, establishing sustainable business continuity governance and seeking to establish business resilience in the company. Disaster recovery plans for all IT-led processes are in place. Disaster recovery drills were carried out for all key applications in FY23.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

We are in a process of assessing our value chain partners through Ecovadis 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 FY23.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

35% value chain partners were assessed.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory Policy, should do so in a manner that is responsible and transparent**Essential Indicators****1. a. Number of affiliations with trade and industry chambers/ associations.**

Syngene has affiliations with 10 trade and industry chambers/ associations

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1.	The Confederation of Indian Industry (CII)	National
2.	Association of Biotechnology Led Enterprises ((ABLE)	National
3.	State Environment Impact Assessment Authority	State
4.	American Association for Accreditation of Laboratory Animal Care (AAALAC)	International
5.	Quality Council of India	National
6.	Indian Association of Secretaries and Administrative Professionals	National
7.	Laboratory Animal Scientists Association	National
8.	Indian Society for Clinical Research	National
9.	Indian Association of Secretaries	National
10.	European Bioanalysis Forum VZW	International

2. 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 plays a strong role in public policy advocacy through regular engagement with specific external stakeholders including industry associations, government bodies and regulatory departments.

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)
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Not Applicable

3. **Describe the mechanisms to receive and redress grievances of the community.**

Mechanisms to address the grievances have been adapted for specific programs. The strategy is to address this through structured monitoring and evaluation of all programs, with assessment of stakeholder perceptions, either through regular surveys or third-party impact assessment. Details of action taken are documented.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY23	FY22
Directly sourced from MSMEs/ small producers	48%	44%
Sourced directly from within the district and neighbouring districts	55%	65%

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	Yadgir	7 Lakh

3. **(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups?**

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 marginalised /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?

During the year, the Company sourced 48% of the total inputs material from MSME suppliers.

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 marginalised groups
1.	eLAJ Smart Clinics – Outpatient Care	70,000	100%
	eLAJ Smart Clinics – Specialists Clinics	3,700	100%
	eLAJ Smart Clinics – Community Outreach	10,100	100%
2.	Mobile Science Labs	6,500	100%
3.	Lab on a Bike	1,700	100%
4.	Inter-School Science Quiz Competition	5,000	100%
5.	Parihar	3,300	100%
6.	STEM Scholarships & Mentorship for Women	25	100%
7.	Construction of Classrooms in Government Schools	1,100	100%
8.	Solar Street Lights in Villages	5,000	100%
9.	Children's Park	1,400	100%
10.	Har Ghar Tiranga	75,000	NA (It was a people's movement wherein everyone came together in unity and displaying the National Flag. There were no exclusion criteria.)
11.	Miyawaki Afforestation	25,000	100%

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 is largely a Contract Research Organisation (CRO) and is gradually expanding its services to become a Contract Development and Manufacturing Organisation (CDMO). 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
Safe and responsible usage
Recycling and/or safe disposal

Not Applicable - The Company offers contract research, development and manufacturing services. It does not provide services to consumers.

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 FY23 and FY22:

Not Applicable. The Company is largely a Contract Research Organisation (CRO) and is gradually expanding its services to become a Contract Development and Manufacturing Organisation (CDMO). It does not provide services directly to consumers.

4. Details of instances of product recalls on account of safety issues:

Not Applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the Policy.

Yes. The Company has a Data Privacy Policy and an Information Security Policy. The link for the website privacy notice is <https://syngene-aws-storage01.s3.ap-south-1.amazonaws.com/wp-content/uploads/2020/11/18173741/Syngene-Website-PrivacyNotice.pdf>

6. 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.

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:

Website: <https://www.syngeneintl.com/>

Youtube: <https://www.youtube.com/@Syngene>

LinkedIn: <https://www.linkedin.com/company/syngene-international-limited/about/>

Twitter: <https://twitter.com/SyngeneIntl>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Not applicable. The Company is largely a Contract Research Organisation (CRO) and is gradually expanding its services to become a Contract Development and Manufacturing Organisation (CDMO). It does not provide services directly to consumers.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Not applicable. The Company is largely a Contract Research Organisation (CRO) and is gradually expanding its services to become a Contract Development and Manufacturing Organisation (CDMO). It does not provide services directly to consumers.

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

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along with impact - Nil

b. Percentage of data breaches involving personally identifiable information of customers - Nil

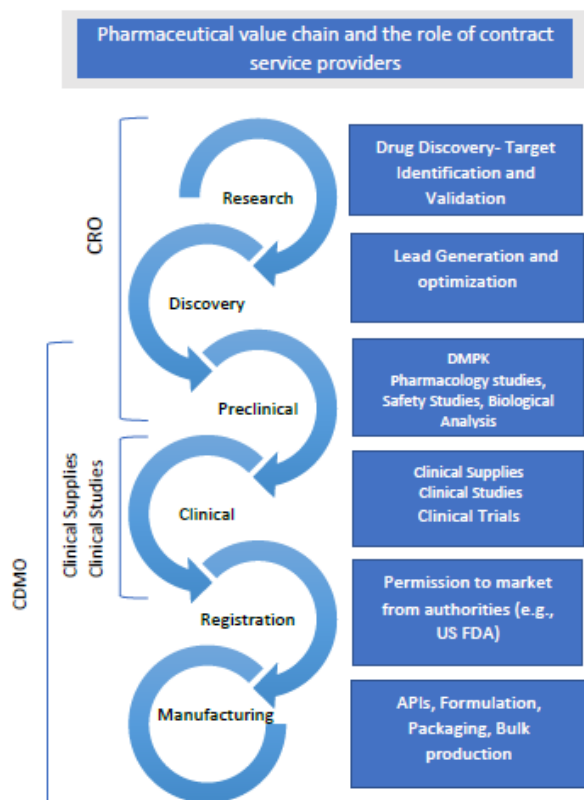
Management Discussion and Analysis

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 makes the Company a one-stop solution provider in the segment. Syngene is a partner of choice for biopharmaceutical and pharmaceutical companies looking for integrated drug discovery services due to its extensive technology capabilities and profound scientific understanding. While most of the research work is focused on the pharmaceutical industry, the company also collaborates with businesses in nutrition, animal health, consumer products, and specialty chemical industries. The Company partners with more than 400 clients located mainly across 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 within the Contract Research Organization (CRO) and a growing range of services within the Contract Development and Manufacturing Organization (CDMO).



Within the CRO the Company offers discovery services and a dedicated centre model in which facilities are designed and ring-fenced to meet a client’s exclusive requirements. In Discovery Services, we provide end to end services from target selection and high throughput screening to drug candidate delivery for development.

The Dedicated Centres house multi-disciplinary scientific teams and support personnel with infrastructure tailor-made to meet the client specifications.

In CDMO, the Development Services division delivers services required for clinical supplies to support clinical trial programs of clients, 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 reliable single provider of services to progress their product to market.

The Company offers different collaboration models ranging from long-term relationships with dedicated R&D centres to Full-Time Equivalent (FTE) and Fee-for-Service (FFS) arrangements.

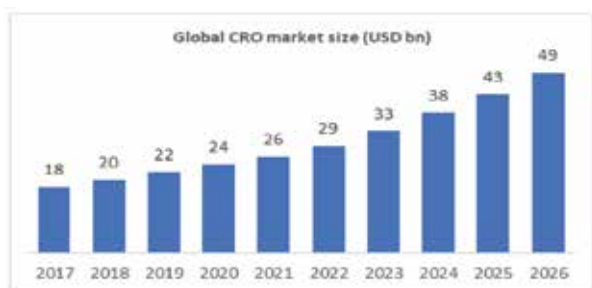
Contract Research Organizations (CRO)

Contract Research Organizations (CROs) provide Research and Development services to the pharmaceutical, biotechnology, medical device, and other industries in the form of services outsourced on a contract basis

From basic research to late-stage development, 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 human trials in addition to 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. In addition, the industry is facing increasing pressure to reduce the time and costs associated with drug development and, 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 29 bn in 2022 and is expected to expand at a CAGR of 14% to USD 49 bn in 2026¹. 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.



¹Frost & Sullivan Global Pharmaceutical CRO Market Size

(ii) Key industry trends

In the current economic environment, the large pharmaceutical companies are facing pricing pressure and inflation challenges. As such companies look to optimize their R&D budgets and restructure their costs, increasing the outsourcing of R&D activities offers an effective response to manage challenges. The emerging biopharma (EBP) companies' share of the drug molecule pipeline has been increasing and leading to a faster growth in the R&D spending of the EBPs compared to that of large pharmaceutical companies. However, the funding of biopharma companies has slowed in 2022 compared to 2020-2021, although it is above the 2019-2020 levels. While the funding is expected to last for multiple years, the slowdown in funding is likely to drive the prioritisation of R&D programs in EBPs and a desire to extend their cash runway. Outsourcing of R&D services is one way to achieve this.

Additionally, the COVID-19 pandemic has highlighted the risks associated with relying on a single supply route. Disruption caused by the pandemic has led to supply chain issues in various industries, including the pharmaceutical industry. As a result, many companies are looking to build resilience into their supply chains by expanding and diversifying their suppliers to mitigate the risks associated with potential disruption and ensure continuity of supply.

Geopolitical shifts are currently favouring outsourcing in the contract research sector to countries such as India, as pharma companies consider alternative outsourcing destinations. While various factors such as global trade

policies, political and economic stability in the region, and availability of skilled labour in emerging markets influence the choice of outsourcing, 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 a dedicated facility. These are referred to as Discovery Services and Dedicated R&D Centres, respectively.

Discovery Services

(a) About the services

Our Discovery 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. In functional areas, our services cover Chemistry, Biology, Safety Assessment & Toxicology, and Computational & Data Sciences. Integrated Drug Discovery services encompass 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 across synthetic and medicinal chemistry, library synthesis, analytical support, and purification. We bring to the table deep expertise in PROTACs, antibody-drug conjugates, peptides, nucleotides, and carbohydrates. Our Discovery Biology team works on cutting-edge research across 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.

Our 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 advanced informatics capabilities that enable faster, more efficient decision-making. Our computational and data sciences 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 across disciplines, disease areas, and therapeutic modalities. The Company delivers high-value innovation on the robust foundation of its platforms and scientific capabilities. A key priority is to further leverage these strengths by expanding partnerships with existing clients and adding new clients.

(c) Progress made during the year

In FY23, Discovery Services maintained a strong performance, mainly fueled by an increase in demand from new clients, particularly in the emerging biopharmaceutical sector, as well as further growth of relationships with current clients. In Discovery Chemistry, the peptide and targeted protein degradation/stabilization businesses showed strong growth.

Discovery Biology offers translational and pharmacological expertise across multiple therapeutic areas including oncology and immuno-oncology, immunology, neuroscience and cardiovascular diseases. During the year, the therapeutic antibody discovery capabilities were significantly augmented through the introduction of single B cell cloning and human immune antibody library platforms. We also successfully developed a proprietary cell line, engineered specifically to generate high protein yields.

Over the course of the year, SynVent™ - our exclusive platform for integrated drug discovery programs - has emerged as a highly appealing model for biotech firms that don't prefer to invest in their own infrastructure or to build extensive teams with the expertise needed to move molecules through the discovery and development phase.

Capability/capacity additions during the year

- The company strengthened Syngene SynVent™ led by a team of professional drug hunters with pharma and biotech experience, across multiple therapeutic areas and modalities.
- Investments in infrastructure in Hyderabad provided additional capacity to cater to growing client demand. We added ~46,000 sq. ft. of laboratory space in Hyderabad. The Discovery Chemistry unit for synthetic, organic and medicinal chemistry was expanded to accommodate around 900 scientists in total. A fully automated compound management system was installed in Hyderabad. We also expanded our assay biology and large molecule research capacity through the addition of ~7,500 sq. ft. of laboratory space in Bangalore.

- Additionally, we augmented our specialty capabilities, including expansion of Target Protein Degradation/Stabilization Platform (SynTACS), antibody therapeutic platform, and discovery scale oligonucleotide platform.
- The Company's Computational & Data Sciences unit facilitates rapid and informed decisions for research and development activities. We continued to invest in AI-based drug discovery and have launched SARchitect™, our proprietary platform for data visualization and analysis, which includes features specifically designed to foster collaboration between scientific experts across disciplines and geographies. We have also launched SynTIPS, which provides entirely automated and rapid identification, collation, and analysis of data related to biological targets and pathways, including prioritization.

Discovery Services expanded its capacity in Hyderabad and enhanced its capabilities to provide end-to-end therapeutic services in line with its growth strategy.

Dedicated R&D Centers

(a) About the services

The Dedicated R&D Centres offer a comprehensive "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 Centres are exclusively operated for a single client and are set within a scientific ecosystem that facilitates fast scaling up of operations when needed.

Syngene's Dedicated Centers offer dedicated multi-disciplinary scientific teams, support personnel, and a tailor-made ring-fenced infrastructure according to client specifications to support clients' R&D goals.

The Dedicated Centers are usually a part of long-term strategic partnerships for five-years or longer. The Dedicated Centers are generally multi-disciplinary, Full Time Equivalent (FTE) based engagements that support a wide array of integrated R&D requirements of the clients.

The Dedicated Centers have client staff 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 operates dedicated R&D centers for three clients: Bristol-Myers Squibb, Baxter Inc., and Amgen Inc. These collaborations have grown and expanded consistently over the duration of the contract.

(b) Syngene’s strategy

Extend and expand 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 centres which provide a strong foundation for future planning; such partnerships provide revenue visibility over the medium to long-term with predictable cash flows.

(c) Progress made during the year

The dedicated centres delivered outcomes determined by the agreed key performance indicators, and infrastructure investments were implemented as planned to enable growth in capacity and capabilities.

Overall, Syngene’s revenue from Research services grew by 20% year on year, with Discovery Services growing at 31%. Year on year revenue growth of the Dedicated Centres was at 7%. The contribution to total Syngene revenue from Research Services was at 65% for the year compared to 66% in the previous year.

Overall outlook for Research Services

The demand for CRO services continues to be healthy. In light of the global economic situation, we are optimistic about the market opportunity for CRO services. The Company is well-positioned to capitalize on this opportunity because of its continued focus on driving functional services and Integrated Drug Discovery solutions, and its investments in capabilities, technologies and platforms to better meet client requirements. Focus areas include: establishing proprietary platforms for protein-yielding cell lines and antibody therapeutic discovery, continuing to leverage the power of artificial intelligence and machine learning to reduce discovery timelines and costs, and further expanding the research facilities in Hyderabad and Bangalore.

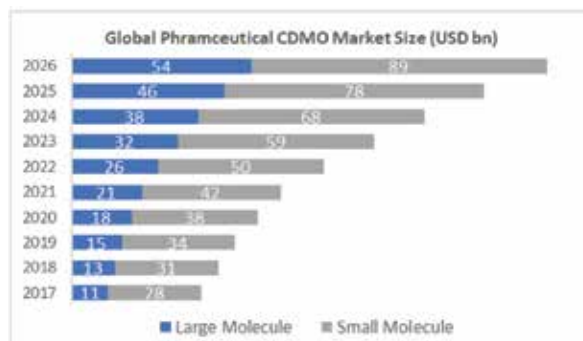
In the Dedicated Centers, the Company will continue to focus on meeting the needs of its long-term strategic partners through investment in new capabilities and continuous improvement in services.

Contract Development and Manufacturing Services (CDMO)

CDMOs specialize in the development, scale-up and manufacturing of drug products both for clinical trials and for commercial distribution. CDMOs 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.

(a) Contract development and manufacturing services – market size and attributes

The Global CDMO market was valued at USD 76 bn in 2022² and is expected to grow at a CAGR of 17.1% to reach a market size of USD 143 Bn in 2026. Similar to CRO market, the growth in CDMO activity has accelerated, driven by the increasing trend of outsourcing.



²Frost & Sullivan Global Pharmaceutical CDMO Market Size

(i) Small molecule development and manufacturing services market

A typical small molecule CDMO offers services in clinical scale drug substance and drug product development. It also covers manufacturing services and commercial scale development and manufacturing services.

The global small molecule CDMO market was USD 50 bn in the year 2022 and is expected to grow at a CAGR of 15.5% to reach a market size of USD 89 bn by 2026³.



³Frost & Sullivan Global Pharmaceutical CDMO Market Size

The expansion in the global small molecule drug development industry is a result of factors such as increase in chronic diseases, increase in healthcare expenditure, and upcoming patent expirations of few of the largely used pharmaceutical drugs.

Over the past few years, small molecule drugs have been prevalent among the various drug types. High-throughput screening methods are mostly used in the industry to rapidly access the lead candidates for medical targets.

Asia Pacific has the potential to be the promising outsourcing market for small molecules due to the abundance of CROs in the region. Countries like South Korea, India, and China are investing substantial amounts in the pharmaceutical sector expansion.

(ii) Large molecule development and manufacturing services market

The large molecule market size is currently estimated at USD 26 bn and is forecast to grow at a CAGR of 20% to reach the market size of USD 54 bn by the year 2026. Even though the current market size of large molecules is approximately half that of small molecules, the CAGR of large molecules market is 5% above that of small molecules market which is 15%.

This higher CAGR of large molecules market is driven by the large number of large molecule drug approvals, mainly from US FDA, as well as the increase in infectious diseases, rise in demand for novel therapeutics and the increased capital investments by pharma companies.



⁴Frost & Sullivan Global Pharmaceutical CDMO Market Size

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.

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. Our Clinical development services are across Phase I, II & III trials. We also support our clients in drug filing with US FDA and other regulatory authorities.

Syngene's 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 continued to drive integration across the Development Services division, thus strengthening our position as a one-stop shop for CMC services. During the year we acquired new scientific skills and capabilities which are proven in the successful delivery of projects for our clients. Capabilities added include high potency laboratory to handle band 4 compounds at milligram to 500g scale; synthesis of linkers and toxins from milligrams to commercial scale; expertise in anionic polymerization technique to customize polymer architectures for various applications; and expertise in making polymeric architectures to be used as linkers in drug-polymer conjugates.

Capability and capacity additions during the year

The Company continued to invest in enhancing its capabilities to provide full spectrum of services. A new injectable fill-finish facility with a filling capacity of about 2,000 vials per hour was commissioned. This GMP-compliant facility will enable us to address the drug product requirements of both small molecules and large molecules for early phase clinical supplies covering the injectable market.

Syngene's Manufacturing Services

Manufacturing Services completes the integrated platform offering to our customers.

(i) Small molecule commercial manufacturing services

The Company has a state-of-the-art small molecule commercial manufacturing facility in Mangalore. The company expects to secure US FDA and other major regulatory approvals for the facility in the current financial year.

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.

(ii) Large molecule development and manufacturing services

Syngene 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.

Syngene's strategy

(a) Provide end-to-end solutions for biologics development and manufacturing

The Company aims to capitalize on strong demand for both biologics and biosimilars at clinical and commercial scale. This is being enabled by adopting an 'end-to-end solutions' approach and investing in additional capacity. For small molecules we continue to focus on securing US FDA and other major regulatory approvals for the small molecule commercial scale manufacturing facility in Mangalore to attract a broader range of projects.

(b) Progress made during the year

Our strategy to provide end-to-end solutions in biologics came to fruition with the signing of the ten-year biologics manufacturing agreement with Zoetis. Following successful regulatory approvals for our biologics manufacturing facilities, the commercial manufacturing of drug substance for Zoetis started in the fourth quarter. In addition to growing our capabilities in monoclonal antibodies, our portfolio was expanded with service offerings for GMP manufacturing of plasmid DNA and mRNA.

Capability and capacity additions

- Manufacturing services achieved a significant milestone by signing a 10-year agreement with leading animal health company, Zoetis, to manufacture the drug substance for Librela® (bedinvetmab), a first in class monoclonal antibody used for treating osteoarthritis in dogs.
- Key regulatory milestones were also achieved by successfully clearing GMP audits by US Food and Drug Administration (USFDA), European Medicines Agency (EMA) and Medicines and Healthcare products Regulatory Agency (MHRA) as part of commercial drug substance manufacturing of Librela®.

- As part of our efforts to develop new capabilities, we successfully developed and transferred processes for GMP manufacturing for mRNA-based product therapies in the context of advanced therapy medicinal products (ATMP) from microbial platforms.

Overall, Development and Manufacturing Services revenue grew by 28%. Excluding the contribution of Remdesivir in the previous year, the year-on-year growth of Development and Manufacturing Services in the year under review was 60%. The share of Development and Manufacturing Services was 35% of Syngene's revenue from operations in FY23 compared to 34% in the previous year.

Outlook for Development and Manufacturing Services

The fundamentals of the Company's small molecule CDMO Services are robust with an integrated platform for development and commercial manufacturing. The small molecule GMP commercial manufacturing facility is expected to ramp up utilization post USFDA approval expected in the current financial year. We believe this will help capture potential commercial manufacturing opportunities for novel molecules.

The Company will add capabilities and capacity for non-GMP manufacturing of small molecules to provide greater flexibility and speed for clients.

With respect to large molecules, Syngene is well-positioned to capture the increasing demand for biologics development and manufacturing. The focus of the Company is to execute on key client contracts and augment capacity to meet the demand opportunity.

Operational Review

Research services

Our research services had a strong year of successful delivery of client projects, capability additions, and contribution to overall organizational growth. During the year, the Company continued delivering on its strategy of providing end-to-end drug discovery capabilities.

The company moved forward in strengthening Syngene SynVent™, a specialized platform for integrated therapeutic discovery and preclinical development, led by a team of professional drug hunters with pharma and biotech experience across multiple therapeutic areas and modalities. This year, our client integrated portfolio comprised 17 projects across diverse therapeutic areas and modalities, ranging from small molecule inhibitors to targeted protein stabilization.

We made significant strides in strengthening our end-to-end therapeutic drug discovery capabilities through scientific enhancements. Now with over 900 scientists in Hyderabad, we have not only expanded our Discovery Chemistry operations, but also installed a fully automated compound management system.

We also invested in improving our operational effectiveness, including establishing both a catalyst screening facility and a centre of excellence for biology screening in Bangalore. Furthermore, we launched a virtual reality-based learning experience for new employees, with a focus on safety.

Our investment in automation was recognized with two Gold Awards for Low-Cost Automation at the 7th Confederation of Indian Industry. We remain committed to leveraging the latest scientific and technological advancements in our efforts in drug discovery and development.

Development and Manufacturing Services

Development Services delivered sustained performance during the year. Growth was predominantly driven by repeat orders from existing clients, as well as an increase in the number of collaborations with emerging biopharmaceutical companies.

A key operational milestone was the completion of the construction of a state-of-the-art sterile fill-finish facility. The GMP-compliant facility will offer end-to-end solutions in developing and manufacturing small and large-molecule injectables to support the delivery of clinical supplies.

In Formulation Development, while bringing innovation to the workplace, the team has proven expertise in developing hard and soft chew palatable oral solid dosage forms for companion animals. Novel combination products with four to five drug substances were developed and manufactured. Similar innovation was demonstrated in developing an injectable solution to treat age-related macular degeneration (AMD) using novel biodegradable polymer nanoparticles – a novel drug delivery system.

In Chemical Development, the team strengthened its technical capabilities in developing complex chemistries and extended its capabilities in manufacturing oligonucleotides, polymers, and highly potent drug substances. In-house expertise was developed to design and prepare complex polymers to link the biologically active cytotoxic payload or drug payload and monoclonal antibody to develop Antibody Drug Conjugates (ADC).

Quality, Compliance, and Safety remained the prime focus areas for operational execution in Development Services, which have helped build customer confidence and sustained partnership.

In Manufacturing Services our Biologics division achieved significant milestone by signing of a 10- year agreement with leading animal health company, Zoetis, to manufacture the drug substance for Librela® (bedinvetmab), a first in class monoclonal antibody used for treating osteoarthritis in dogs. Significant regulatory milestones were achieved by successfully clearing GMP audits by US Food and Drug Administration

(USFDA), European Medicines Agency (EMA) and Medicines and Healthcare products Regulatory Agency (MHRA) as part of commercial drug substance manufacturing of Librela®.

As part of our efforts to develop new capabilities, we successfully developed and transferred processes for GMP manufacturing for mRNA-based product therapies. These products are part of products related to Advanced Therapy Medicinal Products (ATMP) from microbial platforms.

Enabling Functions

The Quality function supported the drive to be 'Anytime Audit Ready' in all operations. Aligned with this focus, continued investments in digitization reduce the impact of human error and increase the ability to audit quality and other processes. Productivity, quality, and compliance dashboards, based on data captured using Electronic Lab Notebooks, are now available.

Across all operations, the commitment to continuous improvement ensured that operations are compliant, and a lean quality control program was implemented to make laboratories more efficient. As a result, downtime of instruments was reduced and productivity was increased.

Successful completion of the USFDA, EMEA and MHRA audit of Biologics manufacturing facility is a testimony of Syngene's quality systems and processes.

Information technology has been helping in transforming Syngene's operations and driving business outcomes by leveraging digital technologies. In Discovery services we have completed the transition from paper-based lab notebooks to electronic lab notebooks. The Company is also in the process of digitizing its warehouse operations with a combination of QR codes and handheld devices that will enable digital mode of handling all inventory transactions within the warehouse on a real-time basis in Development and Manufacturing operations. During the year, QR codes were implemented for Chemical development. Syngene entered pharma 4.0 journey by implementing eBMR (paper on glass) across its development and manufacturing Services. Electronic batch manufacturing records (eBMRs) will help track and monitor production process throughout manufacturing. eBMRs capture data in real time, improve the compliance by minimizing data entry errors, and reduce the batch release cycle.

The Company continued to invest in creating a differentiated customer experience through its project management platform, Synpro. Even as the core project management function was strengthened, more than 800 employees across technical and non-technical functions were trained in the basics of project management. A high level of QUOTIF (quality on-time in-full) performance was effectively sustained.

Strategic sourcing has continued to play a pivotal role in fulfilling the Company's diverse procurement needs. The Company was able to demonstrate resilience against global disruptions by harnessing its multi-geographical supplier base. The efforts towards increasing local sourcing in small molecule discovery and development businesses have started producing favorable results in lead time improvement for raw material delivery. In a brief period, the Company has been able to streamline its raw material delivery plans through robust supplier management practices for the manufacturing services with the inception of the Zoetis engagement.

At Syngene, Operational excellence is a way of working. This year, the organization achieved significant milestones across various elements of operational excellence, including capability building, efficiency, cost and engagement. We continued to strengthen key processes of Kaizen Ideas, Why Analysis and SQDECC (Shop floor daily management process to monitor and improve safety, quality, delivery, engagement, compliance, and cost) in all areas. The SQDECC teams completed more than 300 why-why analysis this year. During the year, more than 2,500 employees completed their white belts (first level of operational excellence certification) and contributed to several Kaizens and problem solving. The organization is fully committed to drive excellence in all parts of the organization and to build the next-level journey on the foundation created.

Human Resources

Syngene's operations are delivered by a highly trained, experienced workforce, of which 88% are scientists.

During the year, the Company continued its commitment to hiring, developing, and retaining employees to ensure that it has the capabilities to scale and sustain its growth.

In addition to experienced industry hires, the Company ran virtual campaigns to attract new graduates. These new graduates constitute a significant proportion of new hires at Syngene, and the company invests in their training and development to help them get the best start in their scientific career. The Syngene Training Academy (STA) enables these staff members to develop the skills they need to operate safely and productively in a demanding, industrial science working environment. The STA encompasses both technical and behavioral training over a six-month period.

The Company's talent development plans include launching the managerial development plan for coaching managers, launching the competency development framework, employee surveys and pulses for employee engagement along with focused plans on succession planning and quarterly talent reviews. Science certification and trainings have also garnered momentum this year with continued focus for the next fiscal as well.

FY23 Financial Performance

The consolidated financial performance of the Company for FY23 (in Rs Mn) is discussed below.

Particulars	FY 23	FY 22	Change %
Total Revenue	32,638	26,570	23%
Expenses			
Cost of chemicals, reagents and consumables consumed	9,022	7,706	17%
Changes in inventories of finished goods and work-in-progress	(420)	(216)	94%
Employee benefits expense	8,417	7,181	17%
Other expenses	5,148	3,958	30%
Foreign exchange fluctuation loss/ (gain), net	418	(548)	-176%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	10,053	8,489	18%
Depreciation and amortisation expense	3,665	3,097	18%
Finance costs	452	241	88%
Profit before tax and exceptional items	5,936	5,151	15%
Exceptional items		307	-100%
Profit before tax	5,936	4,844	23%
Tax expense	1,292	886	46%
Profit for the year	4,644	3,958	17%
Other comprehensive income for the year	(972)	433	-325%

Particulars	FY 23	FY 22	Change %
Total comprehensive income for the year	3,672	4,391	-16%
Revenue from operations	31,929	26,042	23%
Earnings from operations	9,344	7,961	17%
PAT before exceptional item	4,644	4,211	10%

Revenue

During FY23, we reported a 23% growth in revenue from Rs 26,570 Mn in FY22 to 32,638 Mn. Revenue from operations, was up 23% from Rs 26,042 Mn in FY 22 to Rs 31,929 Mn in FY23. Growth was driven by solid delivery across all divisions.

Cost of materials consumed

The cost of materials consumed in FY23 increased by 15% to Rs 8,602 Mn, accounting for 27% of revenue from operations.

Adjusted for the higher proportion of materials for remdesivir sales, the material costs reflected the revenue growth and the change in business mix towards development and manufacturing services

Employee benefits expense

The employee costs for the year increased by 17.2% to Rs 8,417 Mn. The increase was in line with headcount additions and the salary increment during the year.

Other expenses

Other expenses showed a 30% increase versus the previous year. This is primarily due to cost inflation as well as an increase in business travel, sales promotion, and other overheads. Also,

power and facility costs, increased by 22% year-on-year due to inflationary pressures. During the year, we saw the benefit of our investments in renewable energy, which not only de-risked the cost of energy supply but also helped us make good progress on our environmental commitments by reducing carbon emissions. Despite an increase in total energy consumption due to the expansion of our facilities and increasing power and fuel tariffs, these investments provided us with a mechanism to mitigate cost increases.

Foreign exchange fluctuation

The Company made an exchange loss of Rs 418 Mn during FY23 as against an exchange gain of Rs 548 Mn in the previous year. Fiscal year 2023 was marked by unprecedented depreciation of Rupee against the Dollar.

The loss in FY23 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 3,665 Mn from Rs 3,097 Mn in FY22. This reflects the additional depreciation in new investments in expanding the Hyderabad facility, Biologics, and other investments across the business.

Finance costs

The Finance costs increased by 88% to Rs 452 Mn in FY23 compared to Rs 241 Mn in FY22 driven by ~100 bps increase in interest rates, exchange rate difference on foreign currency borrowings (cost increased by Rs 41 Mn) and interest component of lease liabilities on new properties taken on lease (cost increased by Rs 60 Mn). The average cost of debt was maintained at 3% p.a.

Interest coverage ratio is adequate at 14 times in FY23.

Tax expenses

Tax expenses for the year stood at Rs 1292 Mn in FY 23 in comparison to Rs 940 Mn (before exceptional items) in FY 22.

The effective tax rate increased from 18.3% in FY22 to 21.8% in FY23. This increase in effective tax rate is attributable to some of the units moving out of the SEZ tax benefit period and the revenue growth in Discovery Services from units that do not have any tax benefits.

Profitability

The Company's reported Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) in FY23 grew by

18.4% to Rs 10,053 Mn compared to Rs 8,489 Mn in FY22.

EBITDA margin for the year was at 30.8% compared to 31.9% in FY22. Other income for the period increased by 34.1% to Rs 709 Mn which was driven by an increase in the cash balance and better yields on bank deposits and on other instruments.

Excluding other income, EBITDA from operations was at Rs 9,344 Mn in FY23 compared to Rs 7,961 Mn in FY22, an increase of 17.4% YoY registering a margin of 29.3% of revenue from operations for the year as compared to 30.6% in the previous year.

Profit After Tax before exceptional items increased by 10.3% from Rs 4,211 Mn to Rs 4,644 Mn.

Profit After Tax (PAT) after exceptional items increased by 17.3% to Rs 4,644 Mn, as against Rs 3,958 Mn in FY22.

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,2023 and 31st March,2022:

Particulars	FY 23	FY 22	Change %
ASSETS			
Non-current assets			
Property, plant and equipment	23,834	21,229	12%
Capital work-in-progress	1,769	3,464	-49%
Right-of-use assets	2,169	2,188	-1%
Investment property	481	385	25%
Other intangible assets	185	126	47%
Financial assets	3,293	4,155	-21%
Deferred tax assets (net)	696	656	6%
Income tax assets (net)	1,381	1,191	16%
Other non-current assets	249	185	35%
Total non-current assets	34,057	33,579	1%
Current assets			
Inventories	3,328	1,794	86%
Financial assets	19,866	19,120	4%
Other current assets	1,059	1,145	-8%
Total current assets	24,253	22,059	10%
Total assets	58,310	55,638	5%
EQUITY AND LIABILITIES			
Equity			
Equity share capital	4,014	4,008	0%
Other equity	32,166	28,968	11%
Total equity	36,180	32,976	10%
Liabilities			
Non-current liabilities			
Financial liabilities	7,247	7,501	-3%
Provisions	437	344	27%
Other non-current liabilities	2,564	2,528	1%
Total non-current liabilities	10,248	10,373	-1%
Current liabilities			
Financial liabilities	4,659	6,233	-25%
Provisions	510	582	-12%
Current tax liabilities (net)	147	240	-39%
Other current liabilities	6,566	5,234	25%
Total current liabilities	11,882	12,289	-3%
Total equity and liabilities	58,310	55,638	5%

Non-current assets

Increase in non-current assets was primarily due to investments in tangible assets in research services towards adding lab capacity and in Biologics in augmenting support infrastructure to scale up the existing facility to deliver at full scale. Other investments were made in Development Services towards adding clinical scale Injectable Fill Finish capability amongst others.

Working Capital (Current assets, less current liabilities)

Working capital increased to Rs 12,372 Mn in FY23 from Rs 9,770 in FY22. This Increase was primarily due to increase in inventory levels by Rs 1,534 Mn to ensure that there is no disruption in client deliveries due to supply chain delays and to support holding of long lead time materials in case of biologics.

Equity share capital

The Company's equity share capital comprises of approximately 400 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 11% in FY 23 as a result of the accumulation of profits earned during the year and the movement in items of other comprehensive income.

Non-current liabilities

Non-current liabilities include:

Long-term borrowings in the form of an External Commercial Borrowing (ECB) facility of USD 50 Mn and Foreign Currency Term

Loan (FCTL) facility of USD 20 Mn to fund the capital expenditure of the Company. Deferred revenues relating to assets funded by third parties that are to be amortized over the useful life of the assets/period of contract to Other operating Income.

The debt: equity ratio of the Company as on 31 March 2023, improved to 0.16 as compared to 0.24 as on 31 March 2022 due to repayment of borrowings.

Net Cash position:

Taking into account of investments in inter-corporate deposits with financial institutions, deposits with banks, cash and cash equivalents and investments in overnight mutual funds, the Company is net cash positive as of 31 March 2023. The net cash position increased from Rs 7,325 Mn as of 31st March 2022 to Rs 9,561 Mn as of 31st March 2023.

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 6,219 Mn as of 31 March 2023 in comparison with Rs 5,478 Mn as of 31 March 2022. The above includes Income tax disputes of Rs. 4,857 Mn (FY10 to FY18) and Rs 1,349 Mn pertaining to FY21 while the assessment orders for FY19, FY20, FY22 are 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 owners in addition to providing a quarterly update on the mitigation status, also leads a full risk review once a year with the Board committee.

Syngene's Enterprise Risk Management framework is aligned to SEBI regulations and risks have been categorized into sectoral, operational, sustainability/ESG, financial, information/cyber security risks. In line with strategy and its success factors 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 mitigations 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	<p>Commercial execution focusing on gaining new logos has reduced dependence on any single customer.</p> <p>The Company endeavors to strengthen partnerships with largest customers by establishing long-term contractual arrangements that enable deepening the relationship driving longevity and interdependency.</p> <p>Customer centricity is at the core of the company values and several initiatives have been rolled out focusing on performance management, customer engagement, and process simplification, to further improve the satisfaction.</p>
2	<p>Risk arising from failure to keep pace with emerging client technology requirements</p> <p>Scientific research is fast evolving with new and innovative technologies driving product innovation and new therapeutic approaches. Improved digital and computational capabilities are also transforming the speed and effectiveness of discovery research. Syngene's clients operate at the leading edge of innovation. For these companies, part of the attraction of working with a CRO is having access to the latest skills and technology.</p>	<p>Board level Science and Technology committee and council established during the year met 4 times to review and provide inputs on technology advancements.</p> <p>Over recent years, the Company has invested in technologies like artificial intelligence, new science, automation, and capability expansion to be able to offer the latest technology offerings to its customers.</p>
3	Risk arising from not being aligned with clients' sustainability goals thereby getting excluded from clients' consideration.	Initiated the process to determine science-based -targets and ensure delivery across operations to meet required annual emission reduction targets.

Risks		Risk mitigation actions
	Operational Risks	
4	<p>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.</p> <p>Syngene has expanded into contract manufacturing over the recent years. Large molecule manufacturing is an important pillar of Syngene’s manufacturing strategy, and the Company has made investments in mammalian and microbial facilities to manufacture large molecule drug substance.</p>	<p>Entered into a 10-year agreement with Zoetis Inc., a leading animal health company for biologics commercial manufacturing.</p> <p>Successfully completed the USFDA, EMEA and MHRA audits of Biologics manufacturing facility that enables the execution of the long-term collaboration with Zoetis.</p> <p>The company is committed to make continuous investments in adding capacity and capabilities to meet the increasing demand and capture its share of growth in biologics market.</p>
5	<p>Risk arising from failed execution of the Integrated Drug Discovery (IDD) strategy</p> <p>The ability to offer IDD is important to clients who choose to operate within an asset light model and consequently prefer to outsource the full drug discovery value chain to a contract research partner. Many venture capital funded biotech companies take this approach and increasingly larger biopharma companies are also accessing this model to retain a flexible approach to capital investment.</p>	<p>Extensive investment in building capabilities and leadership across strategic, scientific and program management organization to ensure successful execution of IDD programs.</p> <p>Commercial strategy with a well-rounded plan for client engagement to ensure portfolio and revenue growth.</p>
6	<p>Risks arising from ineffective execution of projects across development services</p>	<p>Implementation of effective project management framework through SynPro tool enabling delivery of client projects measured through Quality, Ontime In Full metric indicating client satisfaction.</p> <p>Continuous efficiency improvement programs and enhanced operational integration for sustained delivery of projects.</p>
7	<p>Risk arising from inability to establish a world class, global sales/marketing/ commercial operation.</p> <p>Syngene’s customers are located across the globe, with the majority in North America, Europe, and Japan. An effective, close to the customer, commercial organization is required to ensure the Company can build and maintain the right level of relationships with current and new customers.</p>	<p>Established global sales team with seasoned leaders in important markets around the world has brought the company closer to its clients, which has improved customer engagement, made access easier, and increased responsiveness.</p> <p>Efforts continue to simplify and improve processes across all customer touch points.</p>
8	<p>Risk arising from inadequate infrastructure planning and execution</p> <p>Syngene’s discovery, development and manufacturing units require investment in state-of-the-art infrastructure to support growth. Failure to deliver the infrastructure in time risks our ability to deliver planned growth.</p>	<p>Infrastructure requirement both short term and long term are periodically reviewed via a company-wide, executive level infrastructure committee, led by the Chief Operating Officer.</p> <p>Infrastructure planning is a key element of the annual planning process, and the capex budget provides for infrastructure expansion as outlined in our 5-year plan.</p>
9	<p>Risk arising from inadequate execution of the API manufacturing strategy.</p>	<p>Syngene has invested in a state-of-the-art USFDA and EMA compliant manufacturing facility with cGMP operations, systems and processes.</p> <p>Pathway for obtaining key regulatory approvals in place.</p> <p>Developing a clear customer proposition and global sales and marketing capability to increase capacity utilization</p>

	Risks	Risk mitigation actions
10	<p>Risk arising from inadequate project management leading to project delays, client dissatisfaction and loss of business.</p> <p>As one part of a complex value chain, customer projects must be delivered at the right level of quality and within committed time frames. This requires an effective company-wide program management capability to ensure on-time, to quality, operations.</p>	<p>Investments in establishing a highly experienced, highly capable program management capability, supported by investments in technology and staff training is delivering consistent and competent project management across organization.</p> <p>Capability upgrade and institutionalized changes has resulted in progressively improving delivery thereby improving customer satisfaction.</p>
11	<p>Risk arising from inability to attract, train and retain a skilled workforce</p>	<p>Syngene's operations are delivered by a highly trained, experienced workforce, of which 87% are scientists.</p> <p>During the year, the Company continued its commitment to hiring, developing and retaining employees to ensure that it had the capabilities to scale and sustain its growth.</p> <p>In addition to experienced industry hires, the Company ran campaigns and collaborated with universities and institutions to attract new graduates. These new graduates constitute a significant proportion of new hires at Syngene.</p> <p>Company invests in training and development of fresh hires to help them get the best start in their scientific career.</p> <p>The Syngene Training Academy (STA) enables these staff to develop the skills they need to operate safely and productively in a demanding, industrial science working environment. The STA encompasses both technical and behavioral training over a six-month period.</p> <p>Company wide management development program undertaken to develop leadership skills among employees</p> <p>The Company is committed to providing equal opportunity and offering fair pay to all employees and regularly undertakes salary benchmarking and calibration to ensure pay and reward levels are competitive within the labor markets we operate in.</p>
12	<p>Risk arising from disruption in operations caused by shortage of water</p> <p>Water is a key input for many of Syngene's processes and consequently the company places a high degree of focus on ensuring that we manage this scarce precious resource with care.</p>	<p>The company has implemented a combination of strategies to ensure sufficient water supply for all of its operating plants. These strategies include extensive recycling of used water, rainwater harvesting, building on-site water tanks to offset any interruptions in external supplies.</p> <p>In line with its sustainability objectives, the company has invested in new methods for reducing water use and has already achieved a 40% reduction in freshwater demand.</p> <p>Syngene distributes its operations across multiple geographies as a mitigation strategy to address resource disruption in any one location.</p>

	Risks	Risk mitigation actions
13	<p>Risk arising from failure to adhere to Standard Operating Procedures (SOP) and meet industry compliance and operating norms</p> <p>Biopharma, and more broadly life-science operations, are highly regulated and require a high attention to consistent output quality. Standard Operating Processes must be well understood and followed with no deviation across all applicable aspects of operations.</p>	<p>Institutionalized a sophisticated industry and regulatory standard SOP framework with staff undergoing periodic training and testing on SOPs.</p> <p>Operational adherence monitoring through line management supported by a digital platform.</p> <p>SOPs are constantly upgraded to meet Industry compliance and operating norms.</p>
14	<p>Risk arising from lack of inventory planning and management leading to material wastage, delays in project execution and higher costs of operations</p>	<p>Increased focus on reducing inventory days through materials and operations planning with the help of methods and processes.</p> <p>Sales Inventory & operating process enables need based ordering of materials to manage inventory levels.</p>
15	<p>Risk arising from inability to ensure adequate management of safety hazards within operations.</p> <p>Syngene operations have inherent risks associated with dealing with hazardous chemicals and sensitive biological entities.</p> <p>Additional operational safety hazards include factors such as working with heavy engineering, working at height and working with heat.</p>	<p>Safety is of prime focus within the organization and has now been established as the fourth value organization wide. Several measures have been taken to inculcate safety culture and establish a “safety first” mindset from their first day of employment and throughout their tenure with the company.</p> <p>A company-wide safety program KAVACH is followed that provides a safety vision and mission integrated with Syngene values. It includes a governance framework that tracks change in mindset and behaviors through multi-tier safety council meetings.</p> <p>Safety consciousness is driven through communication campaigns and is reinforced through strictly monitored safety operating protocols.</p> <p>Near miss reporting is encouraged and learnings are discussed and shared across the organization.</p>
16	<p>Risk arising from disruption in the global supply chain leading to delayed delivery of client projects</p> <p>An effective, reliable supply chain is important to company operations.</p> <p>Any adverse developments impacting supply chain operations, such as a global pandemic, or geopolitical events can result in supply chain disruption thereby impacting our ability to deliver operations which in turn can adversely impact customers.</p>	<p>Building resilience in sourcing and logistics has been a priority over recent years driving investment in global category management processes and development of a broader array of global supply and logistics partners.</p> <p>Creating a vendor partner network along with other industry players to develop local ecosystem that can supplement the global sourcing.</p>
17	<p>Risk arising from failure to uphold high standards of business integrity and ethics</p>	<p>Our Anti-bribery and Anti-Corruption (ABAC) policy applies to all employees and partners, with a structured program of communication and annual training refreshers to ensure that it is widely understood.</p> <p>In addition, all vendors must meet the company’s ABAC compliance standards and receive training during onboarding and periodic refreshers.</p> <p>ABAC compliance is a core part of governance reviews, and all active vendors have undergone ABAC compliance verification program</p>

	Risks	Risk mitigation actions
18	Risk arising from non-compliance with Environmental / Health/Safety regulations	<p>Syngene monitors all regulations related to environment, health, and safety through a governance process to ensure compliance at all times.</p> <p>The compliance assurance process is facilitated by an internal portal and supported by a specialized legal and regulatory help desk.</p> <p>The day-to-day monitoring of compliance is managed by a team of EHSS professionals, who conduct Gemba safety walks as part of the continuous improvement process to scrutinize compliance regularly.</p>
	Financial Risks	
19	Risk arising from adverse outcomes relating to tax positions	<p>The company takes a cautious stance towards tax planning and makes its tax decisions based on the input of several tax experts to ensure compliance with tax laws and regulations.</p> <p>If necessary, the company has the right to contest adverse tax rulings and seek guidance from professional advisors as needed</p>
20	Risk arising from non-compliance with laws due to inadequate governance framework for regulatory compliance management and reporting	<p>We have made significant investments in implementing an all-inclusive process for monitoring and managing compliance.</p> <p>This process is supported by a cutting-edge digital platform and advice from specialized experts.</p> <p>To facilitate easy access to expert advice and stay up to date with legal and regulatory requirements, the company has established a dedicated legal and regulatory help desk.</p> <p>Additionally, third-party audits are conducted periodically to assess the effectiveness of the company's compliance governance.</p>

Risks		Risk mitigation actions
	Information/Cyber Security Risks	
21	Risk arising due to failure to comply with data privacy and confidentiality requirements related to personal and client data	<p>Our company has established a data privacy policy that is designed to comply with the best industry standards and global regulations on data privacy.</p> <p>To ensure compliance with the policy, a governance framework has been implemented to maintain records of data privacy.</p> <p>Furthermore, a comprehensive communication and training program has been established to educate all employees about the policy.</p>
22	Risk arising from inadequate cybersecurity controls leading to loss of data	<p>The company has implemented a multi-layered cyber security approach using top-notch solutions to prevent cyber-attacks. This framework is regularly reviewed and upgraded to keep pace with emerging threats.</p> <p>To ensure effective management of cybersecurity, the company has established governance based on international standards such as ISO27001, and it conducts regular vulnerability assessments to stress test the system.</p> <p>In addition, the company has launched a continuous education and awareness program for employees to increase their knowledge of cyber threats and phishing risks.</p>
23	<p>Risk arising from failure to timely implement the identified digital initiatives as per IT strategy leading to an adverse impact on future growth</p> <p>Digitization across core operations and enabling functions has been undertaken to improve productivity, improve processes and increase data-based analytics and control capabilities.</p> <p>Failure to keep to timeline on implementation of digital initiatives may adversely impact operations.</p>	<p>Several key digital initiatives have been implemented organization wide as per the approved IT strategy of the company.</p> <p>Focus areas of Syngene’s digital program includes Digitization of all transactional processes, automation, integration of process flows, deep data analytics capabilities.</p> <p>Governance and periodic reviews in place to monitor the implementation of various IT programs</p>

ESG

Syngene is committed to delivering shared value to all stakeholders and reporting transparently on its progress annually according to the standards defined by the Global Reporting Initiative and the Sustainability Accounting Standards Board.

The Company has established an Environment, Social, and Governance (ESG) framework which is led by the Executive ESG Council under the oversight of the Stakeholder and ESG Committee of the Board. The focus for activity is on material issues identified through a process of stakeholder engagement in 2021 including:

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; cybersecurity; supply chain; digitization

The company recently published its 2022 ESG report, highlighting initiatives and achievements related to environmental, social, and governance topics. Rating agency, MSCI has rated Syngene as BBB among 252 companies in the sector for its ESG performance.

During the year, the Company has continued to invest in renewable energy sources while taking steps to reduce consumption. While the absolute volume of water being used has increased due to the change in mix of operations, the proportion of water being recycled and reused has doubled since the prior year to 40%.

The Company has established a green chemistry capability which offers clients the opportunity to reduce process costs while benefitting the planet. Importantly, the Company has also become a signatory to the United Nations Global Compact (UNGC) which includes the commitment to report annually on its progress in advancing the 10 principles of the UNGC in its operations.

To raise ESG standards and increase the resilience of its supply chain, the Company has implemented ESG screening for vendors in addition to requiring compliance with the Supplier Code of Conduct and completion of mandatory anti-bribery, anti-corruption training.

The company's ESG Council, comprising the Managing Director & Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Human Resources Officer, and Head of Corporate Affairs, has reviewed proposed 5-year environmental targets and made a commitment to address impact on climate change by submitting science-based targets in the year ahead. The targets for social factors as well as plans to manage cybersecurity and digitization will be reviewed during the next fiscal year.

For more details on the company's ESG practices, performance, metrics, and targets, the ESG Report 2021-22 is available on the Syngene website or by following this link: Syngene (syngeneintl.com).

Internal Controls

A robust internal control mechanism is a prerequisite to ensure that an organization functions ethically, complies with all legal and regulatory requirements and observes the generally accepted principles of good corporate governance. It is an extension of the overall corporate risk management framework as well as is an integral part of the accounting and financial reporting process.

Syngene's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. The control mechanism provides for well documented policies/guidelines, authorizations, and approval procedures to ensure the orderly and efficient conduct of its business. This includes adherence to Company's policies, safeguarding of its assets, the prevention and detection of frauds and errors, ensuring the accuracy and completeness of the accounting records and the timely preparation and presentation of reliable financial information. The Company believes that its experienced and qualified employees play a key role in fostering an environment in which controls, assurance, accountability, and ethical behaviour are accorded high importance.

The Company has engaged Ernst & Young LLP to carry out internal audit of its activities on a periodic basis. The internal auditors also provide an objective view and reassurance of the internal controls as well as simultaneously auditing transactions. They report directly to the Audit Committee of the Board, which ensures process independence. The Audit Committee, comprising of Independent Directors, reviews the adequacy and efficacy of the internal controls, as well as the effectiveness of the risk management process across the Company.

Cautionary Statement

The Management of Syngene has prepared and is responsible for the financial statements that appear in this report. These statements conform to the accounting principles generally accepted in India and include amounts based on informed judgments and estimates. Syngene's projections, estimates and expectations described in this report should be interpreted as 'forward-looking statements' that can be impacted by various internal and external risks. Risks associated with market, strategy, technology, operations, and stakeholders can significantly impact the business and the actual results may differ substantially or materially from those expressed or implied.

Independent Auditor's Report

To the Members of Syngene International Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Syngene International Limited (the "Company") and its employee welfare trust, which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (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 2023, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Financial instruments – Hedge accounting

Refer Note 2(a) and 28 to the standalone financial statements

The key audit matter

The Company enters into forward, option and interest rate swap contracts to hedge its foreign exchange and interest rate risks. Foreign exchange risks arise from sales to customers as significant part of its revenues are denominated in foreign currency with most of the costs denominated in Indian Rupees (INR). Foreign exchange risks also arise from foreign currency borrowings. The interest rate risks arise from the variable rate of interest on its foreign currency borrowings.

The Company designates a significant portion of its derivatives as cash flow hedges of highly probable forecasted transactions. Derivative financial instruments are recognized at their fair value as of the balance sheet date on the basis of valuation report obtained from third party specialists. Basis such valuations, effective portion of derivative movements are recognized within equity.

These matters are of importance to our audit due to complexity in the valuation of derivative contracts and complex accounting and documentation requirements under Ind AS 109: "Financial Instruments".

How the matter was addressed in our audit

Our audit procedures in relation to hedge accounting include the following, amongst others:

- Tested the design and operating effectiveness of the Company's controls around hedge accounting;
- We involved valuation specialists to assess the fair value of the derivatives by testing sample contracts;
- We analyzed critical terms (such as nominal amount, maturity and underlying) of the hedging instrument and the hedged item to assess they are closely aligned;
- We analysed the estimate of highly probable forecasted transactions and tested the impact of ineffective hedges, if any ; and
- We verified the accounting of derivative financial instruments including the effects on equity and earnings.

*Independent Auditor's Report (Continued)***Taxation**

Refer Note 2(m), 30 and 31 to standalone financial statements

The key audit matter

The Company's operations are majorly based out of units registered as Special Economic Zone (SEZ) and Export Oriented Unit (EOU). Accordingly, the Company enjoys certain deductions/benefits with respect to payment of income-tax and other indirect taxes, some of which are subject matters of dispute with tax authorities.

The Company periodically assesses its tax positions, which include examination by the external tax consultant and tax counsels appointed by the Company.

Judgment is required in assessing the range of possible outcomes for some of these tax matters. These judgements could change over time as each of the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents.

The Company makes an assessment to determine the outcome of these uncertain tax positions and decides to make an accrual or consider it to be a possible contingent liability. Where the amount of tax liabilities are uncertain, the Company recognises accruals which reflect its best estimate of the outcome based on the facts known as at the reporting date. Accordingly, we focused on this area.

How the matter was addressed in our audit

Our audit procedures in relation to taxation include the following, amongst others:

- Tested the design and operating effectiveness of the Company's controls around the tax computation and assessment of uncertain tax positions;
- We obtained an understanding of the key uncertain tax positions based on list of ongoing litigations and tax computations for the current year;
- We analysed select key correspondences with the tax authorities to identify any additional uncertain tax positions;
- We analysed Company's judgment regarding the eventual resolution of matters with various tax authorities. In this regard, we understood how Company has considered past experience, where available, with the tax authorities in the respective jurisdictions;
- We considered external legal opinions and consultations made by the Company for key matters during current and past periods ; and
- We used tax specialists to assess the key assumptions made by the Company.

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 and 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.

Independent Auditor's Report (Continued)

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

- a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 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.

Independent Auditor's Report (Continued)

- 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 its 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 its 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 44(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. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Sampad Guha Thakurta

Partner

Membership No.: 060573

ICAI UDIN:23060573BGYNDF3376

Place: Bengaluru

Date: 26 April 2023

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Syngene International Limited for the year ended 31 March 2023

(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.
- (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) The 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 not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made 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.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements (continued)

- (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 manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into Goods and Services Tax ("GST").

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Employees' State Insurance, Income-Tax, Goods and Services Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited by the Company with the appropriate authorities, though there have been delays in provident fund due to timely availability of Universal Account Number / Aadhar Number in respect of certain employees.

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 Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements (continued)

- (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 Act, 1961	Income Tax	292	273	2009 – 10 to 2010 – 11	Assessing Officer
Income Tax Act, 1961	Income Tax	5,913	812	2008 – 09, 2011 – 12 to 2020 – 21	Commissioner of Income-tax (Appeals) (CIT(A))
Finance Act, 1994	Service Tax (including interest)	11	-	2009 – 14	Customs, Excise and Service Tax Appellate Tribunals

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its 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.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements (continued)

- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements (continued)

- (xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.
- (b) The Company has not transferred the amount remaining unspent in respect of ongoing projects, to a Special Account till the date of our report. However, the time period for such transfer i.e. thirty days from the end of the financial year as permitted under the sub-section (6) of Section 135 of the Act, has not elapsed till the date of our report.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Sampad Guha Thakurta

Partner

Membership No.: 060573

ICAI UDIN:23060573BGYNDF3376

Place: Bengaluru

Date: 26 April 2023

Annexure B to the Independent Auditor's Report on the standalone financial statements of Syngene International Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Syngene International Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by 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.

Annexure B to the Independent Auditor's Report on the Standalone Financial Statements (continued)

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Sampad Guha Thakurta

Partner

Membership No.: 060573

ICAI UDIN:23060573BGYNDF3376

Place: Bengaluru

Date: 26 April 2023

Standalone Balance Sheet

As at March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

	Note	31 March 2023	31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3 (a)	21,403	21,229
Capital work-in-progress	3 (a)	1,262	3,464
Right-of-use assets	3 (b)	558	2,188
Investment property	3 (c)	481	385
Other intangible assets	4	158	126
Financial assets			
(i) Investments	5(a)	1,164	2,706
(ii) Derivative assets		841	1,249
(iii) Other financial assets	6(a)	1,358	203
Deferred tax assets (net)	7	795	651
Income tax assets (net)		1,368	1,186
Other non-current assets	8(a)	249	185
Total non-current assets		29,637	33,572
Current assets			
Inventories	9	3,328	1,794
Financial assets			
(i) Investments	5(b)	8,244	7,638
(ii) Trade receivables	10	4,844	5,082
(iii) Cash and cash equivalents	11(a)	721	2,590
(iv) Bank balances other than (iii) above	11(b)	4,372	2,561
(v) Derivative assets		460	842
(vi) Other financial assets	6(b)	629	384
Other current assets	8(b)	955	1,145
		23,553	22,036
Assets classified as held for sale	42	5,290	-
Total current assets		28,843	22,036
Total assets		58,480	55,608

Standalone Balance Sheet

As at March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

	Note	31 March 2023	31 March 2022
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12 (a)	4,014	4,008
Other equity	12 (b)	32,175	28,912
Total equity		36,189	32,920
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13(a)	4,890	5,315
(i)(a) Lease liabilities	34	513	2,102
(ii) Derivative liabilities		215	84
Provisions	14(a)	417	344
Other non-current liabilities	15(a)	2,564	2,528
Total non-current liabilities		8,599	10,373
Current liabilities			
Financial liabilities			
(i) Borrowings	13(b)	863	2,581
(i)(a) Lease liabilities	34	120	218
(ii) Trade payables	16		
total outstanding dues of micro and small enterprises		166	34
total outstanding dues of creditors other than micro and small enterprises		2,438	2,319
(iii) Derivative liabilities		377	8
(iv) Other financial liabilities	17	438	1,098
Provisions	14(b)	481	582
Current tax liabilities (net)		127	240
Other current liabilities	15(b)	6,563	5,235
		11,573	12,315
Liabilities associated with assets classified as held for sale	42	2,119	-
Total current liabilities		13,692	12,315
Total equity and liabilities		58,480	55,608

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached
for **B S R & Co. LLP**

Chartered Accountants
Firm Registration No: 101248W/W-100022

Sampad Guha Thakurta
Partner
Membership number: 060573

Bengaluru
April 26, 2023

for and on behalf of **Board of Directors of Syngene International Limited**

Kiran Mazumdar Shaw
Chairperson
DIN: 00347229

Sibaji Biswas
Chief Financial Officer

Bengaluru
April 26, 2023

Jonathan Hunt
Managing Director and Chief Executive Officer
DIN: 07774619

Priyadarshini Mahapatra
Company Secretary
FCS Number: F8786

Standalone Statement of Profit and Loss

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

	Note	Year ended 31 March 2023	Year ended 31 March 2022
Income			
Revenue from operations	18	31,935	26,014
Other income	19	709	528
Total income		32,644	26,542
Expenses			
Cost of chemicals, reagents and consumables consumed	20	9,022	7,706
Changes in inventories of finished goods and work-in-progress	21	(420)	(216)
Employee benefits expense	22	8,122	6,978
Finance costs	23	452	241
Depreciation and amortisation expense	24	3,591	3,097
Other expenses	25	5,450	4,160
Foreign exchange fluctuation loss/ (gain), net		418	(548)
Total expenses		26,635	21,418
Profit before tax and exceptional items		6,009	5,124
Exceptional items	35	-	(307)
Profit before tax		6,009	4,817
Tax expense			
Current tax	30	1,047	829
Deferred tax			
MAT credit entitlement		109	47
Other deferred tax		123	3
Total tax expense		1,279	879
Profit for the year		4,730	3,938
Other comprehensive income			
(i) Items that will not be reclassified subsequently to profit or loss			
Re-measurement on defined benefit plans and equity instruments		170	104
Income tax effect		(37)	(26)
(ii) Items that will be reclassified subsequently to profit or loss			
Effective portion of gains/(losses) on hedging instrument in cash flow hedges		(1,444)	515
Income tax effect		339	(160)
Other comprehensive income for the year, net of taxes		(972)	433
Total comprehensive income for the year		3,758	4,371
Earnings per equity share			
	37		
Basic (in Rs)		11.81	9.89
Diluted (in Rs)		11.72	9.77

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

Firm Registration No: 101248W/W-100022

Sampad Guha Thakurta

Partner

Membership number: 060573

Bengaluru

April 26, 2023

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April 26, 2023

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Managing Director and Chief Executive Officer

DIN: 07774619

Priyadarshini Mahapatra

Company Secretary

FCS Number: F8786

Standalone Statement of Changes In Equity

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

(A) Equity share capital

	31 March 2023	31 March 2022
Opening balance	4,008	4,000
Issue of shares during the year	6	8
Closing balance	4,014	4,008

(B) Other equity [refer note 12(b)]

Particulars	Reserves and surplus						Items of other comprehensive income			Total other equity
	Securities premium	Treasury shares	Retained earnings	Special Economic Zone (SEZ) reinvestment reserve	Share based payments	Cash flow hedging reserves	Other items of other comprehensive income			
Balance as at 1 April 2021	1,445	(32)	21,795	-	769	(111)			24,183	
Profit for the year	-	-	3,938	-	-	-	-	-	3,938	
Other comprehensive income, net of tax	-	-	-	-	-	78	-	-	433	
Total comprehensive income for the year	-	-	3,938	-	-	78	-	-	4,371	
Transactions recorded directly in equity										
Exercise of share options	266	-	-	-	(266)	-	-	-	-	
Purchase of treasury shares	-	(9)	-	-	-	-	-	-	(9)	
Share based payment	-	-	(1,500)	-	367	-	-	-	367	
Transfer to SEZ reinvestment reserve	-	-	1,500	1,500	-	-	-	-	-	
Transfer from SEZ reinvestment reserve	-	-	(1,500)	(1,500)	-	-	-	-	-	
Balance as at 31 March 2022	1,711	(41)	25,733	-	870	(33)	672	(133)	28,912	
Profit for the year	-	-	4,730	-	-	-	(1,105)	133	4,730	
Other comprehensive income, net of tax	-	-	-	-	-	-	(1,105)	133	(972)	
Total comprehensive income for the year	-	-	4,730	-	-	-	(1,105)	133	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	-	628	(433)	(1,105)	100	32,175	

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants
Firm Registration No: 101248WW-100022

Sampad Guha Thakurta

Partner
Membership number: 060573

Bengaluru

April 26, 2023

for and on behalf of **Board of Directors of Syngene International Limited**

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April 26, 2023

Jonathan Hunt

Managing Director and Chief Executive Officer
DIN: 07774619

Priyadarshini Mahapatra

Company Secretary
FCS Number: F8786

Standalone Statement of Cash Flows

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
I Cash flows from operating activities		
Profit for the year	4,730	3,938
<i>Adjustments to reconcile profit after tax to net cash flows</i>		
Depreciation and amortisation expense	3,591	3,097
Loss on assets scrapped	75	20
Exceptional item	-	307
Provision for doubtful receivables	(17)	46
Bad debts written off	10	-
Share based compensation expense	214	367
Interest expense	344	175
Unrealised foreign exchange loss	245	224
Net gain on sale of current investments	(106)	(63)
Proceeds from insurance company	-	105
Interest income	(603)	(465)
Tax expenses	1,279	879
Operating profit before working capital changes	9,762	8,630
Movements in working capital		
Decrease/ (increase) in inventories	(1,534)	(1,198)
Decrease/ (increase) in trade receivables	71	(379)
Decrease/ (increase) in other assets	(791)	(787)
Increase/ (decrease) in trade payables, other liabilities and provisions	2,213	598
Cash generated from operations	9,721	6,864
Income taxes paid (net of refunds)	(1,337)	(1,042)
Net cash flow generated from operating activities	8,384	5,822
II Cash flows from investing activities		
Payment for acquisition of business, net of cash acquired	(182)	-
Purchase of property, plant and equipment	(5,214)	(4,753)
Purchase of other intangible assets	(117)	(2)
Investment in equity shares	(249)	(49)
Investment in bank deposits and inter corporate deposits	(11,282)	(22,460)
Redemption/ maturity of bank deposits and inter corporate deposits	8,759	21,571
Interest received	540	263
Proceeds from sale of current investments	17,169	21,460
Purchase of current investments	(16,306)	(22,145)
Net cash flow used in investing activities	(6,882)	(6,115)
III Cash flows from financing activities		
Proceeds/ (repayments) of short term borrowings, net	(2,581)	(58)
Repayment of lease liabilities, net	(76)	(80)
Dividend paid	(401)	-
Interest paid	(344)	(175)
Net cash flow used in financing activities	(3,402)	(313)

Standalone Statement of Cash Flows

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

	Year ended 31 March 2023	Year ended 31 March 2022
IV Net increase/ (decrease) in cash and cash equivalents (I+II+III)	(1,901)	(606)
V Effect of exchange difference on cash and cash equivalents held in foreign currency	31	7
VI Cash and cash equivalents at the beginning of the year	2,590	3,189
VII Cash and cash equivalents at the end of the year (IV+V+VI)	721	2,590
Components of cash and cash equivalents as at the end of the year		
Cash on hand	- *	-
Balances with banks	721	2,290
Deposits with maturity of less than 3 months	-	300
Total cash and cash equivalents [refer note 11(a)]	721	2,590
Restricted cash balance [refer note 11 (ii)]	25	8

* Less than Rs. 0.5 million.

Change in liability arising from financing activities

	1 April 2022	Cash Flow	Foreign exchange (gain)/ loss	31 March 2023
Borrowings (including current maturities)	7,896	(2,581)	438	5,753
	7,896	(2,581)	438	5,753

	1 April 2021	Cash Flow	Foreign exchange (gain)/ loss	31 March 2022
Borrowings (including current maturities)	7,723	(58)	231	7,896
	7,723	(58)	231	7,896

Note: a) Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached for **B S R & Co. LLP**

Chartered Accountants
Firm Registration No: 101248WW-100022

Sampad Guha Thakurta
Partner
Membership number: 060573

Bengaluru
April 26, 2023

for and on behalf of **Board of Directors of Syngene International Limited**

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April 26, 2023

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DIN: 07774619

Priyadarshini Mahapatra
Company Secretary
FCS Number: F8786

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

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 2023. These standalone financial statements were authorised for issuance by the Company's Board of Directors on 26 April 2023.

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

b) Functional and presentation currency

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

c) 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, if material, their effects are disclosed in the notes to the standalone financial statements.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the 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(l), 30 and 31 — Provision for income taxes and related tax contingencies;
- Note 2(o) and 34 — Leases;
- Note 2(h) and 27 — measurement of defined benefit obligation; key actuarial assumptions; and
- Note 33 — Share based payments;

1.3 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2023 is included in the following notes:

- 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;
- Note 2(g)(i) and 28 – impairment of financial assets; and
- Note 14 and 31 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

1.4 Measurement of fair values

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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

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

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

- Note 2(a) and 28 – financial instruments;
- Note 2(c) and 3(c) – investment property; and
- Note 33 – share based payments.

2 Significant accounting policies

a. Financial instruments

i. Recognition and initial measurement

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

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

ii. Classification and subsequent measurement

Financial assets

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

- amortised cost;
- Fair Value through Other Comprehensive Income (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.

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

All financial assets not classified as measured at amortised cost 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 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.

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 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.

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 defined benefit plan is administered by a trust formed for this purpose through the Company gratuity scheme.

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

Provident Fund

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

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

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

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

iv. Share-based compensation

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

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

The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The 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, fixed price or on a sale of compounds.

In respect of contracts involving research services, in case of 'time and materials' contracts, contract research fee are recognised as services are rendered, in accordance with the terms of the contracts. 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 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 product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

The consideration received by the 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 of 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. 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. 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.

s. 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.

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 Company.

u. Recent accounting pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On 31 March 2023, MCA notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 01 April 2023, as below: The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

- Ind AS 1 – Presentation of Financial Statements: The amendments require companies to disclose the material accounting policies rather than significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.
- Ind AS 12 – Income Taxes: The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.
- Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(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 2021	703	6,141	24,541	181	606	38	32,210	2,372
Additions	-	384	3,268	11	120	1	3,784	4,875
Disposals / other adjustments	-	(5)	(178)	-	(2)	-	(185)	(3,784)
At 31 March 2022	703	6,520	27,631	192	724	39	35,809	3,464
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
Accumulated depreciation								
At 1 April 2021	-	1,063	10,348	140	318	19	11,888	-
Depreciation for the year	-	256	2,491	27	88	3	2,865	-
Disposals	-	(5)	(166)	-	(2)	-	(173)	-
At 31 March 2022	-	1,314	12,673	167	404	22	14,580	-
Depreciation for the year	-	263	2,903	17	108	4	3,296	-
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	17,082	-
Net carrying amount								
31 March 2022	703	5,206	14,958	25	320	17	21,229	3,464
31 March 2023	703	5,170	15,165	10	341	13	21,403	1,262

Notes:

- Land includes land held on lease under perpetual basis: Gross carrying amount - Rs. 661 (31 March 2022 - Rs. 661).
- Plant and equipment includes computers.
- Buildings with a gross carrying amount of Rs. 4,187 as at 31 March 2023 (as at 31 March 2022 - Rs. 4,035) have been constructed on leasehold land obtained by the Company on lease basis from Biocon Limited, the holding Company.
- Additions to property, plant and equipment includes additions related to borrowing cost amounting to Rs. 72 (31 March 2022 - Rs. 67).
- Refer note 13(i) and 13(ii) for secured borrowings obtained for Property, plant and equipment.
- 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 March 31, 2023

(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 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

31 March 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	3,092	265	70	37	3,464
	3,092	265	70	37	3,464

(i) There are no capital work-in-progress whose completion has exceeded its cost compared to its original plan as on 31 March 2023 and as on 31 March 2022.

(ii) Capital work-in-progress whose completion is overdue to its original plan:

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

31 March 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Expected Capitalisation date
Project 1	231	-	3	-	30 June 2022
Project 2	1,030	-	-	-	30 September 2022

3 (b) Right-of-use assets

	Land	Buildings	Vehicles	Total
Gross carrying amount				
At 1 April 2021	65	1,217	56	1,338
Additions	302	953	22	1,277
Disposals	-	(74)	(23)	(97)
At 31 March 2022	367	2,096	55	2,518
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
Accumulated depreciation				
At 1 April 2021	41	165	11	217
Depreciation for the year	18	92	10	120
Disposals	-	-	(7)	(7)
At 31 March 2022	59	257	14	330
Depreciation for the year	39	116	16	170
Assets classified as held for sale	-	(175)	-	(175)
Disposals	-	1	(11)	(11)
At 31 March 2023	98	199	19	313
Net carrying amount				
At 31 March 2022	308	1,839	41	2,188
At 31 March 2023	269	240	46	558

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(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 2021	84	3	1	468	556
Additions	27	13	3	11	54
At 31 March 2022	111	16	4	479	610
Additions	35	42	0	87	164
At 31 March 2023	146	58	4	566	774
Accumulated depreciation					
At 1 April 2021	6	3	1	170	180
Depreciation for the year	4	2	-	39	45
At 31 March 2022	10	5	1	209	225
Depreciation for the year	6	9	1	53	68
At 31 March 2023	16	14	2	262	293
Net carrying amount					
At 31 March 2022	101	11	3	270	385
At 31 March 2023	130	44	2	304	481

Note:

- During the year, the Company has recognised rental income of Rs. 403 (31 March 2022 : Rs. 344) in the statement of profit and loss for investment property. The fair value of investment property as at 31 March 2023 is Rs. 481 (31 March 2022 : Rs. 385).
- Investment property with a gross carrying amount of Rs. 146 (31 March 2022 : Rs. 111) have been constructed on leasehold land obtained by the Company on lease basis from Biocon Limited.
- Refer note 31 (ii) for disclosure of contractual commitments for the acquisition of investment property.

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(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 2021	376	120	496
Additions	2	-	2
Disposals	-	-	-
At 31 March 2022	378	120	498
Additions	117	-	117
Assets classified as held for sale	(38)	-	(38)
Disposals	-	-	-
At 31 March 2023	457	120	577
Accumulated amortisation			
At 1 April 2021	195	110	305
Amortisation for the year	57	10	67
Disposals	-	-	-
At 31 March 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
Net carrying amount			
At 31 March 2022	126	-	126
At 31 March 2023	158	-	158

(a) Refer note 31 (ii) for disclosure of contractual commitments for the acquisition of intangible assets.

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

5. Investments

(a) Non-current investments

	31 March 2023	31 March 2022
Unquoted equity instruments of wholly owned subsidiary at cost:		
500 (31 March 2022: 500) Equity shares of USD 100 each in Syngene USA Inc.	3	3
21,000,000 (31 March 2022: Nil) Equity shares of Rs. 10 each in Syngene Scientific Solutions Limited	210	-
1,000,000 (31 March 2022: Nil) Equity shares of Rs. 10 each in Syngene Manufacturing Solutions Limited	10	-
Unquoted equity instruments carried at fair value through other comprehensive income:		
2,020 (31 March 2022: 2,020) Equity shares of Rs. 10 each in Immuneel Therapeutics Private Limited [refer note(i) below]	323	214
4,922,663 (31 March 2022: Nil) 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 2022: 123,203) Equity shares of Rs. 100 each in Four EF Renewables Private Limited	12	12
246,406 (31 March 2022: 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 2022: Nil) Equity shares of Rs. 10 each in O2 Renewable Energy II Private Limited	9	-
0.01% 20,020 (31 March 2022: Nil) Compulsory convertible debentures of Rs. 1,000 each in O2 Renewable Energy II Private Limited [refer note(iii) below]	20	-
150 (31 March 2022: Nil) Equity shares of Rs. 10 each in Ampyr Renewable Energy Resources Eleven Private Limited	- *	-
Investments carried at amortized cost:		
Inter corporate deposits with financial institutions #	503	2,403
	1,164	2,706
Aggregate value of unquoted investments	1,164	2,706

Note:

- (i) In the year ending 31 March 2021, the Company invested Rs. 100 million in Immuneel Therapeutics Private Limited. In the year ending 31 March 2022, additional funding from external investors were received resulting in a dilution of the Company's equity interest. The gain on fair valuation from Rs. 100 million to Rs. 214 million is recognised in other comprehensive income. During the year ended 31 March 2023, the Company based on a fair valuation recorded a fair value increase in its investment carrying value by Rs. 109 million.
- (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.
- # Inter corporate deposits with financial institutions yield fixed interest rate.
- * Less than Rs. 0.5 million.

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

(b) Current investments

	31 March 2023	31 March 2022
Quoted - Investment in mutual funds at fair value through profit or Loss	1,476	2,232
Unquoted - In others - at amortised cost		
Inter corporate deposits with financial institutions *	6,768	5,406
	8,244	7,638
* Inter corporate deposits with financial institutions yield fixed interest rate.		
Aggregate book and market value of quoted investments	1,476	2,232
Aggregate value of unquoted investments	6,768	5,406

6. Other financial assets

	31 March 2023	31 March 2022
(a) Non-current		
Security deposits	108	203
Bank deposits with maturity of more than 12 months	1,250	-
	1,358	203
(b) Current		
Other receivables (refer note 26)	236	55
Interest accrued but not due	393	329
	629	384

7. Deferred tax assets (net) (refer note 30(b))

	31 March 2023	31 March 2022
Deferred tax assets		
MAT credit entitlement	1,618	1,727
Employee benefit obligations	164	152
Derivatives, net	154	-
Others	80	24
	2,016	1,903
Deferred tax liabilities		
Property, plant and equipment, investment property and other intangible assets, net	1,221	1,068
Derivatives, net	-	164
Others	-	20
	1,221	1,252
Deferred tax assets (net)	795	651

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

8. Other assets

(Unsecured considered good, unless otherwise stated)

	31 March 2023	31 March 2022
(a) Non-current		
Capital advances	154	103
Balances with statutory / government authorities	15	15
Prepayments	80	67
	249	185
(b) Current		
Advances other than capital advances	292	324
Export incentive receivables [refer note 35]	-	62
Balances with statutory / government authorities	351	477
Prepayments	312	282
	955	1,145

9. Inventories

	31 March 2023	31 March 2022
Chemicals, reagents and consumables *	2,390	1,276
Work-in-progress	733	397
Finished goods	205	121
	3,328	1,794

* includes goods in-transit Rs. Nil (31 March 2022 - Rs. 10)

10. Trade receivables

	31 March 2023	31 March 2022
Unsecured *		
Considered good	4,844	5,082
Credit impaired	83	100
	4,927	5,182
Allowance for credit losses	(83)	(100)
	4,844	5,082

* Includes receivables from related parties [refer note 26]

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

(a) Aging schedule

31 March 2023	Outstanding for following periods from due date of payment					Total
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	
Undisputed trade receivables - considered good	988	2,996	735	112	13	4,844
Undisputed trade receivables - credit impaired	-	-	33	37	13	83
	988	2,996	768	149	26	4,927

31 March 2022	Outstanding for following periods from due date of payment					Total
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	
Undisputed trade receivables - considered good	556	3,364	818	173	171	5,082
Undisputed trade receivables - credit impaired	-	-	-	-	100	100
	556	3,364	818	173	271	5,182

(b) All trade receivables are current and undisputed.

(c) Trade receivables outstanding for period above 2 years from due date of payment is Rs. Nil (31 March 2022: Rs. Nil) for the year ended 31 March 2023.

(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 2023	31 March 2022
(a) Cash and cash equivalents		
Cash on hand	- *	- *
Balances with banks (on current accounts)	721	2,290
Deposits with original maturity of less than 3 months	-	300
	721	2,590
(b) Bank balances other than above		
Deposits with maturity of less than 12 months	4,372	2,561
Total cash and bank balances	5,093	5,151

* 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. 25 (31 March 2022: Rs. 8). The restrictions are primarily on account of bank balances held under Employee Welfare Trust.

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

12(a). Equity share capital

	31 March 2023	31 March 2022
Authorised		
500,000,000 (31 March 2022: 500,000,000) equity shares of Rs 10 each (31 March 2022: Rs 10 each)	5,000	5,000
Issued, subscribed and fully paid-up		
401,434,500 (31 March 2022: 400,796,500) equity shares of Rs 10 each (31 March 2022: Rs 10 each)	4,014	4,008
	4,014	4,008

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

Equity shares	31 March 2023		31 March 2022	
	No.	Rs	No.	Rs
At the beginning of the year	400,796,500	4,008	400,000,000	4,000
Issue of shares [refer note 40]	638,000	6	796,500	8
At the end of the year	401,434,500	4,014	400,796,500	4,008

(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 2023		31 March 2022	
	No.	% holding	No.	% holding
<u>Equity shares of Rs. 10 each fully paid</u>				
Biocon Limited (holding company) [refer note (vi) below]	219,185,608	54.60%	280,974,772	70.10%

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

	31 March 2023		31 March 2022	
	No.	% holding	No.	% holding
<u>Equity shares of Rs 10 each fully paid</u>				
Biocon Limited [refer note (v) below]	219,185,608	54.60%	280,974,772	70.10%

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

(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 2023	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
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.

(viii) Shares held by promoters

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)%

Promoter Name	At 1 April 2021	Change during the year	At 31 March 2022	% of Total Shares	% change during the year
Kiran Mazumdar Shaw	15,276	-	15,276	0.00%	-
Yamini R Mazumdar	20,060	-	20,060	0.01%	-
Ravi R Mazumdar	2,120	-	2,120	0.00%	-
Dev Mazumdar	7,000	-	7,000	0.00%	-
Biocon Limited	280,974,772	-	280,974,772	70.10%	-
Biocon Employee Welfare Trust	1,301,373	(122,640)	1,178,733	0.29%	(0.03)%
	282,320,601	(122,640)	282,197,961	70.40%	(0.03)%

The Company has only one class of equity shares having a par value of Rs. 10 per share.

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

12(b). Other equity

Securities premium

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

Retained earnings

The amount represents surplus in statement of profit and loss not transferred to any reserve and can be distributed by the Company as dividends / issue of bonus shares to its equity shareholders. The amount also includes retained earnings of Syngene Employee Welfare Trust.

Treasury shares

The amount represents cost of own equity instruments that are acquired [treasury shares] by the ESOP trust and is disclosed as a deduction from other equity.

Special Economic Zone (SEZ) reinvestment reserve

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

Share based payment reserve

The Company has established share based payment plan for certain categories of employees of the Company. Also refer Note 33 for further details on these plans.

Cash flow hedging reserves

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

Other Items of other comprehensive income

Other Items of other comprehensive income represents re-measurements of the defined benefits plan.

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

13. Borrowings

	31 March 2023	31 March 2022
(a) Non-current borrowings		
Term loans from banks:		
External commercial borrowings (secured) [refer note (i) below]	3,493	3,796
Foreign currency term loan (secured) [refer note (ii) below]	1,397	1,519
	4,890	5,315
(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]	247	-
Pre shipment credit(unsecured) [refer note (iii) below]	-	2,581
	863	2,581
The above amount includes		
Secured borrowings	5,753	5,315
Unsecured borrowings	-	2,581
	5,753	7,896

Notes:

- (i) The Company had entered into external commercial borrowing agreement dated 21 September 2020 to borrow USD 50 million (Rs. 4,109) term loan facility. The facility is borrowed to incur capital expenditure at Bengaluru, Hyderabad and Mangaluru premises of the Company and was used for this specific purpose. The facility carries an interest rate of Libor + 1.30% and are to be paid in three instalments of USD 7.5 million in September 2023, USD 12.5 million in September 2024 and USD 30 million in September 2025. The facility is secured by first priority pari passu charge on fixed assets (movable plant and machinery) and second charge on current assets of the Company. The Company is compliant with the financial covenants stipulated under the agreement.
- (ii) The Company had entered into foreign currency term loan agreement dated 30 March 2021 to borrow USD 20 million (Rs. 1,644) term loan facility. The facility is borrowed to incur capital expenditure at Bengaluru, Hyderabad and Mangaluru premises of the Company and was used for this specific purpose. The facility carries an interest rate of Libor + 0.87% and are to be paid in three instalments of 15%, 25% and 60% from end of 3 years, 4 years and 5 years respectively from the date of origination. The facility is secured by first priority pari passu charge on fixed assets (movable plant and machinery) and second charge on current assets of the Company. The Company is compliant with the financial covenants stipulated under the agreement.
- (iii) The Company had obtained foreign currency denominated short term unsecured pre-shipment credit loans of Rs. 2,862 (USD 35 million) and the balance as on 31 March 2023 is Nil [31 March 2022 : Rs. 2,581 (USD 34 million)] that carries interest rate of SOFR + 40 to 60 Bps (31 March 2022: SOFR + 0.20% to +0.30%). Loan has been entirely paid during the year.
- (iv) Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 28.

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

14. Provisions

	31 March 2023	31 March 2022
(a) Non-current		
Provision for employee benefits		
Gratuity (refer note 27)	417	344
	417	344
(b) Current		
Provision for employee benefits		
Gratuity (refer note 27)	73	174
Compensated absences (refer note 27)	408	408
	481	582

15. Other liabilities

	31 March 2023	31 March 2022
(a) Non-current		
Deferred revenues	2,564	2,528
	2,564	2,528
(b) Current		
Advances from customers	5,310	4,353
Deferred revenues	743	421
Others		
- Statutory dues	172	141
- Other dues	338	320
	6,563	5,235

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

16. Trade payables

	31 March 2023	31 March 2022
Trade payables [refer note (a) below and note 26]		
Total outstanding dues of micro and small enterprises	166	34
Total outstanding dues of creditors other than micro and small enterprises	2,438	2,319
	2,604	2,353
(a) Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development Act, 2006 ("MSMED Act")		
(i) The principal amount and interest due thereon remaining unpaid to supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprise	166	34
- Interest due on above	- *	1
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	395	291
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	- *	- *
(iv) Interest accrued and remaining unpaid at the end of the year	- *	1
(v) Interest remaining due and payable in succeeding years, in terms of Section 23 of the MSMED Act, 2006	12	11

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 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 enterprises and small enterprises	1,468	622	341	7	2,438
	1,468	788	341	7	2,604

31 March 2022	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	-	34	-	-	34
Total outstanding dues of creditors other than micro and small enterprises	1,430	668	221	-	2,319
	1,430	702	221	-	2,353

(c) All trade payables are current and undisputed. The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 28.

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

17. Other financial liabilities

	31 March 2023	31 March 2022
Current		
Payable for capital goods	438	1,096
Book overdraft	-	2
	438	1,098

18. Revenue from operations

	Year ended 31 March 2023	Year ended 31 March 2022
Contract research and manufacturing services income [refer note (a) below]	30,804	25,039
Other operating revenues		
Scrap sales	50	22
Others [refer note (b) below]	1,081	953
	31,935	26,014

Note:

- (a) Revenue for the year ended 31 March 2022 include manufacture and sale of remdesivir, a broad-spectrum antiviral medication for the treatment of Covid-19 infection under the brand name 'RemWin' in a voluntary licensing agreement received from Gilead Sciences Inc.
- (b) Others include income from support services, rentals by the SEZ Developer and recognition of deferred revenue for assets funded by customers over the useful life.

18.1 Disaggregated revenue information

Set out below is the disaggregation of revenue:

	Year ended 31 March 2023	Year ended 31 March 2022
Revenues from Contract research and manufacturing services income by geography		
India	722	2,376
United States of America	22,288	18,192
Europe	5,711	2,701
Rest of the world	2,083	1,771
	30,804	25,039
Revenue from other sources		
Other operating revenues	1,131	975
	1,131	975
Total revenue from operations	31,935	26,014

Geographical revenue is allocated based on the location of the customers.

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

18.2 Contract balances

	Year ended 31 March 2023	Year ended 31 March 2022
Trade receivables [refer note (i) below]	4,844	5,082
Contract liabilities [refer note (ii) below]	8,617	7,302

Notes:

- (i) Trade receivables are non-interest bearing.
- (ii) Contract liabilities include advances from customers and deferred revenues.

18.3 Changes in Contract liabilities - advances from customers and deferred revenues

	Year ended 31 March 2023	Year ended 31 March 2022
Balance at the beginning of the year	7,302	6,545
Add: Increase due to invoicing during the year	8,679	5,686
Less: Revenue recognised from advances from customers at the beginning of the year	(3,482)	(3,544)
Less: Amounts recognised as revenue during the year	(3,882)	(1,385)
Balance at the end of the year	8,617	7,302
Expected revenue recognition from remaining performance obligations:		
- Within one year	6,053	4,774
- More than one year	2,564	2,528
	8,617	7,302

18.4 Performance obligation:

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

19. Other income

	Year ended 31 March 2023	Year ended 31 March 2022
Interest income on:		
Deposits with banks and financial institutions	594	457
Lease deposits	9	8
Net gain on sale of current investments	106	63
	709	528

20. Cost of chemicals, reagents and consumables consumed

	Year ended 31 March 2023	Year ended 31 March 2022
Inventory at the beginning of the year	1,276	294
Add : Purchases	10,136	8,688
Less: Inventory at the end of the year	(2,390)	(1,276)
	9,022	7,706

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(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 2023	Year ended 31 March 2022
Inventories at the beginning of the year		
Work-in-progress	397	212
Finished goods	121	90
	518	302
Inventories at the end of the year		
Work-in-progress	733	397
Finished goods	205	121
	938	518
	(420)	(216)

22. Employee benefits expense

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus	7,033	5,854
Contribution to provident fund and other funds	319	275
Gratuity expenses (refer note 27)	108	125
Share based compensation expense (refer note 33)	214	367
Staff welfare expenses	448	357
	8,122	6,978

23. Finance costs

	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense on:		
Borrowings	182	72
Lease liabilities [refer note 34]	162	103
Exchange difference to the extent considered as an adjustment to borrowing cost	108	66
	452	241

24. Depreciation and amortisation expense

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation of property, plant and equipment [refer note 3 (a)]	3,296	2,865
Depreciation of right-of-use assets [refer note 3 (b)]	170	120
Depreciation of investment property [refer note 3 (c)]	68	45
Amortisation of other intangible assets [refer note 4]	57	67
	3,591	3,097

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

25. Other expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Rent	44	48
Communication expenses	76	37
Travelling and conveyance	434	275
Professional charges	1,093	782
Payments to auditors [refer note (a) below]	9	8
Directors' fees including commission	56	50
Power and fuel	692	644
Facility charges	317	177
Insurance	234	176
Rates and taxes	102	53
Repairs and maintenance		
Plant and machinery	1,119	916
Buildings	91	44
Others	556	471
Selling expenses		
Freight outwards and clearing charges	34	28
Sales promotion expenses	146	90
Provision for doubtful receivables	-	46
Bad debts written off	10	8
Less: Provision no longer required written back	(17)	(8)
Printing and stationery	39	32
Clinical trial expenses	100	49
Corporate social responsibility expenses (refer note 36)	98	93
Loss on assets scrapped	75	20
Miscellaneous expenses	142	122
	5,450	4,160
(a) Payments to auditors:		
As an auditor:		
Statutory audit	5	4
Tax audit	1	1
Limited review	2	2
In other capacity:		
Other services (certification fees) [refer note (i) below]	- *	-
Reimbursement of expenses	1	1
	9	8

(i) Amounts are not presented since the amounts are rounded off to Rupees million.

* Less than Rs. 0.5 million.

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

26. Related party transactions

Related parties where control exists and related parties with whom transactions have taken place during the year are listed below :

List of Related parties

Particulars	Nature of relationship
A. Key management personnel	
Kiran Mazumdar Shaw	Chairperson
John Shaw	Non-executive director (till 21 July 2021)
Jonathan Hunt	Managing Director and Chief Executive Officer
Catherine Rosenberg	Non-executive director
Carl Decicco	Independent director (till 28 February 2022)
	Non-executive director (w.e.f. 1 March 2022)
Sharmila Abhay Karve	Independent director
Paul Blackburn	Independent director
Vijay Kuchroo	Independent director
Vinita Bali	Independent director
Kush Parmar	Independent director (w.e.f. 22 June 2021)
Sibaji Biswas	Chief Financial officer
Priyadarshini Mahapatra	Company Secretary
B. Holding company	
Biocon Limited	Holding Company
C. 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

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

Particulars	Nature of relationship
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	Fellow subsidiary (w.e.f 29 November 2022)
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

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(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 2023	31 March 2022
Key management personnel	Salary and perquisites [refer note (i) & (ii) below]	123	110
	Sitting fees and commission	56	50
	Outstanding as at the year end		
	- Trade and other payables	14	13
Holding company	Rent	56	54
	Power and facility charges [refer note (iii) below]	313	204
	Purchase of goods	3	1
	Other expenses reimbursed	176	145
	Sale of services	8	28
	Rent and facility services	-	10
	Other expenses incurred on behalf	1	3
	Guarantee given to Central Excise Department	148	148
	Outstanding as at the year end		
	- Rent deposits	23	23
	- Trade and other payables	103	99
	- Trade and other receivables	13	74
Wholly-owned subsidiary	Business support services received	443	247
	Other expenses incurred on behalf	48	4
	Other expenses reimbursed	22	-
	Rent and facility services	- *	-
	Equity investment in wholly owned subsidiaries	220	-
	Outstanding as at the year end		
	- Trade payables	117	86
	- Trade and other receivables	73	15
- Rent deposits	- *		
Fellow subsidiaries	Business purchase	182	-
	Sale of services	156	502
	Rent and facility services	314	335
	Other expenses incurred on behalf	92	26
	Other expenses reimbursed	13	4
	Purchase of goods	10	7
	Outstanding as at the year end		
	- Trade and other payables	-	4
	- Trade and other receivables	268	243

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

Particulars	Transactions / Balances	31 March 2023	31 March 2022
Other related parties	Sale of services	440	198
	Health services availed	3	5
	Contribution towards CSR	112	41
	Staff welfare expenses	3	3
	Provision for doubtful receivables	(88)	88
	Outstanding as at the year end		
	- Trade and other payables	- *	- *
	- Trade and other receivables	210	355
	- Allowance for credit losses	-	88

* Less than Rs. 0.5 million.

- (i) The remuneration to the key managerial personnel does not include the provisions made for gratuity and compensated absences, as they are determined on an actuarial basis for the Company as a whole.
- (ii) Share based compensation expense allocable to key management personnel is Rs. 53 (31 March 2022 : Rs. 97), which is not included in the remuneration disclosed above.
- (iii) Effective from 1 October 2006, the Company has entered into an arrangement for lease of land on lease basis and a service agreement with 'Biocon SEZ Developer' of Biocon Limited for availing certain facilities and services. The facility charges of Rs. 282 (Year ended 31 March 2022 : Rs. 185) and power charges (including other charges) of Rs. 31 (Year ended 31 March 2022 : Rs. 19) have been charged by Biocon Limited for the year ended 31 March 2023.
- (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 Biologics Healthcare SDN. BHD
 - Biocon Biosphere Limited
 - Biocon Pharma Inc.
 - Biocon Academy
 - Biosimilar Newco Limited
 - Biocon Pharma Ireland Limited
 - Biocon Pharma Malta Limited
 - Biocon Pharma Malta I Limited
 - Biocon Pharma UK Limited
 - Biocon SA
 - Biocon FZ LLC
 - Biosimilar Collaborations Ireland Limited
- (v) The above disclosures include related parties as per IND-As 24 on "Related Party Disclosures" and Companies Act, 2013.
- (vi) All transactions with these related parties are priced on an arm's length basis and none of the balances are secured.

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

27. Employee benefit plans

- (i) The Company has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972 ('Gratuity Act'). Under the Gratuity Act, employee who has completed five years of service is entitled to specific benefit with no monetary limit. The level of benefit provided depends on the employee's length of service and salary at retirement/termination age. The gratuity plan is a funded plan and the Company makes contributions to a recognised fund in India.

The plan assets are maintained with HDFC Life Insurance Company Limited (HDFC Life) in respect of gratuity scheme for employees of the Company. The details of investments maintained by the HDFC Life are not available with the Company and not disclosed. The expected rate of return on plan assets is 7.31% p.a. (31 March 2022: 6.4% 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.

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 2022	521	(3)	518
Current service cost	77	-	77
Interest cost	30	-	30
Amount recognised in Statement of profit and loss	107	-	107
<i>Remeasurements:</i>			
Return on plan assets, excluding amounts included in interest expense / (income)	-	0 *	0 *
Actuarial (gain) / loss arising from:			
Demographic assumptions	(11)	-	(11)
Financial assumptions	(52)	-	(52)
Experience adjustment	(1)	-	(1)
Amount recognised in other comprehensive income	(64)	0	(64)
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

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(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 2021	568	(3)	565
Current service cost	90	-	90
Interest cost	35	-	35
Amount recognised in Statement of profit and loss	125	-	125
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense / (income)	-	- *	- *
Actuarial (gain) / loss arising from:			
Demographic assumptions	(44)	-	(44)
Financial assumptions	(36)	-	(36)
Experience adjustment	(24)	-	(24)
Amount recognised in other comprehensive income	(104)	-	(104)
Benefits paid	(68)	-	(68)
Balance as at 31 March 2022	521	(3)	518

* Less than Rs. 0.5 million.

	31 March 2023	31 March 2022
Non current	417 #	344
Current	73	174
	490	518

Excludes the gratuity classified as held for sale for Rs. 20. Refer note 42

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

	31 March 2023	31 March 2022
Interest rate	7.3%	6.4%
Discount rate	7.3%	6.4%
Expected return on plan assets	7.3%	6.4%
Salary increase	8.0%	9.0%
Attrition rate (based on Age of the Employee)	9% - 22%	8% - 20%
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 2022 - 7 years).

The defined benefit plan exposes the Company to actuarial risks, such as interest rate risk.

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

(iii) Sensitivity analysis

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis does not recognise the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any. The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are as below:

Particulars	31 March 2023		31 March 2022	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount rate	(24)	27	(28)	32
Salary increase	26	(24)	31	(28)
Attrition rate	(3)	3	(6)	7

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

As of 31 March 2023 and 31 March 2022, the plan assets have been invested in insurer managed funds and the expected contribution to the fund during the year ending 31 March 2023, is approximately Rs 73 (31 March 2022 - Rs 61).

Maturity profile of defined benefit obligation

Particulars	31 March 2023	31 March 2022
1st Following year	73	61
2nd Following year	69	56
3rd Following year	63	56
4th Following year	57	53
5th Following year	59	50
Years 6 to 10	210	214
Years 11 and above	268	321

(iv) Risk Exposure

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

- Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
- Interest rate risk: A decrease in bond interest rate will increase the plan liability.
- Longevity risk: The present value of the defined plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy will increase the plan's liability.
- Salary risk: Higher than expected increase in salary will increase the defined benefit obligation.

(v) Other long term benefits

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

Particulars	31 March 2023	31 March 2022
Compensated absences	408 #	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 March 31, 2023

(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 2023	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments (non-current)#	66	372	726	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	19,418	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

31 March 2022	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments (non-current)#	37	263	2,406	2,706	-	-	300	300
Derivative assets (non-current)	-	1,249	-	1,249	-	1,249	-	1,249
Other financial assets (non-current)	-	-	203	203	-	-	-	-
Investments (current)	2,232	-	5,406	7,638	2,232	-	-	2,232
Trade receivables	-	-	5,082	5,082	-	-	-	-
Cash and cash equivalents	-	-	2,590	2,590	-	-	-	-
Bank balances other than above	-	-	2,561	2,561	-	-	-	-
Derivative assets (current)	-	842	-	842	-	842	-	842
Other financial assets (current)	-	-	384	384	-	-	-	-
	2,269	2,354	18,632	23,255	2,232	2,091	300	4,623
Financial liabilities								
Borrowings (non-current)	-	-	5,315	5,315	-	-	-	-
Lease liabilities (non-current)	-	-	2,102	2,102	-	-	-	-
Derivative liabilities (non-current)	-	84	-	84	-	84	-	84
Borrowings (current)	-	-	2,581	2,581	-	-	-	-
Lease liabilities (current)	-	-	218	218	-	-	-	-
Trade payables	-	-	2,353	2,353	-	-	-	-
Derivative liabilities (current)	-	8	-	8	-	8	-	8
Other financial liabilities (current)	-	-	1,098	1,098	-	-	-	-
	-	92	13,667	13,759	-	92	-	92

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For the year ended March 31, 2023

(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 valuation exercise has the following key assumptions: (a) DCF valuation after considering WACC and post startup discount (b) Comparable company valuation approach using 8x multiple of revenue. The fair value of Level 3 investments are based on the market comparable approach of similar companies using 8x multiple of revenue. The Company has considered the lower end of the valuation 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.

Includes equity instruments of wholly owned subsidiary at cost aggregating to Rs. 223.

- (a) The fair value of trade receivables, trade payables and other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short term nature.
- (b) There have been no transfers between level 1, 2 and 3 needs to be made.
- (c) The Company enters into derivative financial instruments with various counterparties. Derivatives are valued using valuation techniques in consultation with market expert. The most frequently applied valuation technique include forward pricing, swap models and Black Scholes Merton Model (for options valuation), using present value calculations. The models incorporate various inputs including foreign exchange forward rates, interest rate curve and forward rates curve.

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 2022	37	263	300
Gain included in OCI			
- Net change in fair value(unrealised)	-	109	109
Investment made in the current year			
- In equity instruments	9	-	9
- In debt instruments	20	-	20
Balance as at 31 March 2023	66	372	438

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.

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(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 2023	31 March 2022	31 March 2023	31 March 2022
Movement in spot rate of the foreign currency				
INR/USD - Increase by 1%	-	-	(654)	(608)
INR/USD - Decrease by 1%	-	-	657	611
Movement in Interest rates				
LIBOR - Increase by 100 bps	-	-	(120)	(167)
LIBOR - Decrease by 100 bps	-	-	120	167

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. 4,844 (31 March 2022: Rs 5,082). The movement in allowance for impairment in respect of trade receivables during the year was as follows:

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Allowance for Impairment	31 March 2023	31 March 2022
Opening balance	100	62
Impairment loss recognised	-	46
Impairment loss reversed	(17)	(8)
Closing balance	83	100

Note: During the year ended 31 March 2023, impairment loss reversed includes Rs. 17 (31 March 2022: Rs. 8) pertaining to customer balances written off.

Details of trade receivables that are not due, past due and impaired is given below:

Particulars	31 March 2023	31 March 2022
Neither past due nor impaired	3,984	3,920
Past due but not impaired:		
Less than 180 days	768	818
180 days - 365 days	149	173
More than 365 days	26	271
Less: Allowance for credit losses	(83)	(100)
Total	4,844	5,082

Other than trade receivables the Company has no significant class of financial assets that is past due but not impaired. There is no receivable from customer (31 March 2022 : Nil) of the Company's receivables which is more than 10 percent of the Company's total receivables.

Credit risk on investments, cash and cash equivalent and derivatives is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. 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 non-convertible debentures.

(iii) Liquidity risk

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

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. In addition, the Company maintains line of credits as stated in Note 13.

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(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 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

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2022:

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Lease liabilities (non-current)	-	243	728	3,052	4,022
Lease liabilities (current)	228	-	-	-	228
Borrowings (non-current)	-	1,177	4,138	-	5,315
Borrowings (current)	2,581	-	-	-	2,581
Trade payables	2,353	-	-	-	2,353
Derivative liabilities (non-current)	-	1	1	82	84
Derivative liabilities (current)	8	-	-	-	8
Other financial liabilities	1,098	-	-	-	1,098
Total	6,268	1,420	4,866	3,134	15,689

* 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 March 31, 2023

(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 2023 and 31 March 2022 are as below:

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)

31 March 2022	USD	EUR	Others
Financial assets			
Trade receivables	4,270	43	-
Cash and cash equivalents	1,627	64	1
Derivative assets	2,091	-	-
Other financial assets (current)	20	-	-
Financial liabilities			
Borrowings (non-current)	(5,315)	-	-
Borrowings (current)	(2,581)	-	-
Trade payables	(249)	(34)	(32)
Derivative liabilities	(92)	-	-
Other financial liabilities (current)	(259)	(35)	(46)
Net assets / (liabilities)	(488)	38	(77)

* Includes the financial assets and liabilities classified as held for sale. Refer note 42.

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.

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

Particulars	Impact on profit or loss		Impact on other equity	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
USD Sensitivity				
INR/USD - Increase by 1%	(6)	(25)	(660)	(633)
INR/USD - Decrease by 1%	8	25	665	636
EUR Sensitivity				
INR/EUR - Increase by 1%	2	1	2	1
INR/EUR - Decrease by 1%	(1)	(1)	(1)	(1)

Derivative financial instruments

The Company uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The Company's Treasury team manages its foreign currency risk by hedging forecasted transactions like sales, purchases and capital expenditures. When a derivative is entered for hedging, the Company matches the terms of those derivatives to the underlying exposure. All identified exposures are managed as per the policy duly approved by the Board of Directors.

The following table gives details in respect of outstanding foreign exchange forward and option contracts:

Particulars	31 March 2023	31 March 2022
Foreign exchange forward contracts to sell USD with maturity between 0-8 years	USD 618 (Rs. 50,789)	USD 591 (Rs. 44,869)
European style option contracts with periodical maturity between 0-8 years	USD 264 (Rs. 22,025)	USD 268 (Rs. 20,347)
Interest rate swaps used for hedging LIBOR component in External Commercial Borrowings with maturity between 0-3 years	USD 50 (Rs. 4,109)	USD 50 (Rs. 3,796)

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 2023 and 31 March 2022 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 2023	31 March 2022
Variable rate borrowings	1,644	1,519
Fixed rate borrowings	4,109	6,377
Total borrowings	5,753	7,896

(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.

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

Variable rate borrowings:

A reasonably possible change of 100 bps would have increased / (decreased) profit and loss and equity by Rs. 16 (31 March 2022 : Rs. 15).

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 2023 and 31 March 2022 was as follows:

Particulars	31 March 2023	31 March 2022
Total equity attributable to the equity shareholders of the Company	36,189	32,920
As a percentage of total capital	86%	81%
Long-term borrowings	5,753	5,315
Short-term borrowings	-	2,581
Total borrowings	5,753	7,896
As a percentage of total capital	14%	19%
Total capital (Equity and Borrowings)	41,942	40,816

30. Tax expense

(a) Amount recognised in Statement of profit and loss

	31 March 2023	31 March 2022
Current tax	1,047	829
Deferred tax:		
MAT credit entitlement	109	47
Others related to:		
Origination and reversal of other temporary differences	123	3
Tax expense for the year	1,279	879
Reconciliation of effective tax rate		
Profit before tax and exceptional item	6,009	5,124
Add: Exceptional item	-	(307)
Profit before tax	6,009	4,817
Tax at statutory income tax rate 34.94% (31 March 2022 - 34.94%)	2,100	1,683
<i>Tax effects of amounts which are not deductible / (taxable) in calculating taxable income</i>		
Tax incentive and other deductions	(907)	(816)
Non-deductible expense	66	14
Basis difference that will reverse during the tax holiday period	(42)	(100)
Others	62	98
Income tax expense	1,279	879

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(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 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
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

For the year ended 31 March 2022	Opening balance	Recognised in profit or loss	Recognised in OCI	Recognised in equity	Closing balance
Deferred tax asset					
MAT credit entitlement	1,774	(47)	-	-	1,727
Defined benefit obligations	104	74	(26)	-	152
Others	7	17	-	-	24
Gross deferred tax assets	1,885	44	(26)	-	1,903
Deferred tax liability					
Property, plant and equipment, investment property and intangible assets, net	974	94	-	-	1,068
Derivatives, net	24	-	140	-	164
Others	-	-	20	-	20
Gross deferred tax liability	998	94	160	-	1,252
Deferred tax assets / (liabilities), net	887	(50)	(186)	-	651

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

31. Contingent liabilities and commitments (to the extent not provided for)

(i) Contingent liabilities

	31 March 2023	31 March 2022
(a) Claims against the Company not acknowledged as debt	6,219	5,478
The above includes:		
(I) Income tax matters under dispute for notices and orders received relating to financial year 2008 - 09 to 2020 - 21 (31 March 2022 : financial year 2002 - 03 to 2019 - 20)	6,206	5,454
(II) Indirect tax matters under dispute for notices and orders received relating to financial year 2009-10 to 2017-18 (31 March 2022 : financial year 2009 - 10 to 2017 - 18)	13	24

(III) In light of judgment of Honourable Supreme Court dated 28th February 2019 on the definition of "Basic Wages" under the Employees Provident Funds & Misc. Provisions Act, 1952 and based on Company's evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence it is unclear as to whether the clarified definition of Basic Wage would be applicable prospectively or retrospectively. The amount of the obligation therefore cannot be measured with sufficient reliability for past periods and hence has currently been considered to be a contingent liability.

Including the matters disclosed above, the Company is involved in taxation matters that arise from time to time in the ordinary course of business for years that are under assessment. Judgment is required in assessing the range of possible outcomes for some of these tax matters, which could change substantially over time as each of the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents. Based on its internal assessment supported by external legal counsel views, if any, the Company believes that it will be able to sustain its positions if challenged by the authorities and accordingly no additional provision is required for these matters. Management is of the view that above matters will not have any material adverse effect on the Company's financial position and results of operations.

(b) Guarantees

	31 March 2023	31 March 2022
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

	31 March 2023	31 March 2022
Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances	1,836	1,163

* Less than Rs. 0.5 million.

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(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 2023	Year ended 31 March 2022
Revenue from operations:		
India	1,223	2,789
United States of America	22,918	18,754
Europe	5,711	2,701
Rest of the World	2,083	1,771
Total	31,935	26,014

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 2023	31 March 2022
India	25,479	28,763
Outside India	-	-
Total	25,479	28,763

Note: Non-current assets excludes investments, derivative assets, financial assets and deferred tax assets.

Major customer

Revenue from one customer (31 March 2022 - one customer) of the Company's Revenue from operations aggregates to Rs. 6,135 (31 March 2022 - Rs. 5,645) which is more than 10 percent of the Company's total revenue.

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

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 million 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 2022 : Rs. 11.25] per share (Face Value of Rs. 10 per share).

Details of Grant

Particulars	31 March 2023	31 March 2022
	No. of options	No. of options
Outstanding at the beginning of the year	1,342,140	1,958,084
Granted during the year	-	-
Forfeited / lapsed during the year	(30,883)	(126,792)
Exercised during the year	(701,066)	(489,152)
Outstanding at the end of the year	610,191	1,342,140
Exercisable at the end of the year	549,377	482,332
Weighted average exercise price	11.25	11.25
Weighted average share price at the date of exercise during the year (In Rs)	572.7	589.6

The weighted average remaining contractual life for the stock options outstanding as at 31 March 2023 is 4 years [31 March 2022 : 5 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).

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

Details of Grant

Particulars	31 March 2023	31 March 2022
	No. of options	No. of options
Outstanding at the beginning of the year	2,627,537	3,103,825
Granted during the year	89,704	418,132
Forfeited during the year	(326,215)	(467,068)
Exercised during the year	(817,184)	(427,352)
Outstanding at the end of the year	1,573,842	2,627,537
Exercisable at the end of the year	505,928	231,837
Weighted average exercise price	10.00	10.00
Weighted average value of shares granted during the year under Black Scholes Model (In Rs)	570.0	615.0
Weighted average share price at the date of exercise during the year (In Rs)	569.8	584.3

The weighted average remaining contractual life for the stock options outstanding as at 31 March 2023 is 4.34 years [31 March 2022 : 5.19 years].

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

	31 March 2023	31 March 2022
Dividend yield (%)	0.0%	0.1%
Exercise Price (In Rs)	10	10
Volatility	30.4%	32.9%
Life of the options granted (vesting and exercise period) [in years]	4.5	5.5
Average risk-free interest rate	7.3%	5.0%

34. Leases

The Company has entered into lease agreements for use of land, buildings, plant and equipment and vehicles which expires over a period ranging upto the year of 2039. Gross payments for the year aggregate to Rs. 249 (31 March 2022 - Rs. 183).

The weighted average borrowing rate of 7% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

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

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For the year ended March 31, 2023

(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 2022:

Particulars	Land	Buildings	Vehicles	Total
Balance at the beginning	56	1,116	34	1,206
Additions during the year	302	953	22	1,277
Finance cost accrued during the period	4	96	3	103
Deletions	-	(75)	(8)	(83)
Payment of lease liabilities	(34)	(128)	(21)	(183)
Balance at the end	328	1,962	30	2,320

* Less than Rs. 0.5 million.

The following is the break-up of current and non-current lease liabilities:

	31 March 2023*	31 March 2022
Current	120	218
Non-current	513	2,102
Total	633	2,320

* 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 2023#	31 March 2022
Less than one year	104	228
One to five years	422	970
More than five years	242	3,052
Total	768	4,250

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 2023	31 March 2022
Depreciation expenses on right of use-assets	170	120
Interest expenses on lease liabilities	162	103
Total	332	223

35. Exceptional items

'The Ministry of Commerce and Industry, Government of India issued a Gazette notification number 29/2015-2020 dated 23 September 2021 on Service Exports from India Scheme (SEIS) for services rendered in financial year 2019 - 2020 with the total entitlement capped at Rs. 50 million per exporter for the period. The Company has reversed the SEIS claim receivables of Rs. 307 million for the financial year 2019-2020 and the same has been presented under Exceptional items in this standalone financial statement for the year ended 31 March 2022.

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

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 2023	31 March 2022
(a) Amount required to be spent by the Company during the year	98	93
(b) Amount unspent of previous years shortfall	59	21
(c) Amount spent during the year (in cash)		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above*	137	55
(d) Amount unspent and carried forward to next year	20	59

* Includes CSR towards related party [refer note 26]

Out of required amount of Rs 98 to be spent for financial year 2022-23, the Board of Directors has decided to allocate Rs 16 of the budget for year ending 31 March 2023 towards promoting education, academic sponsorship and research grants. However, the project was delayed. The Board has approved for transfer of unspent amount of Rs 16 for the year ending 31 March 2023 to a separate Unspent CSR account for utilisation during FY 2023-24.

Out of required amount Rs 59 unspent from previous financial years, the Board of Directors has decided to allocate Rs 3 of the budget towards COVID testing as well as vaccination activities and Rs. 1 towards academic sponsorship and research grants respectively. However, due to the downsurge of Covid-19 during the year, there was limited requirement of vaccines and the project was delayed. The Board has approved the retention of unspent amount of Rs 4 for the year ending 31 March 2023 in a separate Unspent CSR account for utilisation during FY 2023-24.

(e) The Company has undertaken CSR activities in nature of Community COVID 19 testing, vaccination program, mass rapid transit, women's safety and empowerment, promoting education, school programs, smart clinic and health during the year ended 31 March 2023 and 31 March 2022. All the above are ongoing projects.

37. Earnings per equity share (EPS)

<i>Earnings</i>		
Profit for the year	4,730	3,938
<i>Shares</i>		
Basic outstanding shares	401,434,500	400,796,500
Less: Weighted average shares held with the ESOP Trust	(771,236)	(2,647,740)
Weighted average shares used for computing basic EPS	400,663,264	398,148,760
Add: Effect of dilutive options granted but not yet exercised / not yet eligible for exercise	2,961,829	4,765,753
Weighted average shares used for computing diluted EPS	403,625,093	402,914,513
Earnings per equity share		
Basic (in Rs.)	11.81	9.89
Diluted (in Rs.)	11.72	9.77

Notes to the Standalone Financial Statements

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(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

38. Financial ratios:

Ratio	Numerator	Denominator	31 March 2023	31 March 2022	Variance %
(a) Net profit ratio	Profit for the year *	Total income	14%	16%	(8)%
(b) Return on equity ratio	Profit for the year *	Average equity	14%	14%	(0)%
(c) Debt equity ratio	Borrowings	Equity	0.16	0.24	(34)%
(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	3.31	28.23	(88)%
(e) Return on investment	Interest income on deposits + Net gain on mutual funds	Average Investment in deposits and mutual funds	5%	4%	18%
(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	16%	13%	18%
(g) Net capital turnover ratio	Revenue from operations	Average Working capital = Current assets – Current liabilities	0.74	0.67	10%
(h) Current ratio	Current assets	Current liabilities	2.04	1.79	14%
(i) Inventory turnover ratio	Cost of chemicals sold = Purchases of chemicals, reagents and consumable + Changes in inventories	Average inventory	3.36	6.27	(46)%
(j) Trade receivable turnover ratio	Revenue from operations	Average trade receivable	6.43	5.29	22%
(k) Trade payable turnover ratio	Total supply purchases = Purchases of chemicals, reagents and consumables + Changes in inventories + Other expenses	Average trade payables	5.67	4.91	15%

* 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 short term borrowings for Rs. 2,581 during the year ended 31 March 2023 compared to Rs. Nil for the year ended 31 March 2022.
- (ii) Decline in debt service coverage ratio is due to increase in finance cost and repayment of short term borrowings for Rs. 2,581 during the year ended 31 March 2023 compared to Rs. Nil for the year ended 31 March 2022.
- (iii) Decline in inventory turnover ratio is on account of expansion in businesses of manufacturing services of the Company and also increase in the level of inventories to meet the timelines of critical projects.

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

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 classified as wilful defaulter.
- (viii) The Company doesn't have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as search or survey.

- 40.** On 27 April 2022, the Board of Directors of the Company have approved an allotment of 638,000 equity shares of Rs. 10/- (Rupees Ten each) of the Company to Syngene Employee Welfare Trust at face value pursuant to the shareholders' approval at the Annual General Meeting on 24 July 2019 to allot fresh equity shares upto 1.67% of the paid-up equity capital of the Company in tranches for the purpose of implementation of the Syngene International Limited - Restricted Stock Unit Long Term Incentive Plan 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 million. 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. 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:

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For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

	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. 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

Notes to the Standalone Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

43. On 27 April 2022, the Board of Directors of the Company proposed a final dividend of 10% or Rs. 1 per equity share as on the record date for distribution of the final dividend (comprising of a regular dividend of 5% or Rs. 0.5 per equity share and an additional special dividend of 5% or Rs. 0.5 per equity share). The shareholders approved the dividend in the Annual General Meeting held on 20 July 2022 and was subsequently paid.

44. Events after reporting period:

(a) 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.

(b) 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 proposed dividend is subject to the approval of the shareholders in the Annual General Meeting.

45. Prior year's comparatives

Previous year's figures have been regrouped / reclassified, where necessary, to conform to current year's classification.

As per our report of even date attached
for **B S R & Co. LLP**

Chartered Accountants
Firm Registration No: 101248W/W-100022

Sampad Guha Thakurta

Partner
Membership number: 060573

Bengaluru
April 26, 2023

for and on behalf of **Board of Directors of Syngene International Limited**

Kiran Mazumdar Shaw

Chairperson
DIN: 00347229

Sibaji Biswas

Chief Financial Officer

Bengaluru
April 26, 2023

Jonathan Hunt

Managing Director and Chief Executive Officer
DIN: 07774619

Priyadarshini Mahapatra

Company Secretary
FCS Number: F8786

Independent Auditor's Report

To the Members of Syngene International Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Syngene International Limited (hereinafter referred to as the "Holding Company"), its employee welfare trust and its subsidiaries (Holding Company, employee welfare trust and subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, 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 2023, of its consolidated profit and other comprehensive loss, 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.

Financial instruments – Hedge accounting

Refer Note 2(c) and 28 to the consolidated financial statements

The key audit matter

The Holding Company enters into forward, option and interest rate swap contracts to hedge its foreign exchange and interest rate risks. Foreign exchange risks arise from sales to customers as significant part of its revenues are denominated in foreign currency with most of the costs denominated in Indian Rupees (INR). Foreign exchange risks also arise from foreign currency borrowings. The interest rate risks arises from the variable rate of interest on its foreign currency borrowings.

The Holding Company designates a significant portion of its derivatives as cash flow hedges of highly probable forecasted transactions. Derivative financial instruments are recognized at their fair value as of the balance sheet date on the basis of valuation report obtained from third party specialists. Basis such valuations, effective portion of derivative movements are recognized within equity.

These matters are of importance to our audit due to complexity in the valuation of derivative contracts and complex accounting and documentation requirements under Ind AS 109: "Financial Instruments".

How the matter was addressed in our audit

Our audit procedures in relation to hedge accounting included the following, amongst others:

- Tested the design and operating effectiveness of the Holding Company's controls around hedge accounting;
- We involved valuation specialists to assess the fair value of the derivatives by testing sample contracts;
- We analyzed critical terms (such as nominal amount, maturity and underlying) of the hedging instrument and the hedged item to assess they are closely aligned;
- We analysed the estimate of highly probable forecasted transactions and tested the impact of ineffective hedges, if any; and
- We verified the accounting of derivative financial instruments including the effects on equity and earnings.

*Independent Auditor's Report (Continued)***Taxation**

Refer Note 2(o), 30 and 31 to the consolidated financial statements

The key audit matter

The Holding Company's operations are majorly based out of units registered as Special Economic Zone (SEZ) and Export Oriented Unit (EOU). Accordingly, the Holding Company enjoys certain deductions/benefits with respect to payment of income-tax and other indirect taxes, some of which are subject matters of dispute with tax authorities.

The Holding Company periodically assesses its tax positions, which include examination by the external tax consultant and tax counsels appointed by the Holding Company.

Judgment is required in assessing the range of possible outcomes for some of these tax matters. These judgements could change over time as each of the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents.

The Holding Company makes an assessment to determine the outcome of these uncertain tax positions and decides to make an accrual or consider it to be a possible contingent liability. Where the amount of tax liabilities are uncertain, the Holding Company recognises accruals which reflect its best estimate of the outcome based on the facts known as at the reporting date. Accordingly, we focused on this area.

How the matter was addressed in our audit

Our audit procedures in relation to taxation include the following, amongst others:

- Tested the design and operating effectiveness of the Holding Company's controls around the tax computation and assessment of uncertain tax positions;
- We obtained an understanding of the key uncertain tax positions based on list of ongoing litigations and tax computations for the current year;
- We analysed select key correspondences with the tax authorities to identify any additional uncertain tax positions;
- We analysed Holding Company's judgment regarding the eventual resolution of matters with various tax authorities. In this regard, we understood how Holding Company has considered past experience, where available, with the tax authorities in the respective jurisdictions;

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

Independent Auditor's Report (Continued)

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 either intends to liquidate the Company 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.

Independent Auditor's Report (Continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and its subsidiary companies incorporated in India incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

*Independent Auditor's Report (Continued)***B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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 2023 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 are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2023.
- d.
 - (i) The respective management has represented that, to the best of its 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 respective management has represented that, to the best of its knowledge and belief, other than 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.
 - (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 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 respective Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the respective members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or its subsidiary companies, only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company and its subsidiary companies incorporated in India 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 incorporated in India is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Sampad Guha Thakurta

Partner

Membership No.: 060573

ICAI UDIN:23060573BGYNDF3376

Place: Bengaluru

Date: 26 April 2023

Annexure A to the Independent Auditor’s Report on the Consolidated Financial Statements of Syngene International Limited for the year ended 31 March 2023

(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/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Syngene Scientific Solutions Limited	U73200KA2022PLC164804	Subsidiary	3(xvii)
2	Syngene Manufacturing Solutions Limited	U24290KA2022PLC165409	Subsidiary	3(xvii)

For **B S R & Co. LLP**

Chartered Accountants

Firm’s Registration No.:101248W/W-100022

Sampad Guha Thakurta

Partner

Membership No.: 060573

ICAI UDIN:23060573BGYNDF3376

Place: Bengaluru

Date: 26 April 2023

Annexure B to the Independent Auditor's Report on the Consolidated Financial Statements of Syngene International Limited for the year ended 31 March 2023

Report on the Internal Financial Controls with reference to the aforesaid Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Syngene International Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Holding Company and its subsidiary 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.

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Syngene International Limited for the year ended 31 March 2023 (Continued)

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Sampad Guha Thakurta

Partner

Membership No.: 060573

ICAI UDIN:23060573BGYNDF3376

Place: Bengaluru

Date: 26 April 2023

Consolidated Balance Sheet

as at March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

	Note	31 March 2023	31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3 (a)	23,834	21,229
Capital work-in-progress	3 (a)	1,769	3,464
Right-of-use assets	3 (b)	2,169	2,188
Investment property	3 (c)	481	385
Other intangible assets	4	185	126
Financial assets			
(i) Investments	5(a)	941	2,703
(ii) Derivative assets		841	1,249
(iii) Other financial assets	6(a)	1,511	203
Deferred tax assets (net)	7	696	656
Income tax assets (net)		1,381	1,191
Other non-current assets	8(a)	249	185
Total non-current assets		34,057	33,579
Current assets			
Inventories	9	3,328	1,794
Financial assets			
(i) Investments	5(b)	8,244	7,638
(ii) Trade receivables	10	5,293	5,077
(iii) Cash and cash equivalents	11(a)	895	2,618
(iv) Bank balances other than (iii) above	11(b)	4,422	2,561
(v) Derivative assets		460	842
(vi) Other financial assets	6(b)	552	384
Other current assets	8(b)	1,059	1,145
Total current assets		24,253	22,059
Total assets		58,310	55,638

Consolidated Balance Sheet

As at March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

	Note	31 March 2023	31 March 2022
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12 (a)	4,014	4,008
Other equity	12 (b)	32,166	28,968
Total equity		36,180	32,976
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13(a)	4,890	5,315
(i)(a) Lease liabilities	35	2,142	2,102
(ii) Derivative liabilities		215	84
Provisions	14(a)	437	344
Other non-current liabilities	15(a)	2,564	2,528
Total non-current liabilities		10,248	10,373
Current liabilities			
Financial liabilities			
(i) Borrowings	13(b)	863	2,581
(i)(a) Lease liabilities	35	257	218
(ii) Trade payables	16		
total outstanding dues of micro and small enterprises		166	34
total outstanding dues of creditors other than micro and small enterprises		2,414	2,294
(iii) Derivative liabilities		377	8
(iv) Other financial liabilities	17	582	1,098
Provisions	14(b)	510	582
Current tax liabilities (net)		147	240
Other current liabilities	15(b)	6,566	5,234
Total current liabilities		11,882	12,289
Total equity and liabilities		58,310	55,638

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

Firm Registration No: 101248W/W-100022

Sampad Guha Thakurta

Partner

Membership number: 060573

Bengaluru

April 26, 2023

for and on behalf of **Board of Directors of Syngene International Limited**

Kiran Mazumdar Shaw

Chairperson

DIN: 00347229

Sibaji Biswas

Chief Financial Officer

Bengaluru

April 26, 2023

Jonathan Hunt

Managing Director and Chief Executive Officer

DIN: 07774619

Priyadarshini Mahapatra

Company Secretary

FCS Number: F8786

Consolidated Statement of Profit and Loss

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

	Note	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	18	31,929	26,042
Other income	19	709	528
Total income		32,638	26,570
Expenses			
Cost of chemicals, reagents and consumables consumed	20	9,022	7,706
Changes in inventories of finished goods and work-in-progress	21	(420)	(216)
Employee benefits expense	22	8,417	7,181
Finance costs	23	452	241
Depreciation and amortisation expense	24	3,665	3,097
Other expenses	25	5,148	3,958
Foreign exchange fluctuation loss/ (gain), net		418	(548)
Total expenses		26,702	21,419
Profit before tax and exceptional items		5,936	5,151
Exceptional items	36	-	(307)
Profit before tax		5,936	4,844
Tax expense	30		
Current tax		1,061	837
Deferred tax			
MAT credit entitlement		109	47
Other deferred tax		122	2
Total tax expense		1,292	886
Profit for the year		4,644	3,958
Other comprehensive income			
(i) Items that will not be reclassified subsequently to profit or loss			
Re-measurement on defined benefit plans and equity instruments		170	104
Income tax effect		(37)	(26)
(ii) Items that will be reclassified subsequently to profit or loss			
Effective portion of gains/(losses) on hedging instrument in cash flow hedges		(1,444)	515
Income tax effect		339	(160)
Other comprehensive income for the year, net of taxes		(972)	433
Total comprehensive income for the year		3,672	4,391

Consolidated Statement of Profit and Loss

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

	Note	Year ended March 31, 2023	Year ended March 31, 2022
Profit attributable to:			
Shareholders of the Company		4,644	3,958
Non-controlling interest		-	-
Profit for the year		4,644	3,958
Other comprehensive income attributable to:			
Shareholders of the Company		(972)	433
Non-controlling interest		-	-
Other comprehensive income for the year		(972)	433
Total comprehensive income attributable to:			
Shareholders of the Company		3,672	4,391
Non-controlling interest		-	-
Total comprehensive income for the year		3,672	4,391
Earnings per equity share	38		
Basic (in Rs)		11.59	9.94
Diluted (in Rs)		11.51	9.82

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

Firm Registration No: 101248WW-100022

Sampad Guha Thakurta

Partner

Membership number: 060573

Bengaluru

April 26, 2023

for and on behalf of **Board of Directors of Syngene International Limited**

Kiran Mazumdar Shaw

Chairperson

DIN: 00347229

Sibaji Biswas

Chief Financial Officer

Bengaluru

April 26, 2023

Jonathan Hunt

Managing Director and Chief Executive Officer

DIN: 07774619

Priyadarshini Mahapatra

Company Secretary

FCS Number: F8786

Consolidated Statement of Changes in Equity

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

(A) Equity share capital

	31 March 2023	31 March 2022
Opening balance	4,008	4,000
Issue of shares during the year	6	8
Closing balance	4,014	4,008

(B) Other equity [refer note 12(b)]

Particulars	Reserves and surplus			Items of other comprehensive income				
	Securities premium	Treasury shares	Retained earnings	Special Economic Zone (SEZ) reinvestment reserve	Share based payments	Cash flow hedging reserves	Other items of other comprehensive income	Total other equity
Balance as at 1 April 2021	1,445	(32)	21,825	-	770	317	(111)	24,214
Profit for the year	-	-	3,958	-	-	-	-	3,958
Other comprehensive income, net of tax	-	-	-	-	-	355	78	433
Total comprehensive income for the year	-	-	3,958	-	-	355	78	4,391
Transactions recorded directly in equity								
Exercise of share options	266	(8)	-	-	(266)	-	-	(8)
Share based payment	-	-	-	-	371	-	-	371
Transfer to SEZ reinvestment reserve	-	-	(1,500)	1,500	-	-	-	-
Transfer from SEZ reinvestment reserve	-	-	1,500	(1,500)	-	-	-	-
Balance as at 31 March 2022	1,711	(40)	25,783	-	875	672	(33)	28,968
Profit for the year	-	-	4,644	-	-	-	-	4,644
Other comprehensive income, net of tax	-	-	-	-	-	(1,105)	133	(972)
Total comprehensive income for the year	-	-	4,644	-	-	(1,105)	133	(972)
Transactions recorded directly in equity								
Exercise of share options	456	(7)	-	-	(456)	-	-	(7)
Purchase of treasury shares	-	-	(401)	-	-	-	-	(401)
Dividend including dividend distribution tax	-	-	-	-	235	-	-	235
Share based payment	-	-	(1,100)	1,100	-	-	-	-
Transfer to SEZ reinvestment reserve	-	-	1,100	(1,100)	-	-	-	-
Transfer from SEZ reinvestment reserve	-	-	(301)	(301)	-	-	-	(301)
Impact of common control business combination (refer note 41)	-	-	-	-	-	-	-	-
Balance as at 31 March 2023	2,167	(47)	29,725	-	654	(433)	100	32,166

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants
Firm Registration No: 101248WAW-100022

Sampad Guha Thakurta

Partner
Membership number: 060573

Bengaluru
April 26, 2023

for and on behalf of Board of Directors of Syngene International Limited

Kiran Mazumdar Shaw
Chairperson
DIN: 00347229

Sibaji Biswas
Chief Financial Officer

Bengaluru
April 26, 2023

Jonathan Hunt

Managing Director and Chief Executive Officer
DIN: 07774619

Priyadarshini Mahapatra

Company Secretary
FCS Number: F8786

Consolidated Statement of Cash Flows

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
I. Cash flows from operating activities		
Profit for the year	4,644	3,958
<u>Adjustments to reconcile profit before tax to net cash flows</u>		
Depreciation and amortisation expense	3,665	3,097
Loss on assets scrapped	75	20
Exceptional items	-	307
Provision for doubtful receivables	(17)	46
Bad debts written off	10	-
Share based compensation expense	236	371
Interest expense	345	175
Unrealised foreign exchange loss	245	224
Net gain on sale of current investments	(106)	(63)
Proceeds from insurance company	-	105
Interest income	(604)	(465)
Tax expenses	1,292	886
Operating profit before working capital changes	9,785	8,661
Movements in working capital		
Decrease/ (increase) in inventories	(1,534)	(1,198)
Decrease/ (increase) in trade receivables	69	(362)
Decrease/ (increase) in other assets	(739)	(783)
Increase/ (decrease) in trade payables, other liabilities and provisions	2,022	546
Cash generated from operations	9,603	6,864
Income taxes paid (net of refunds)	(1,368)	(1,058)
Net cash flow generated from operating activities	8,235	5,806
II. Cash flows from investing activities		
Payment for acquisition of business, net of cash acquired	(182)	-
Purchase of property, plant and equipment	(5,066)	(4,753)
Purchase of other intangible assets	(117)	(2)
Investment in equity shares	(29)	(49)
Investment in bank deposits and inter corporate deposits	(11,332)	(22,460)
Redemption/ maturity of bank deposits and inter corporate deposits	8,759	21,571
Interest received	540	263
Proceeds from sale of current investments	17,169	21,460
Purchase of current investments	(16,306)	(22,145)
Net cash flow used in investing activities	(6,564)	(6,115)
III. Cash flows from financing activities		
Proceeds/ (repayments) from short term borrowings, net	(2,581)	(58)
Repayment of lease liabilities	(98)	(80)
Dividend paid	(401)	-
Interest paid	(345)	(175)
Net cash flow generated from/ (used in) financing activities	(3,425)	(313)

Consolidated Statement of Cash Flows

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
IV. Net increase/ (decrease) in cash and cash equivalents (I+II+III)	(1,754)	(622)
V. Effect of exchange difference on cash and cash equivalents held in foreign currency	31	7
VI. Cash and cash equivalents at the beginning of the year	2,618	3,233
VII. Cash and cash equivalents at the end of the year (IV+V+VI)	895	2,618
Components of cash and cash equivalents as at the end of the year		
Balances with banks	895	2,318
Deposits with maturity of less than 3 months	-	300
Total cash and cash equivalents [refer note 11(a)]	895	2,618
Restricted cash balance [refer note 11 (ii)]	25	8

* Less than Rs. 0.5 million.

Change in liability arising from financing activities

	1 April 2022	Cash Flow	Foreign exchange (gain)/ loss	Year ended March 31, 2023
Borrowings (including current maturities)	7,896	(2,581)	438	5,753
	7,896	(2,581)	438	5,753
	1 April 2021	Cash Flow	Foreign exchange (gain)/ loss	Year ended March 31, 2022
Borrowings (including current maturities)	7,723	(58)	231	7,896
	7,723	(58)	231	7,896

Note:

a) Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows". The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

Firm Registration No: 101248W/W-100022

Sampad Guha Thakurta

Partner

Membership number: 060573

Bengaluru

April 26, 2023

for and on behalf of **Board of Directors of Syngene International Limited**

Kiran Mazumdar Shaw

Chairperson

DIN: 00347229

Sibaji Biswas

Chief Financial Officer

Bengaluru

April 26, 2023

Jonathan Hunt

Managing Director and Chief Executive Officer

DIN: 07774619

Priyadarshini Mahapatra

Company Secretary

FCS Number: F8786

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

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 2023. These consolidated financial statements were authorised for issuance by the Company’s Board of Directors on 26 April 2023.

Details of the Group’s accounting policies are included in Note 2.

b) Functional and presentation currency

These consolidated financial statements are presented in Indian rupees (INR), which is also the functional currency of the parent company. All amounts have been rounded-off to the nearest million, unless otherwise indicated. In respect of subsidiaries 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) 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;

d) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of

accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the 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, if material, their effects are disclosed in the notes to the consolidated financial statements.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the 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(l) and 18 — Revenue Recognition: whether revenue from sale of compounds is recognised over time or at a point in time;
- Note 2(n), 30 and 31 — Provision for income taxes and related tax contingencies;
- Note 2(p) and 35 — Leases;
- Note 2(j) and 27 and — measurement of defined benefit obligation; key actuarial assumptions;
- Note 34 — Share based payments;

1.3 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2023 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 7 and 30 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 2(j) and 27 – measurement of defined benefit obligations: key actuarial assumptions; and
- Note 14 and 31 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

1.4 Measurement of fair values

A number of the 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(b) – 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. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

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

ii. Classification and subsequent measurement

Financial assets

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

- amortised cost;
- 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 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 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.

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 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 Group provides for gratuity, a defined benefit plan ("the Gratuity Plan") covering the eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death,

incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of the employment with the Company.

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

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

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 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.

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, fixed price or on a sale of compounds.

In respect of contracts involving research services, in case of 'time and materials' contracts, contract research fee are recognised as services are rendered, in accordance with the terms of the contracts.

Revenues relating to fixed price contracts are recognised based on the percentage of completion method determined based on efforts expended as a proportion to total estimated efforts. The Group monitors estimates of total contract revenue and cost on a routine basis throughout the contract period. The cumulative impact of any change in estimates of the contract revenue or costs is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.

In respect of contracts involving sale of compounds arising out of contract research, revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment to the customer/ 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 product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

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

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 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 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 assess 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. 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. 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.

t. Recent accounting pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On 31 March 2023, MCA notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 01 April 2023, as below: The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

- Ind AS 1 – Presentation of Financial Statements: The amendments require companies to disclose the material accounting policies rather than significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.
- Ind AS 12 – Income Taxes: The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.
- Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(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 2021	703	6,141	24,541	181	606	38	32,210	2,372
Additions	-	384	3,268	11	120	1	3,784	4,876
Disposals / other adjustments	-	(5)	(178)	-	(2)	-	(185)	(3,784)
At 31 March 2022	703	6,520	27,631	192	724	39	35,809	3,464
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
Accumulated depreciation								
At 1 April 2021	-	1,063	10,348	140	318	19	11,888	-
Depreciation for the year	-	256	2,490	27	88	3	2,865	-
Disposals	-	(5)	(166)	-	(2)	-	(173)	-
At 31 March 2022	-	1,314	12,673	167	404	22	14,580	-
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	-
Net carrying amount								
At 31 March 2022	703	5,206	14,958	25	320	17	21,229	3,464
At 31 March 2023	703	5,281	17,391	10	436	13	23,834	1,769

Notes:

(a) Land includes land held on lease under perpetual basis: Gross carrying amount - Rs. 661 (31 March 2022 - Rs. 661).

(b) Plant and equipment includes computers.

(c) Buildings with a gross carrying amount of Rs. 4,187 as at 31 March 2023 (as at 31 March 2022 - Rs. 4,035) 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. 72 (31 March 2022 - Rs. 67).

(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 Statements

For the year ended March 31, 2023

(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 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

31 March 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	3,092	265	70	37	3,464
	3,092	265	70	37	3,464

(i) There are no capital work-in-progress whose completion has exceeded its cost compared to its original plan as on 31 March 2023 and as on 31 March 2022.

(ii) Capital work-in-progress whose completion is overdue to its original plan:

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

31 March 2022	Less than 1 year	1-2 years	2-3 years	More than 3 years	Expected Capitalisation date
Project 1	231	-	3	-	30 June 2022
Project 2	1,030	-	-	-	30 September 2022

3 (b) Right-of-use assets

	Land	Buildings	Vehicles	Total
Gross carrying amount				
At 1 April 2021	65	1,217	56	1,338
Additions	302	953	22	1,277
Deletions	-	(74)	(23)	(97)
At 31 March 2022	367	2,096	55	2,518
Additions	-	155	37	193
Deletions	-	(10)	(27)	(37)
At 31 March 2023	367	2,241	65	2,674
Accumulated depreciation				
At 1 April 2021	41	165	11	217
Depreciation for the year	18	92	10	120
Deletions	-	-	(7)	(7)
At 31 March 2022	59	257	14	330
Depreciation for the year	39	132	16	186
Deletions	-	-	(11)	(11)
At 31 March 2023	98	389	19	505
Net carrying amount				
At 31 March 2022	308	1,839	41	2,188
At 31 March 2023	269	1,854	46	2,169

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(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 2021	84	3	1	468	556
Additions	27	13	3	11	54
At 31 March 2022	111	16	4	479	610
Additions	35	42	0	87	164
At 31 March 2023	146	58	4	566	774
Accumulated depreciation					
At 1 April 2021	6	3	1	170	180
Depreciation for the year	3	1	1	40	45
At 31 March 2022	9	4	2	210	225
Depreciation for the year	6	9	1	53	68
At 31 March 2023	15	13	3	263	293
Net carrying amount					
At 31 March 2022	102	12	2	269	385
At 31 March 2023	131	45	1	303	481

Note:

- During the year, the Company has recognised rental income of Rs. 403 (31 March 2022 : Rs. 344) in the statement of profit and loss for investment property. The fair value of investment property as at 31 March 2023 is Rs. 481 (31 March 2022 : Rs. 385).
- Investment property with a gross carrying amount of Rs. 146 (31 March 2022 : Rs. 111) have been constructed on leasehold land obtained by the Company on lease basis from Biocon Limited.
- Refer note 31 (ii) for disclosure of contractual commitments for the acquisition of investment property.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(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 2021	376	120	496
Additions	2	-	2
Disposals	-	-	-
At 31 March 2022	378	120	498
Additions	117	-	117
Disposals	-	-	-
At 31 March 2023	495	120	615
Accumulated amortisation			
At 1 April 2021	195	110	305
Amortisation for the year	57	10	67
Disposals	-	-	-
At 31 March 2022	252	120	372
Amortisation for the year	58	-	58
Disposals	-	-	-
At 31 March 2023	310	120	430
Net carrying amount			
At 31 March 2022	126	-	126
At 31 March 2023	185	-	185

(a) Refer note 31 (ii) for disclosure of contractual commitments for the acquisition of intangible assets.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

5. Investments

(a) Non-current investments

	31 March 2023	31 March 2022
Unquoted equity instruments carried at fair value through other comprehensive income:		
2,020 (31 March 2022: 2,020) Equity shares of Rs. 10 each in Immuneel Therapeutics Private Limited [refer note(i) below]	323	214
4,922,663 (31 March 2022: 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 2022: 123,203) Equity shares of Rs. 100 each in Four EF Renewables Private Limited	12	12
246,406 (31 March 2022: 246,406) Compulsory convertible preference shares of Rs. 100 each in Four EF Renewables Private Limited [refer note(ii) below]	25	25
8,58,000 (31 March 2022: Nil) Equity shares of Rs. 10 each in O2 Renewable Energy II Private Limited	9	-
0.01% 20,020 (31 March 2022: Nil) Compulsory convertible debentures of Rs. 1,000 each in O2 Renewable Energy II Private Limited [refer note(iii) below]	20	-
150 (31 March 2022: Nil) Equity shares of Rs. 10 each in Ampyr Renewable Energy Resources Eleven Private Limited	- *	-
Investments carried at amortized cost:		
Inter corporate deposits with financial institutions * #	503	2,403
	941	2,703
Aggregate value of unquoted investments	941	2,703

Note:

- (i) In the year ending 31 March 2021, the Company invested Rs. 100 million in Immuneel Therapeutics Private Limited. In the year ending 31 March 2022, additional funding from external investors were received resulting in a dilution of the Company's equity interest. The gain on fair valuation from Rs. 100 million to Rs. 214 million is recognised in other comprehensive income. During the year ended 31 March 2023, the Company based on a fair valuation recorded a fair value increase in its investment carrying value by Rs. 109 million.
- (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.
- # Inter corporate deposits with financial institutions yield fixed interest rate.
- * Less than Rs. 0.5 million.

(b) Current investments

Quoted - Investment in mutual funds at fair value through profit or Loss	1,476	2,232
Unquoted - In others - at amortised cost		
Inter corporate deposits with financial institutions *	6,768	5,406
	8,244	7,638
* Inter corporate deposits with financial institutions yield fixed interest rate.		
Aggregate book and market value of quoted investments	1,476	2,232
Aggregate value of unquoted investments	6,768	5,406

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

6. Other financial assets

	31 March 2023	31 March 2022
(a) Non-current		
Security deposits	261	203
Bank deposits with maturity of more than 12 months	1,250	-
	1,511	203
(b) Current		
Other receivables (refer note 26)	160	55
Interest accrued but not due	392	329
	552	384

7. Deferred tax assets (net) (refer note 30(b))

	31 March 2023	31 March 2022
Deferred tax assets		
MAT credit entitlement	1,618	1,727
Employee benefit obligations	170	152
Derivatives, net	154	-
Others	-	28
	1,941	1,907
Deferred tax liabilities		
Property, plant and equipment, investment property and other intangible assets, net	1,221	1,067
Derivatives, net	-	164
Others	24	20
	1,245	1,251
Deferred tax assets (net)	696	656

8. Other assets

(Unsecured considered good, unless otherwise stated)

	31 March 2023	31 March 2022
(a) Non-current		
Capital advances	154	103
Balances with statutory / government authorities	15	15
Prepayments	80	67
	249	185
(b) Current		
Advances other than capital advances	296	324
Export incentive receivables [refer note 36]	-	62
Balances with statutory / government authorities	451	477
Prepayments	312	282
	1,059	1,145

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

9. Inventories

	31 March 2023	31 March 2022
Chemicals, reagents and consumables *	2,390	1,276
Work-in-progress	733	397
Finished goods	205	121
	3,328	1,794

* includes goods in-transit Rs. Nil (31 March 2022 - Rs. 10)

10. Trade receivables

	31 March 2023	31 March 2022
Unsecured *		
Considered good	5,294	5,077
Credit impaired	83	100
	5,376	5,177
Allowance for credit losses	(83)	(100)
	5,293	5,077

* Includes receivables from related parties [refer note 26]

(a) Aging schedule

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	5,293
Undisputed trade receivables - credit impaired	-	-	33	37	13	83
	988	3,232	981	149	26	5,376

31 March 2022	Outstanding for following periods from due date of payment					
	Unbilled	Not due	Less than 6 months	6 months – 1 year	1-2 years	Total
Undisputed trade receivables - considered good	556	3,359	818	173	171	5,077
Undisputed trade receivables - credit impaired	-	-	-	-	100	100
	556	3,359	818	173	271	5,177

(b) All trade receivables are current and undisputed.

(c) Trade receivables outstanding for period above 2 years from due date of payment is Rs. Nil (31 March 2022: Rs. Nil) for the year ended 31 March 2023.

(d) The Company's exposure to credit and currency risks and loss allowances are disclosed in note 28.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

11. Cash and bank balances

	31 March 2023	31 March 2022
(a) Cash and cash equivalents		
Cash on hand	- *	- *
Balances with banks (on current accounts)	895	2,318
Deposits with original maturity of less than 3 months	-	300
	895	2,618
(b) Bank balances other than above		
Deposits with maturity of less than 12 months	4,422	2,561
Total cash and bank balances	5,317	5,179

* 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. 25 (31 March 2022: Rs. 8). The restrictions are primarily on account of bank balances held under Employee Welfare Trust.

12 (a). Equity share capital

	31 March 2023	31 March 2022
Authorised		
500,000,000 (31 March 2022: 500,000,000) equity shares of Rs 10 each (31 March 2022: Rs 10 each)	5,000	5,000
Issued, subscribed and fully paid-up		
401,434,500 (31 March 2022: 400,796,500) equity shares of Rs 10 each (31 March 2022: Rs 10 each)	4,014	4,008
	4,014	4,008

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

Equity shares	31 March 2023		31 March 2022	
	No.	Rs	No.	Rs
At the beginning of the year	400,796,500	4,008	400,000,000	4,000
Issue of shares [refer note 40]	638,000	6	796,500	8
At the end of the year	401,434,500	4,014	400,796,500	4,008

(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.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

(iii) Details of shares held by holding company and their subsidiaries

	31 March 2023		31 March 2022	
	No.	% holding	No.	% holding
Equity shares of Rs. 10 each fully paid				
Biocon Limited (holding company) [refer note (vi) below]	219,185,608	54.60%	280,974,772	70.10%

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

	31 March 2023		31 March 2022	
	No.	% holding	No.	% holding
Equity shares of Rs 10 each fully paid				
Biocon Limited [refer note (vi) below]	219,185,608	54.60%	280,974,772	70.10%

(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 2023	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Equity shares allotted as fully paid bonus shares by capitalization of general reserve and surplus in statement of profit and loss [refer note (vi) below]	-	-	-	200,000,000	-

(vi) Issue of bonus shares

The shareholders approved through postal ballot on 13 July 2019, the issue of fully paid up bonus shares of face value of Rs. 10/- each in the ratio of 1:1 by capitalisation of general reserves and surplus in statement of profit and loss.

(vii) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer note 34.

(viii) Shares held by promoters

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)%

Promoter Name	At 1 April 2021	Change during the year	At 31 March 2022	% of Total Shares	% change during the year
Kiran Mazumdar Shaw	15,276	-	15,276	0.00%	-
Yamini R Mazumdar	20,060	-	20,060	0.01%	-
Ravi R Mazumdar	2,120	-	2,120	0.00%	-
Dev Mazumdar	7,000	-	7,000	0.00%	-
Biocon Limited	280,974,772	-	280,974,772	70.10%	-
Biocon Employee Welfare Trust	1,301,373	(122,640)	1,178,733	0.29%	(0.03)%
	282,320,601	(122,640)	282,197,961	70.40%	(0.03)%

The Company has only one class of equity shares having a par value of Rs. 10 per share.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

12 (b). Other equity

Securities premium

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

Retained earnings

The amount represents surplus in statement of profit and loss not transferred to any reserve and can be distributed by the Company as dividends to its equity shareholders. The amount also includes retained earnings of Syngene Employee Welfare Trust.

Treasury shares

The amount represents cost of own equity instruments that are acquired (treasury shares) by the ESOP trust and is disclosed as a deduction from other equity.

Special Economic Zone (SEZ) reinvestment reserve

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

Share based payment reserve

The Company has established share based payment plan for certain categories of employees of the Company. Also refer note 34 for further details on these plans.

Cash flow hedging reserves

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

Other Items of other comprehensive income

Other Items of other comprehensive income represents re-measurements of the defined benefits plan.

13. Borrowings

	31 March 2023	31 March 2022
(a) Non-current borrowings		
Term loans from banks:		
External commercial borrowings(secured) [refer note (i) below]	3,493	3,796
Foreign currency term loan (secured) [refer note (ii) below]	1,397	1,519
	4,890	5,315
(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]	247	-
Pre shipment credit(unsecured) [refer note (iii) below]	-	2,581
	863	2,581
The above amount includes		
Secured borrowings	5,753	5,315
Unsecured borrowings	-	2,581
	5,753	7,896

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

Notes:

- (i) The Company had entered into external commercial borrowing agreement dated 21 September 2020 to borrow USD 50 million (Rs. 4,109) term loan facility. The facility is borrowed to incur capital expenditure at Bengaluru, Hyderabad and Mangaluru premises of the Company and was used for this specific purpose. The facility carries an interest rate of Libor + 1.30% and are to be paid in three instalments of USD 7.5 million in September 2023, USD 12.5 million in September 2024 and USD 30 million in September 2025. The facility is secured by first priority pari passu charge on fixed assets (movable plant and machinery) and second charge on current assets of the Company. The Company is compliant with the financial covenants stipulated under the agreement.
- (ii) The Company had entered into foreign currency term loan agreement dated 30 March 2021 to borrow USD 20 million (Rs. 1,644) term loan facility. The facility is borrowed to incur capital expenditure at Bengaluru, Hyderabad and Mangaluru premises of the Company and was used for this specific purpose. The facility carries an interest rate of Libor + 0.87% and are to be paid in three instalments of 15%, 25% and 60% from end of 3 years, 4 years and 5 years respectively from the date of origination. The facility is secured by first priority pari passu charge on fixed assets (movable plant and machinery) and second charge on current assets of the Company. The Company is compliant with the financial covenants stipulated under the agreement.
- (iii) The Company had obtained foreign currency denominated short term unsecured pre-shipment credit loans of Rs. 2,862 (USD 35 million) and the balance as on 31 March 2023 is Nil [31 March 2022 : Rs. 2,581 (USD 34 million)] that carries interest rate of SOFR + 40 to 60 Bps (31 March 2022: SOFR + 0.20% to +0.30%). Loan has been entirely paid during the year.
- (iv) Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 28.

14. Provisions

	31 March 2023	31 March 2022
(a) Non-current		
Provision for employee benefits		
Gratuity (refer note 27)	437	344
	437	344
(b) Current		
Provision for employee benefits		
Gratuity (refer note 27)	73	174
Compensated absences (refer note 27)	437	408
	510	582

15. Other liabilities

	31 March 2023	31 March 2022
(a) Non-current		
Deferred revenues	2,564	2,528
	2,564	2,528
(b) Current		
Advances from customers	5,314	4,353
Deferred revenues	743	421
Others		
- Statutory dues	171	140
- Other dues	338	320
	6,566	5,234

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

16. Trade payables

	31 March 2023	31 March 2022
Trade payables [refer note (a) below and note 26]		
Total outstanding dues of micro and small enterprises	166	34
Total outstanding dues of creditors other than micro and small enterprises	2,414	2,294
	2,580	2,328
(a) Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development Act, 2006 ("MSMED Act")		
(i) The principal amount and interest due thereon remaining unpaid to supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprise	166	34
- Interest due on above	- *	1
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	395	291
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	- *	-
(iv) Interest accrued and remaining unpaid at the end of the year	- *	1
(v) Interest remaining due and payable in succeeding years, in terms of Section 23 of the MSMED Act, 2006	12	11

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 2023	Outstanding for following periods from due date of payment				Total
	Unbilled	Not due	Less than 1 year	More than 1 year	
Total outstanding dues of micro and small enterprises	-	166	-	-	166
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,509	628	270	7	2,414
	1,509	794	270	7	2,580

31 March 2022	Outstanding for following periods from due date of payment				Total
	Unbilled	Not due	Less than 1 year	More than 1 year	
Total outstanding dues of micro and small enterprises	-	34	-	-	34
Total outstanding dues of creditors other than micro and small enterprises	1,430	640	224	-	2,294
	1,430	674	224	-	2,328

(c) All trade payables are current and undisputed. The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 28.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

17. Other financial liabilities

	31 March 2023	31 March 2022
Current		
Payable for capital goods	582	1,096
Book overdraft	-	2
	582	1,098

18. Revenue from operations

	Year ended 31 March 2023	Year ended 31 March 2022
Contract research and manufacturing services income [refer note (a) below]	30,802	25,067
Other operating revenues		
Scrap sales	50	22
Others [refer note (b) below]	1,077	953
	31,929	26,042

Note:

- (a) Revenue for the year ended 31 March 2022 include manufacture and sale of remdesivir, a broad-spectrum antiviral medication for the treatment of Covid-19 infection under the brand name 'RemWin' in a voluntary licensing agreement received from Gilead Sciences Inc.
- (b) Others include income from support services, rentals by the SEZ Developer and recognition of deferred revenue for assets funded by customers over the useful life.

18.1 Disaggregated revenue information

Set out below is the disaggregation of revenue:

	Year ended 31 March 2023	Year ended 31 March 2022
Revenues from Contract research and manufacturing services income by geography		
India	720	2,376
United States of America	22,288	18,220
Europe	5,711	2,701
Rest of the world	2,083	1,771
	30,802	25,067
Revenue from other sources		
Other operating revenues	1,127	975
	1,127	975
Total revenue from operations	31,929	26,042

Geographical revenue is allocated based on the location of the customers.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

18.2 Contract balances

	Year ended 31 March 2023	Year ended 31 March 2022
Trade receivables [refer note (i) below]	5,293	5,077
Contract liabilities [refer note (ii) below]	8,621	7,302

Notes:

- (i) Trade receivables are non-interest bearing.
- (ii) Contract liabilities include advances from customers and deferred revenue.

18.3 Changes in Contract liabilities - advances from customers and deferred revenue

	Year ended 31 March 2023	Year ended 31 March 2022
Balance at the beginning of the year	7,302	6,545
Add: Increase due to invoicing during the year	8,683	5,686
Less: Revenue recognised from advances from customers at the beginning of the year	(3,482)	(3,544)
Less: Amounts recognised as revenue during the year	(3,882)	(1,385)
Balance at the end of the year	8,621	7,302
Expected revenue recognition from remaining performance obligations:		
- Within one year	6,058	4,774
- More than one year	2,564	2,528
	8,621	7,302

18.4 Performance obligation:

In relation to information about the Group's performance obligations in contracts with customers refer note 2(l).

19. Other income

	Year ended 31 March 2023	Year ended 31 March 2022
Interest income on:		
Deposits with banks and financial institutions	594	457
Lease deposits	9	8
Net gain on sale of current investments	106	63
	709	528

20. Cost of chemicals, reagents and consumables consumed

	Year ended 31 March 2023	Year ended 31 March 2022
Inventory at the beginning of the year	1,276	294
Add : Purchases	10,136	8,688
Less: Inventory at the end of the year	(2,390)	(1,276)
	9,022	7,706

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(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 2023	Year ended 31 March 2022
Inventories at the beginning of the year		
Work-in-progress	397	212
Finished goods	121	90
	518	302
Inventories at the end of the year		
Work-in-progress	733	397
Finished goods	205	121
	938	518
	(420)	(216)

22. Employee benefits expense

	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus	7,316	6,052
Contribution to provident fund and other funds	318	275
Gratuity expenses (refer note 27)	108	125
Share based compensation expense (refer note 34)	236	371
Staff welfare expenses	439	358
	8,417	7,181

23. Finance costs

	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense on:		
Borrowings	182	72
Lease liabilities [refer note 35]	163	103
Exchange difference to the extent considered as an adjustment to borrowing cost	107	66
	452	241

24. Depreciation and amortisation expense

	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation of property, plant and equipment [refer note 3 (a)]	3,353	2,865
Depreciation of right-of-use assets [refer note 3 (b)]	186	120
Depreciation of investment property [refer note 3 (c)]	68	45
Amortisation of other intangible assets [refer note 4]	58	67
	3,665	3,097

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

25. Other expenses

	Year ended 31 March 2023	Year ended 31 March 2022
Rent	44	48
Communication expenses	77	37
Travelling and conveyance	461	283
Professional charges	711	571
Payments to auditors [refer note (a) below]	9	7
Directors' fees including commission	56	50
Power and fuel	692	648
Facility charges	317	177
Insurance	254	178
Rates and taxes	131	53
Repairs and maintenance		
Plant and machinery	1,119	916
Buildings	91	44
Others	556	471
Selling expenses		
Freight outwards and clearing charges	34	27
Sales promotion expenses	151	90
Provision for doubtful receivables	-	46
Bad debts written off	10	8
Less: Provision no longer required written back	(17)	(8)
Printing and stationery	39	32
Clinical trial expenses	100	49
Corporate social responsibility expenses (refer note 37)	98	93
Loss on assets scrapped	75	20
Miscellaneous expenses	140	118
	5,148	3,958
(a) Payments to auditors:		
As an auditor:		
Statutory audit	5	3
Tax audit	1	1
Limited review	2	2
In other capacity:		
Other services (certification fees) [refer note (i) below]	- *	-
Reimbursement of expenses	1	1
	9	7

(i) Amounts are not presented since the amounts are rounded off to Rupees million.

* Less than Rs. 0.5 million.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

26. Related party transactions

Related parties where control exists and related parties with whom transactions have taken place during the year are listed below :

List of Related parties

Particulars	Nature of relationship
A. Key management personnel	
Kiran Mazumdar Shaw	Chairperson
John Shaw	Non-executive director (till 21 July 2021)
Jonathan Hunt	Managing Director and Chief Executive Officer
Catherine Rosenberg	Non-executive director
Carl Decicco	Independent director (till 28 February 2022)
	Non-executive director (w.e.f. 1 March 2022)
Sharmila Abhay Karve	Independent director
Paul Blackburn	Independent director
Vijay Kuchroo	Independent director
Vinita Bali	Independent director
Kush Parmar	Independent director (w.e.f. 22 June 2021)
Sibaji Biswas	Chief Financial officer
Priyadarshini Mahapatra	Company Secretary
B. Holding company	
Biocon Limited	Holding Company
C. Fellow subsidiaries	
Biocon Biologics Limited	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	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

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Particulars	Nature of relationship
Biocon FZ LLC	Fellow subsidiary
Biocon Academy	Fellow subsidiary
Biosimilar Collaborations Ireland Limited	Fellow subsidiary (w.e.f 29 November 2022)
Biosimilar Newco Limited	Fellow subsidiary (w.e.f 29 November 2022)
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

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The Company has the following related parties transactions

Particulars	Transactions / Balances	31 March 2023	31 March 2022
Key management personnel	Salary and perquisites [refer note (i) & (ii) below]	123	110
	Sitting fees and commission	56	50
	Outstanding as at the year end - Trade and other payables	14	13
Holding company	Rent	56	54
	Power and facility charges [refer note (iii) below]	313	204
	Purchase of goods	3	1
	Other expenses reimbursed	176	145
	Sale of services	8	28
	Rent and facility services	-	10
	Other expenses incurred on behalf	1	3
	Guarantee given to Central Excise Department	148	148
	Outstanding as at the year end - Rent deposits	23	23
	- Trade and other payables	103	99
- Trade and other receivables	13	74	
Fellow subsidiaries	Business purchase	182	-
	Sale of services	156	502
	Rent and facility services	314	335
	Other expenses incurred on behalf	92	26
	Other expenses reimbursed	13	4
	Purchase of goods	10	7
	Outstanding as at the year end - Trade and other payables	-	4
	- Trade and other receivables	268	243
Other related Parties	Sale of services	440	198
	Health services availed	3	5
	Contribution towards CSR	112	41
	Staff welfare expenses	3	3
	Provision for doubtful receivables	(88)	88
	Outstanding as at the year end - Trade and other payables	- *	- *
	- Trade and other receivables	210	355
	- Allowance for credit losses	-	88

* Less than Rs. 0.5 million.

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(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

- (i) The remuneration to the key managerial personnel does not include the provisions made for gratuity and compensated absences, as they are determined on an actuarial basis for the Company as a whole.
- (ii) Share based compensation expense allocable to key management personnel is Rs. 53 (31 March 2022 : Rs. 97), which is not included in the remuneration disclosed above.
- (iii) Effective from 1 October 2006, the Company has entered into an arrangement for lease of land on lease basis and a service agreement with 'Biocon SEZ Developer' of Biocon Limited for availing certain facilities and services. The facility charges of Rs. 282 (Year ended 31 March 2022 : Rs. 185) and power charges (including other charges) of Rs. 31 (Year ended 31 March 2022 : Rs. 19) have been charged by Biocon Limited for the year ended 31 March 2023.
- (iv) Fellow subsidiary companies with whom the Company did not have any transactions -
- | | |
|--|---|
| - Biocon Biologics Inc. | - Biocon Pharma Ireland Limited |
| - Biocon Biologics Do Brasil Ltda | - Biocon Pharma Malta Limited |
| - Biocon Biologics FZ-LLC | - Biocon Pharma Malta I Limited |
| - Biocon Biologics Healthcare SDN. BHD | - Biocon Pharma UK Limited |
| - Biocon Biosphere Limited | - Biocon SA |
| - Biocon Pharma Inc. | - Biocon FZ LLC |
| - Biocon Academy | - Biosimilar Collaborations Ireland Limited |
| - Biosimilar Newco Limited | |
- (v) The above disclosures include related parties as per Ind AS 24 on "Related Party Disclosures" and Companies Act, 2013.
- (vi) All transactions with these related parties are priced on an arm's length basis and none of the balances are secured.

Notes to the Consolidated Financial Statements

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(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

27. Employee benefit plans

- (i) The Company has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972 ('Gratuity Act'). Under the Gratuity Act, employee who has completed five years of service is entitled to specific benefit with no monetary limit. The level of benefit provided depends on the employee's length of service and salary at retirement/termination age. The gratuity plan is a funded plan and the Company makes contributions to a recognised fund in India.

The plan assets are maintained with HDFC Life Insurance Company Limited (HDFC Life) in respect of gratuity scheme for employees of the Company. The details of investments maintained by the HDFC Life are not available with the Company and not disclosed. The expected rate of return on plan assets is 7.31% p.a. (31 March 2022: 6.4% 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.

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 2022	521	(3)	518
Current service cost	77	-	77
Interest cost	30	-	30
Amount recognised in Statement of profit and loss	107	-	107
<i>Remeasurements:</i>			
Return on plan assets, excluding amounts included in interest expense / (income)	-	- *	- *
Actuarial (gain) / loss arising from:			
Demographic assumptions	(11)	-	(11)
Financial assumptions	(52)	-	(52)
Experience adjustment	(1)	-	(1)
Amount recognised in other comprehensive income	(64)	-	(64)
Benefits paid	(58)	-	(58)
Liability acquired through slump sale	8	-	8
Balance as at 31 March 2023	513	(3)	510

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(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 2021	568	(3)	565
Current service cost	90	-	90
Interest cost	35	-	35
Amount recognised in Statement of profit and loss	125	-	125
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense / (income)	-	- *	- *
Actuarial (gain) / loss arising from:			
Demographic assumptions	(44)	-	(44)
Financial assumptions	(36)	-	(36)
Experience adjustment	(24)	-	(24)
Amount recognised in other comprehensive income	(104)	-	(104)
Benefits paid	(68)	-	(68)
Balance as at 31 March 2022	521	(3)	518

* Less than Rs. 0.5 million.

	31 March 2023	31 March 2022
Non current	437	344
Current	73	174
	510	518

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

	31 March 2023	31 March 2022
Interest rate	7.3%	6.4%
Discount rate	7.3%	6.4%
Expected return on plan assets	7.3%	6.4%
Salary increase	8.0%	9.0%
Attrition rate (based on Age of the Employee)	9% - 22%	8% - 20%
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 2022 - 7 years).

The defined benefit plan exposes the Company to actuarial risks, such as interest rate risk.

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(iii) Sensitivity analysis

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis does not recognise the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any. The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are as below:

Particulars	31 March 2023		31 March 2022	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount rate	(24)	27	(28)	32
Salary increase	26	(24)	31	(28)
Attrition rate	(3)	3	(6)	7

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

As of 31 March 2023 and 31 March 2022, the plan assets have been invested in insurer managed funds and the expected contribution to the fund during the year ending 31 March 2023, is approximately Rs 73 (31 March 2022 - Rs 61).

Maturity profile of defined benefit obligation

Particulars	31 March 2023	31 March 2022
1st Following year	73	61
2nd Following year	69	56
3rd Following year	63	56
4th Following year	57	53
5th Following year	59	50
Years 6 to 10	210	214
Years 11 and above	268	321

(iv) Risk Exposure

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

- Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
- Interest rate risk: A decrease in bond interest rate will increase the plan liability.
- Longevity risk: The present value of the defined plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy will increase the plan's liability.
- Salary risk: Higher than expected increase in salary will increase the defined benefit obligation.

(v) Other long term benefits

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

Particulars	31 March 2023	31 March 2022
Compensated absences	437	408

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(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 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	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	19,945	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
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
31 March 2022								
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments (non-current)#	37	263	2,403	2,703	-	-	300	300
Derivative assets (non-current)	-	1,249	-	1,249	-	1,249	-	1,249
Other financial assets (non-current)	-	-	203	203	-	-	-	-
Investments (current)	2,232	-	5,406	7,638	2,232	-	-	2,232
Trade receivables	-	-	5,077	5,077	-	-	-	-
Cash and cash equivalents	-	-	2,618	2,618	-	-	-	-
Bank balances other than above	-	-	2,561	2,561	-	-	-	-
Derivative assets (current)	-	842	-	842	-	842	-	842
Other financial assets (current)	-	-	384	384	-	-	-	-
	2,269	2,354	18,652	23,275	2,232	2,091	300	4,623
Financial liabilities								
Borrowings (non-current)	-	-	5,315	5,315	-	-	-	-
Lease liabilities (non-current)	-	-	2,102	2,102	-	-	-	-
Derivative liabilities (non-current)	-	84	-	84	-	84	-	84
Borrowings (current)	-	-	2,581	2,581	-	-	-	-
Lease liabilities (current)	-	-	218	218	-	-	-	-
Trade payables	-	-	2,328	2,328	-	-	-	-
Derivative liabilities (current)	-	8	-	8	-	8	-	8
Other financial liabilities (current)	-	-	1,098	1,098	-	-	-	-
	-	92	13,642	13,734	-	92	-	92

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Level 3 investments comprises of unquoted equity instruments. The fair valuation exercise has the following key assumptions: (a) DCF valuation after considering WACC and post startup discount (b) Comparable company valuation approach using 8x multiple of revenue. The fair value of Level 3 investments are based on the market comparable approach of similar companies using 8x multiple of revenue. The Company has considered the lower end of the valuation 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 fair value of trade receivables, trade payables and other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short term nature.
- (b) There have been no transfers between level 1, 2 and 3 needs to be made.
- (c) The Company enters into derivative financial instruments with various counterparties. Derivatives are valued using valuation techniques in consultation with market expert. The most frequently applied valuation technique include forward pricing, swap models and Black Scholes Merton Model (for options valuation), using present value calculations. The models incorporate various inputs including foreign exchange forward rates, interest rate curve and forward rates curve.

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 2022	37	263	300
Gain included in OCI			
- Net change in fair value (unrealised)	-	109	109
Investment made in the current year			
- In equity instruments	9	-	9
- In debt instruments	20	-	20
Balance as at 31 March 2023	66	372	438

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 2023	31 March 2022	31 March 2023	31 March 2022
Movement in spot rate of the foreign currency				
INR/USD - Increase by 1%	-	-	(654)	(608)
INR/USD - Decrease by 1%	-	-	657	611
Movement in Interest rates				
LIBOR - Increase by 100 bps	-	-	(120)	(167)
LIBOR - Decrease by 100 bps	-	-	120	167

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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 Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The maximum exposure to credit risk as at reporting date is primarily from trade receivables and unbilled revenue amounting to Rs. 5,293 (31 March 2022: Rs 5,077). The movement in allowance for impairment in respect of trade receivables during the year was as follows:

Allowance for Impairment	31 March 2023	31 March 2022
Opening balance	100	62
Impairment loss recognised	-	46
Impairment loss reversed	(17)	(8)
Closing balance	83	100

Note: During the year ended 31 March 2023, impairment loss reversed includes Rs. 17 (31 March 2022: Rs. 8) pertaining to customer balances written off.

Details of trade receivables that are not due, past due and impaired is given below:

Particulars	31 March 2023	31 March 2022
Neither past due nor impaired	4,220	3,915
Past due but not impaired		
Less than 180 days	981	818
180 days - 365 days	149	173
More than 365 days	26	271
Less: Allowance for credit losses	(83)	(100)
Total	5,293	5,077

There is no receivable from customer (31 March 2022 : Nil) of the Company's receivables which is more than 10 percent of the Company's total receivables.

Credit risk on investments, cash and cash equivalent and derivatives is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. 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 non-convertible debentures.

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(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 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

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2022:

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Lease liabilities (non-current)	-	242	728	3,052	4,022
Lease liabilities (current)	228	-	-	-	228
Borrowings (non-current)	-	1,177	4,138	-	5,315
Borrowings (current)	2,581	-	-	-	2,581
Trade payables	2,328	-	-	-	2,328
Derivative liabilities (non-current)	-	1	1	82	84
Derivative liabilities (current)	8	-	-	-	8
Other financial liabilities	1,098	-	-	-	1,098
Total	6,243	1,420	4,867	3,134	15,664

(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.

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The currency profile of financial assets and financial liabilities as at 31 March 2023 and 31 March 2022 are as below:

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)

31 March 2022	USD	EUR	Others
Financial assets			
Trade receivables	4,265	43	-
Cash and cash equivalents	1,627	64	1
Derivative assets	-	-	-
Other financial assets (current)	20	-	-
Financial liabilities			
Borrowings (current)	(5,315)	-	-
Borrowings (non-current)	(2,581)	-	-
Trade payables	(249)	(34)	(32)
Derivative liabilities	(92)	-	-
Other financial liabilities (current)	(259)	(35)	(46)
Net assets / (liabilities)	(2,584)	38	(77)

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 2023	31 March 2022	31 March 2023	31 March 2022
USD Sensitivity				
INR/USD - Increase by 1%	(6)	(25)	(660)	(800)
INR/USD - Decrease by 1%	8	25	665	803
EUR Sensitivity				
INR/EUR - Increase by 1%	2	1	2	1
INR/EUR - Decrease by 1%	(1)	(1)	(1)	(1)

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Derivative financial instruments

The Company uses derivative financial instruments exclusively for hedging financial risks that arise from its commercial business or financing activities. The Company's Treasury team manages its foreign currency risk by hedging forecasted transactions like sales, purchases and capital expenditures. When a derivative is entered for hedging, the Company matches the terms of those derivatives to the underlying exposure. All identified exposures are managed as per the policy duly approved by the Board of Directors.

The following table gives details in respect of outstanding foreign exchange forward and option contracts:

Particulars	31 March 2023	31 March 2022
Foreign exchange forward contracts to sell USD with maturity between 0-8 years	USD 618 (Rs. 50,789)	USD 591 (Rs. 44,869)
European style option contracts with periodical maturity between 0-8 years	USD 264 (Rs. 22,025)	USD 268 (Rs. 20,347)
Interest rate swaps used for hedging LIBOR component in External Commercial Borrowings with maturity between 0-3 years	USD 50 (Rs. 4,109)	USD 50 (Rs. 3,796)

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 2023 and 31 March 2022 the Company'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 2023	31 March 2022
Variable rate borrowings	1,644	1,519
Fixed rate borrowings	4,109	6,377
Total borrowings	5,753	7,896

(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. 16 (31 March 2022 : Rs. 15).

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

29. Capital management

The key objective of the Group's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business. The Group focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Group.

The Group's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute annual dividends in future periods.

The amount of future dividends of equity shares will be balanced with efforts to continue to maintain an adequate liquidity status.

The capital structure as of 31 March 2023 and 31 March 2022 was as follows:

Particulars	31 March 2023	31 March 2022
Total equity attributable to the equity shareholders of the Company	36,180	32,976
As a percentage of total capital	86%	81%
Long-term borrowings	4,890	5,315
Short-term borrowings	863	2,581
Total borrowings	5,753	7,896
As a percentage of total capital	14%	19%
Total capital (Equity and Borrowings)	41,933	40,872

30. Tax expense

(a) Amount recognised in Statement of profit and loss

	31 March 2023	31 March 2023
Current tax	1,061	837
Deferred tax:		
MAT credit entitlement	109	47
Others related to:		
Origination and reversal of other temporary differences	122	2
Tax expense for the year	1,292	886
Reconciliation of effective tax rate		
Profit before tax and exceptional item	5,936	5,151
Add: Exceptional item	-	(307)
Profit before tax	5,936	4,844
Tax at statutory income tax rate 34.94% (31 March 2022 - 34.94%)	2,073	1,692
<i>Tax effects of amounts which are not deductible / (taxable) in calculating taxable income</i>		
Tax incentive	(908)	(953)
Non-deductible expense	107	41
Basis difference that will reverse during the tax holiday period	(42)	(148)
Others	62	65
Income tax expense	1,292	886

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(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 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
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	656	(231)	273	-	696
For the year ended 31 March 2022					
Deferred tax asset					
MAT credit entitlement	1,774	(47)	-	-	1,727
Defined benefit obligations	104	74	(26)	-	152
Others	11	17	-	-	28
Gross deferred tax assets	1,889	44	(26)	-	1,907
Deferred tax liability					
Property, plant and equipment, investment property and intangible assets, net	974	93	-	-	1,067
Derivatives, net	24	-	140	-	164
Others	-	-	20	-	20
Gross deferred tax liability	998	93	160	-	1,251
Deferred tax assets / (liabilities), net	891	(49)	(186)	-	656

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

31. Contingent liabilities and commitments (to the extent not provided for)

(i) Contingent liabilities

	31 March 2023	31 March 2022
(a) Claims against the Company not acknowledged as debt	6,219	5,478
The above includes:		
(I) Income tax matters under dispute for notices and orders received relating to financial year 2008 - 09 to 2020 - 21 (31 March 2022 : financial year 2002 - 03 to 2019 - 20)	6,206	5,454
(II) Indirect tax matters under dispute for notices and orders received relating to financial year 2009-10 to 2017-18 (31 March 2022 : financial year 2009 - 10 to 2017 - 18)	13	24

(III) In light of judgment of Honourable Supreme Court dated 28th February 2019 on the definition of "Basic Wages" under the Employees Provident Funds & Misc. Provisions Act, 1952 and based on Company's evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence it is unclear as to whether the clarified definition of Basic Wage would be applicable prospectively or retrospectively. The amount of the obligation therefore cannot be measured with sufficient reliability for past periods and hence has currently been considered to be a contingent liability.

Including the matters disclosed above, the Group is involved in taxation matters that arise from time to time in the ordinary course of business for years that are under assessment. Judgment is required in assessing the range of possible outcomes for some of these tax matters, which could change substantially over time as each of the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents. Based on its internal assessment supported by external legal counsel views, if any, the Company believes that it will be able to sustain its positions if challenged by the authorities and accordingly no additional provision is required for these matters. Management is of the view that above matters will not have any material adverse effect on the Company's financial position and results of operations.

(b) Guarantees

	31 March 2023	31 March 2022
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

	31 March 2023	31 March 2022
Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances	1,836	1,163

* Less than Rs. 0.5 million.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

32. (a) Interest in other entities

Subsidiaries

The Group's subsidiary as at 31 March 2023 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 2023	31 March 2022	31 March 2023	31 March 2022	
		%	%	%	%	
Syngene USA Inc.	United States	100	100	-	-	Business support and marketing for research services
Syngene Scientific Solutions Limited	India	100	-	-	-	CRAMS and clinical research services
Syngene Manufacturing Solutions Limited	India	100	-	-	-	Manufacture of enzyme products and medicinal goods

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(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 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%	3,685
Subsidiaries								
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	-	-	0.0%	0
Non-controlling interest	-	-	-	-	-	-	-	-
Total	100%	36,180	100%	4,644	100%	(972)	100%	3,672

Name of entity	Net assets as at 31 March 2022		Share in profit or loss for the year ended 31 March 2022		Share in other comprehensive income for the year ended 31 March 2022		Share in total comprehensive income for the year ended 31 March 2022	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated other comprehensive income	Amount
Holding Company								
Syngene International Limited	99.8%	32,916	99.5%	3,939	100%	433	99.6%	4,371
Subsidiary								
Syngene USA Inc.	0.2%	60	0.5%	19	-	-	0.4%	19
Non-controlling interest	-	-	-	-	-	-	-	-
Total	100%	32,976	100%	3,958	100%	433	100%	4,390

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(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.

	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations:		
India	1,217	2,789
United States of America	22,918	18,782
Europe	5,711	2,701
Rest of the World	2,083	1,771
Total	31,929	26,042

The following is the carrying amount of non current assets by geographical area in which the assets are located:

Carrying amount of non-current assets	March 31, 2023	March 31, 2022
India	30,068	28,768
Outside India	-	-
Total	30,068	28,768

Note: Non-current assets excludes investments, derivative assets, financial assets and deferred tax assets.

Major customer

Revenue from one customer (31 March 2022 - one customer) of the Company's Revenue from operations aggregates to Rs. 6,135 (31 March 2022 - Rs. 5,645) which is more than 10 percent of the Company'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 million 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 2022 : Rs. 11.25] per share (Face Value of Rs. 10 per share).

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

Details of Grant

Particulars	31 March 2023 No. of options	31 March 2022 No. of options
Outstanding at the beginning of the year	1,342,140	1,958,084
Granted during the year	-	-
Forfeited / lapsed during the year	(30,883)	(126,792)
Exercised during the year	(701,066)	(489,152)
Outstanding at the end of the year	610,191	1,342,140
Exercisable at the end of the year	549,377	482,332
Weighted average exercise price	11.25	11.25
Weighted average share price at the date of exercise (In Rs)	572.7	589.6

The weighted average remaining contractual life for the stock options outstanding as at 31 March 2023 is 4 years [31 March 2022 : 5 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 2023 No. of options	31 March 2022 No. of options
Outstanding at the beginning of the year	2,627,537	3,103,825
Granted during the year	89,704	418,132
Forfeited during the year	(326,215)	(467,068)
Exercised during the year	(817,184)	(427,352)
Outstanding at the end of the year	1,573,842	2,627,537
Exercisable at the end of the year	505,928	231,837
Weighted average exercise price	10.00	10.00
Weighted average fair value of shares granted during the year under Black Scholes Model (In Rs)	570.01	615.00
Weighted average share price at the date of exercise during the year (In Rs)	569.8	584.3

The weighted average remaining contractual life for the stock options outstanding as at 31 March 2023 is 4.34 years [31 March 2022 : 5.19 years].

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

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

Particulars	31 March 2023	31 March 2022
Dividend yield (%)	0.0%	0.1%
Exercise Price (In Rs)	10	10
Volatility	30.4%	32.9%
Life of the options granted (vesting and exercise period) [in years]	4.5	5.5
Average risk-free interest rate	7.3%	5.0%

35. Leases

The Company has entered into lease agreements for use of land, buildings, plant and equipment and vehicles which expires over a period ranging upto the year of 2039. Gross payments for the year aggregate to Rs. 251 (31 March 2022 - Rs. 183).

The weighted average borrowing rate of 7% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

The following is the movement in lease liabilities during the year ended 31 March 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 movement in lease liabilities during the year ended 31 March 2022:

Particulars	Land	Buildings	Vehicles	Total
Balance at the beginning	56	1,116	34	1,206
Additions during the year	302	953	22	1,277
Finance cost accrued during the period	4	96	3	103
Deletions	-	(75)	(8)	(83)
Payment of lease liabilities	(34)	(128)	(21)	(183)
Balance at the end	328	1,962	30	2,320

* Less than Rs. 0.5 million.

The following is the break-up of current and non-current lease liabilities:

	31 March 2023	31 March 2022
Current	257	218
Non-current	2,142	2,102
Total	2,399	2,320

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

	31 March 2023	31 March 2022
Less than one year	242	228
One to five years	1,044	970
More than five years	2,817	3,052
Total	4,103	4,250

The following are the amounts recognised in the statement of profit or loss for the year ended 31 March 2023:

	31 March 2023	31 March 2022
Depreciation expenses on right of use-assets	186	120
Interest expenses on lease liabilities	163	103
Total	349	223

36. Exceptional items

The Ministry of Commerce and Industry, Government of India issued a Gazette notification number 29/2015-2020 dated 23 September 2021 on Service Exports from India Scheme (SEIS) for services rendered in financial year 2019 - 2020 with the total entitlement capped at Rs. 50 million per exporter for the period. The Company has reversed the SEIS claim receivables of Rs. 307 million for the financial year 2019-2020 and the same has been presented under Exceptional items in this consolidated financial statement for the year ended 31 March 2022.

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.

	March 31 2023	March 31 2022
(a) Amount required to be spent by the Company during the year	98	93
(b) Amount unspent of previous years shortfall	59	21
(c) Amount spent during the year (in cash)		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above*	137	55
(d) Amount unspent and carried forward to next year	20	59

* Includes CSR towards related party [refer note 26]

Out of required amount of Rs 98 to be spent for financial year 2022-23, the Board of Directors has decided to allocate Rs 16 of the budget for year ending 31 March 2023 towards promoting education, academic sponsorship and research grants. However, the project was delayed. The Board has approved for transfer of unspent amount of Rs 16 for the year ending 31 March 2023 to a separate Unspent CSR account for utilisation during FY 2023-24.

Out of required amount Rs 59 unspent from previous financial years, the Board of Directors has decided to allocate Rs 3 of the budget towards COVID testing as well as vaccination activities and Rs. 1 towards academic sponsorship and research grants respectively. However, due to the downsurge of Covid-19 during the year, there was limited requirement of vaccines and the project was delayed. The Board has approved the retention of unspent amount of Rs 4 for the year ending 31 March 2023 in a separate Unspent CSR account for utilisation during FY 2023-24.

(e) The Company has undertaken CSR activities in nature of Community COVID 19 testing, vaccination program, mass rapid transit, women's safety and empowerment, promoting education, school programs, smart clinic and health during the year ended 31 March 2023 and 31 March 2022. All the above projects are ongoing projects.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

38. Earnings per equity share (EPS)

	March 31 2023	March 31 2022
<i>Earnings</i>		
Profit for the year	4,644	3,958
<i>Shares</i>		
Basic outstanding shares	401,434,500	400,796,500
Less: Weighted average shares held with the ESOP Trust	(771,236)	(2,647,740)
Weighted average shares used for computing basic EPS	400,663,264	398,148,760
Add: Effect of dilutive options granted but not yet exercised / not yet eligible for exercise	2,961,829	4,765,753
Weighted average shares used for computing diluted EPS	403,625,093	402,897,208
Earnings per equity share		
Basic (in Rs.)	11.59	9.94
Diluted (in Rs.)	11.51	9.82

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 classified as wilful defaulter.
- (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 27 April 2022, the Board of Directors of the Company have approved an allotment of 638,000 equity shares of Rs. 10/- (Rupees Ten each) of the Company to Syngene Employee Welfare Trust at face value pursuant to the shareholders' approval at the Annual General Meeting on 24 July 2019 to allot fresh equity shares upto 1.67% of the paid-up equity capital of the Company in tranches for the purpose of implementation of the Syngene International Limited - Restricted Stock Unit Long Term Incentive Plan FY 2020.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

(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 million. 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. 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:

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 27 April 2022, the Board of Directors of the Company proposed a final dividend of 10% or Rs. 1 per equity share as on the record date for distribution of the final dividend (comprising of a regular dividend of 5% or Rs. 0.5 per equity share and an additional special dividend of 5% or Rs. 0.5 per equity share). The shareholders approved the dividend in the Annual General Meeting held on 20 July 2022 and was subsequently paid.

43. Events after reporting period:

(a) 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.

(b) 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 proposed dividend is subject to the approval of the shareholders in the Annual General Meeting.

44. Prior year's comparatives

Previous year's figures have been regrouped / reclassified, where necessary, to conform to current year's classification.

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

Firm Registration No: 101248W/W-100022

Sampad Guha Thakurta

Partner

Membership number: 060573

Bengaluru

April 26, 2023

for and on behalf of **Board of Directors of Syngene International Limited**

Kiran Mazumdar Shaw

Chairperson

DIN: 00347229

Sibaji Biswas

Chief Financial Officer

Bengaluru

April 26, 2023

Jonathan Hunt

Managing Director and Chief Executive Officer

DIN: 07774619

Priyadarshini Mahapatra

Company Secretary

FCS Number: F8786

Notice

Notice is hereby given that the 30th Annual General Meeting (“AGM”) of Syngene International Limited will be held on Wednesday, July 26, 2023, 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, 2023, and the reports of the Board of Directors and Auditors thereon.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** the Audited Standalone Financial Statements of the Company together with the Reports of Board of Directors and Auditors thereon for the Financial Year ended March 31, 2023, 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, 2023, 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, 2023, 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 (Re. 0.50 regular dividend and Re. 0.75 as an additional special dividend to mark the 30th anniversary of the founding of the Company in November 1993) for the Financial Year ended March 31, 2023.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** a final dividend at the rate of Rs. 1.25 per equity share (Re. 0.50 regular dividend and Re. 0.75 as an additional special dividend) 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, 2023, 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 Professor Catherine Rosenberg (DIN: 06422834) as Director liable to retire by rotation.

To appoint a Director in place of Professor Catherine Rosenberg (DIN: 06422834), 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, Professor Catherine Rosenberg (DIN: 06422834), 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.”

By Order of the Board of Directors
For Syngene International Limited

Place: Bangalore
Date: April 26, 2023

Priyadarshini Mahapatra
Company Secretary
FCS No. 8786

Registered Office:

Biocon SEZ, Biocon Park, Plot No. 2 & 3,
Bommasandra Industrial Area, IV Phase,
Jigani Link Road, Bangalore – 560099, 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 10/2022 dated December 28, 2022 (collectively referred to as "MCA Circulars") has permitted the holding of the AGM through VC/OAVM, without the physical presence of the members at a common venue. Hence, in compliance with the said MCA circulars and provisions of the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the 30th AGM of the Company is being held through VC/OAVM. 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.
2. The proceedings of the AGM shall be deemed to be conducted at the Biocon Campus, 20th K.M. Hosur Road, Hebbagodi, Bangalore - 561229, Karnataka, India, which shall be the deemed venue of the AGM. Since the AGM will be held through VC/OAVM, the route map is not annexed to this Notice.
3. There is no special business to be transacted at this AGM. Consequently, no Explanatory Statement which sets out details of material facts is required to be annexed hereto.
4. The Company has engaged the services of KFin Technologies Limited, Registrar and Share Transfer Agent ("RTA") of the Company for providing the facility for e-Voting (remote e-Voting & voting at AGM) and attending the AGM through VC.
5. 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 through VC, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
6. The attendance of the members participating in the 30th AGM through VC/OAVM facility using their login credentials shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. Only bona fide members of the Company whose names appear in the Register of Members, will be permitted to attend the meeting through VC/OAVM. The Company reserves its right to take all necessary steps as may be deemed necessary to restrict non-members from attending the meeting.
8. The facility for joining AGM through VC/OAVM will be available for up to 2,000 Members. Members may join on first come first served basis. However, the above restriction shall not be applicable to members holding more than 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel(s), the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutinizers, etc. Members can login and join 15 (fifteen) minutes prior to the scheduled time of meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the scheduled time.
9. Institutional/corporate shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG format) of its Board or governing body resolution/authorisation, etc., authorising their representative to attend the AGM through VC/OAVM on their behalf and to vote electronically either during the remote e-voting period or during the AGM. The said resolution/authorisation shall be sent to the Scrutinizer by email through the registered email address of the institutional/corporate shareholders at: sree@sreedharancs.com with a copy marked to evoting@kfintech.com and investor@syngeneintl.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name Event No." The documents should reach the Scrutinizer on or before 17:00(IST) hours on July 25, 2023. Institutional shareholders who are members of the Company are encouraged to attend and vote at the AGM through VC/OAVM facility.
10. 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.
11. In terms of Section 152 of the Companies Act, 2013, Professor Catherine Rosenberg (DIN: 06422834), Non-Executive Director of the Company, retires by rotation at the AGM and being eligible, offers herself for re-appointment. The Nomination & Remuneration Committee and Board of Directors of the Company recommend her re-appointment.
12. The relevant details pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect of the Director seeking appointment/ re-appointment at this AGM is annexed as Annexure I. The Company has received the requisite consents/declarations for the appointment/ reappointment under the Act and the rules made thereunder.

13. 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 30th AGM.
14. The Securities and Exchange Board of India (SEBI) has vide Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 mandated furnishing of PAN, KYC details (i.e Postal address with pin code, email address, mobile number, bank account details, specimen signature, etc.) and nomination details by holders of physical securities for their corresponding folio numbers in prescribed forms before September 30, 2023. Accordingly, members are requested to comply with the circular and submit details or information in respective forms to RTA of the Company. Relevant details and forms prescribed by SEBI in this regard are made available under the Investors section on the website of the Company at: www.syngeneintl.com.
15. Shareholders holding shares in electronic (Demat) form are advised to inform the particulars of their bank account, change of postal address and email address to their respective Depository Participant(s) only. The Company or its RTA i.e. KFin Technologies Limited cannot act on any request received directly from the shareholders holding shares in demat mode for changes in any bank mandates or other particulars.
16. Shareholders holding shares in physical form are advised to inform the particulars of their bank account, change of postal address and email address to the Company's RTA: KFin Technologies Limited (Unit: Syngene International Limited), Plot 31-32, Selenium, Tower B, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 or the Secretarial Department of the Company at the registered office address.
17. **Dematerialisation of shareholding:** As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, April 1, 2019, except in case of request received for transmission or transposition and relogged 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 dematerialised form. Members can contact the Company or its RTA for assistance in this regard.
18. 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 dematerialised form only while processing service requests viz. 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, KFin Technologies Limited at Investor Support Center. It may be noted that any service request can be processed only after the folio is KYC compliant.
19. In view of the SEBI and MCA Circulars, an electronic copy of the Notice of the 30th AGM along with the Annual Report for the Financial Year 2022-23 are being sent only by email to those members whose email addresses are registered with the Company/ Depository Participant(s). In case any Member is desirous of obtaining a hard copy of the Annual Report for the Financial Year 2022-23 of the Company, may send a request to the Company's e-mail address at investor@syngeneintl.com mentioning Folio No./DP ID and Client ID. Members may note that the Notice of the 30th AGM and Annual Report 2022-23 will also be available on the Company's website at: www.syngeneintl.com and websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at: www.bseindia.com and www.nseindia.com respectively, and on the website of KFinTech at <https://evoting.kfintech.com/public/Downloads.aspx>.
20. All the members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on Friday, June 23, 2023 have been considered for the purpose of sending the AGM Notice and the Annual Report.
21. Pursuant to Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide the facility of remote e-voting to all the shareholders as per applicable regulations relating to e-voting. The complete instructions on the e-voting facility provided by the Company are annexed to this Notice, explaining the process of e-voting with the necessary user ID and password along with the procedure for such e-voting.

22. Company has fixed the cut-off date as Wednesday, July 19, 2023 for determining the eligibility of shareholders entitled to vote at the AGM. The remote e-voting shall remain open for a period of 5 days commencing from Friday, July 21, 2023 (9:00 hours) to Tuesday, July 25, 2023 (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.
23. The Company has appointed Mr. V Sreedharan, Practicing Company Secretary, Senior Partner of M/s V Sreedharan & Associates, Company Secretaries, Bangalore (FCS 2347; CP No. 833) and in his absence Mr. Pradeep B Kulkarni, Practicing Company Secretary, Bangalore (FCS 7260; CP No. 7835) or Ms. Devika Sathyanarayana, Practicing Company Secretary, Bangalore (FCS 11323; CP No. 17024), Partners of the same firm as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
24. As per Section 124(5) of the Act, the dividend which remains unpaid or unclaimed for a period of 7 (seven) years from the date of its transfer to the unpaid dividend account, is liable to be transferred by the Company to the "Investor Education and 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 7 (seven) consecutive years or more shall be transferred to the IEPF. Pursuant to Investor Education and Protection Fund (IEPF) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on the date of last AGM (i.e. July 20, 2022) on the website of the Company at www.syngeneintl.com and also on the website of the Ministry of Corporate Affairs. Shareholders may approach the Company Secretary of the Company for claiming the unclaimed dividend which is yet to be transferred to IEPF by the Company.
25. The details of the process and manner for participating in the 30th AGM through VC/OAVM are explained below:
- a. Members may attend the AGM through video conferencing platform provided by KFin Technologies Limited. Members may access the same at <https://emeetings.kfintech.com> and click on the "video conference" and access members login by using the remote e-voting credentials. The link for AGM will be available in members login where the EVENT and the name of the company can be selected.
 - 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 this notice.
 - c. Please note that participants connecting from mobile devices or tablets or through laptop connected 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 your 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 may register themselves as speakers for the AGM to post their queries. Accordingly, the Members may visit <https://emeetings.kfintech.com> and click on 'Speaker Registration' during the remote e-voting period. Members shall be provided a 'queue number' before the AGM. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.
 - 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, 2023, as recommended by the Board of Directors, if approved by the members at the AGM, will be paid on or before Monday, August 07, 2023 to those members whose name appear in the Register of Members of the Company or Register of Beneficial Owners maintained by the Depositories as on Friday, June 30, 2023.
- II. Members holding shares in electronic form are hereby informed that Bank particulars registered with their respective Depository Participant(s) (DPs), with whom they maintain their demat accounts, will be used by the Company for payment of dividend.
- III. Members holding shares in physical/electronic form are requested to submit their bank account details, if not already registered.

- IV. Shareholders holding shares in dematerialised 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 KFin Technologies Limited mentioning the name, folio no, bank details, self-attested PAN card and original cancelled cheque leaf. In case of absence of name of the first Shareholder on the original cancelled cheque or initials on the cheque, bank attested copy of first page of the Bank Passbook/Statement of Account along with the original cancelled cheque shall be provided.
- V. In case the Company is unable to pay the dividend to any Shareholder by the electronic mode, due to non-availability of the details of the bank account, the Company shall dispatch the dividend warrants/demand drafts to such Shareholder by post.
- VI. Pursuant to the amendments made by the Finance Act 2020, dividend paid by a company on or after April 1, 2020 is taxable in the hands of shareholders and the Company is required to deduct tax at source (TDS) / withholding tax from dividend paid to shareholders at the prescribed rates. The shareholders are requested to update their PAN, address, category, and residential status with KFin Technologies Limited (in case of shares held in physical mode) and with DPs (in case of shares held in demat mode). SEBI has also mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market.

A separate email communication was sent to all the shareholders on Saturday, June 24, 2023, informing applicable provisions of the Income-tax Act, 1961 regarding deduction of TDS, rate of TDS the relevant procedure to be adopted by them/and format of documents to be submitted by the shareholders to avail the benefit for availing of lower/nil rate of TDS, wherever applicable. The said communication and draft of the exemption forms and other documents/formats are available on the Company's website at 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 14, 2023 so as to enable the Company to determine applicable amount of TDS/withholding tax.

Procedure for remote e-voting:

1. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and

Administration) Rules, 2015 and as per Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Company is providing e-voting facility through KFin Technologies Limited ('KFinTech') on all resolutions set forth in this Notice, from a place other than the venue of the Meeting, to members holding shares as on Wednesday July 19,2023 being the cut-off date fixed for determining eligible members to participate in the remote e-voting process. The instructions for e-Voting are given herein below.

2. 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.
3. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby facilitating seamless authentication and ease of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their Depository Participant(s) to access e-Voting facility.
4. The remote e-Voting period shall commence at 9:00 hours (IST) on Friday, July 21, 2023 and remain open until 17:00 hours (IST) on Tuesday, July 25, 2023.
5. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
6. Any person holding shares in physical form and non-individual shareholders, who acquire shares of the Company and become a Shareholder of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@kfintech.com. However, if he / she is already registered with KFinTech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.
7. In case of Individual Shareholders holding securities in demat mode and who acquire shares of the Company and become a shareholder of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned under "Login method for remote e-Voting for individual shareholders holding securities in demat mode."

The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

Step 1: Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

Individual shareholders holding securities in demat mode with National Securities Depository Limited ("NSDL")	Individual shareholders holding securities in demat mode with CDSL
<p>A. User already registered for IDeAS facility:</p> <ol style="list-style-type: none"> 1. Open https://eservices.nsdl.com 2. Click on the "Beneficial Owner" icon under 'IDeAS' section. 3. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" 4. Click on bank name or e-Voting service provider and you will be re-directed to e-voting service provider website for casting your vote during the remote e-Voting period. <p>B. User not registered for IDeAS e-Services:</p> <ol style="list-style-type: none"> 1. To register, open https://eservices.nsdl.com either on a personal computer or on a mobile. 2. Select "Register Online for IDeAS" on the portal or click on the https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3. Proceed with completing the required fields <p>C. Alternatively, by directly accessing the e-Voting website of NSDL:</p> <ol style="list-style-type: none"> 1. Open https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. 2. Click on the icon "Login" which is available under 'Shareholder/Member' section 3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit Demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. 5. Click on Bank name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period. 	<p>A. Existing user who has opted for Easi/Easiest</p> <ol style="list-style-type: none"> 1. Click at https://web.cdslindia.com/myeasinew/home/login or www.cdslindia.com 2. Click on New System Myeasi. 3. Login with user ID and Password 4. After successful login of Easi / Easiest, Option will be made available to reach e-voting page 5. Click on e-voting service provider name to cast your vote <p>B. User not registered for Easi/Easiest</p> <ol style="list-style-type: none"> 1. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 2. Proceed with completing the required fields. <p>C. By visiting the e-Voting website of CDSL:</p> <ol style="list-style-type: none"> 1. Visit at www.cdslindia.com 2. Provide demat account number and PAN No. 3. System will authenticate user by sending OTP on registered mobile and email as recorded in the demat account. 4. After successful authentication, user will be provided links for the respective e-voting service provider where the e-voting is in progress.
<p>Individual Shareholders (holding securities in Demat mode) login through their depository participants</p> <ol style="list-style-type: none"> i. You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. ii. Once login, 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. Click on Bank Name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period. 	

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with NSDL	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
Individual Shareholders holding securities in Demat mode with CDSL	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 remote e-voting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

Members whose email IDs are registered with the Company/ Depository Participants(s), will receive an email from RTA which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- i. Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.
- ii. Enter the login credentials i.e. User ID and password mentioned in your e-mail. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.
- iii. After entering the correct details, click on "LOGIN".
- iv. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVEN" i.e., 7359_Syngene International Limited AGM and click on "Submit"
- vii. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN', in which case, 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

account.

- ix. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- x. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual available at the 'download' section of <https://evoting.kfintech.com> or call KFin on 1800 309 4001 (toll free).

A. Voting at AGM conducted through VC/OAVM (e-AGM)

- i. Only those members/shareholders, who will be present in the e-AGM and who have not cast their vote through remote e-voting and are otherwise not barred from doing so are eligible to vote.
- ii. Members who have voted through remote e-voting will still be eligible to attend the e-AGM.
- iii. Members attending the e-AGM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
- iv. Voting at e-AGM will be available at the end of the e-AGM and shall be kept open for 15 minutes. Members viewing the e-AGM, shall click on the 'e-voting' sign placed on the left-hand bottom corner of the video screen. Members will be required to use the credentials, to login on the e-Meeting webpage, and click on the 'Thumbs-up' icon against the unit to vote.

B. Instructions for members for attending the e-AGM

- i. Members will be able to attend the e-AGM or view the live webcast of e-AGM provided by Company's RTA at <https://emeetings.kfintech.com> by using their remote e-voting login credentials and by clicking on the tab "video conference". The link for e-AGM will be available in members login, where the EVENT and the name of the Company can be selected.

- ii. Members are encouraged to join the meeting through devices (laptops, desktops, mobile devices) with google chrome for seamless experience.) with Google Chrome for seamless experience.
- iii. Further, members registered as speakers will be required to allow camera during e-AGM and hence are requested to use internet with a good speed to avoid any disturbance during the meeting.
- iv. Members may join the meeting using headphones for better sound clarity.
- v. While all efforts would be made to make the meeting smooth, participants connecting through mobile devices, tablets, laptops, etc. may at times experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.
- vi. Members, who would like to express their views or ask questions during the e-AGM will have to register themselves as a speaker by visiting the URL <https://emeetings.kfintech.com/> and clicking on the tab 'Speaker Registration' during the period starting from July 21, 2023, 09.00 hours (IST) up to July 25, 2023, 17:00 hours (IST). Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the e-AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the e-AGM. Only questions of the members holding shares as on the cut-off date will be considered.
- vii. A video guide assisting the members attending e-AGM either as a speaker or participant is available for quick reference at URL <https://emeetings.kfintech.com/>, under the "How It Works" tab placed on top of the page.
- viii. Members who need technical assistance before or during the e-AGM can contact KFin at emeetings@kfintech.com or Helpline: 1800 309 4001.

Procedure for registration of email and mobile number for securities held in physical mode

Physical shareholders are hereby notified that based on SEBI Circular number: SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37, dated March 16, 2023, All holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register their e-mail ID. Holder can register/update the contact details through submitting the requisite ISR 1 form along with the supporting documents.

ISR 1 Form can be obtained by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx>

ISR Form(s) and the supporting documents can be provided by any one of the following modes.

- a) Through 'In Person Verification' (IPV): the authorised person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or
- b) Through hard copies which are self-attested, which can be shared on the address below;

KFIN Technologies Limited, Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India - 500 032
- c) Through electronic mode with e-sign by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx#>

Detailed FAQ can be found on the link: <https://ris.kfintech.com/faq.html>

For more information on updating the email and mobile details for securities held in electronic mode, please reach out to the respective DP(s), where the demat account is being held.

Other instructions:

- I. In case of any query and/or grievance in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com/> (KFinTech Website) or contact Mr. Suresh Babu, (Unit: Syngene International Limited) of KFIN Technologies Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at einward.ris@kfintech.com or evoting@kfintech.com or phone no. 040 – 67162222 or call KFIN's toll free No. 1800-309 4001 for any further clarifications.
- II. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).
- III. The remote e-voting period commences on 9:00 hours (IST) on Wednesday, July 19, 2023 and will remain open until 17:00 hours (IST) on Tuesday, July 25, 2023. During this period, Members of the Company holding shares either in physical form or in dematerialised form on the cut-off date of Wednesday, July 19, 2023, may cast their votes electronically. A person who is not a shareholder on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- IV. The voting rights of each shareholder shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. Wednesday, July 19, 2023

V. In case of non-receipt of the Notice of AGM, a member may obtain the Notice along with the User ID and Password in the manner outlined below:

i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS:

MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL: MYEPWD <SPACE> IN12345612345678

Example for CDSL: MYEPWD <SPACE> 1402345612345678

Example for Physical: MYEPWD <SPACE> XXXX1234567890

ii. If the e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, 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's toll free number 1800-309-4001 for any assistance.

iv. Member may send an e-mail request to evoting@kfintech.com. KFintech shall endeavor to send a User ID and Password to such Members whose mail IDs are available.

The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 2 (two) working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairperson or a person authorised, who shall countersign the same.

The results declared along with the report of the Scrutinizer shall be placed on the Company's website www.syngeneintl.com and on the website of KFintech <https://evoting.kfintech.com> immediately after the declaration of results by the Chairperson or a person authorised. The results shall also be submitted with the concerned Stock Exchanges i.e. BSE and NSE.

The resolutions, if passed by requisite majority, shall be deemed to have been passed on the date of the AGM i.e. July 26, 2023.

Annexure 1

Profile of Director being appointed at the 30th AGM.

In pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Brief resume of Director:

Professor Catherine Rosenberg

Non-Executive Director

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

Name of the Director	Professor Catherine Rosenberg
Category	Non-Executive Director
DIN	06422834
Date of Birth	23/05/1961
Date of Appointment	08/08/2000
Tenure of Appointment/Re-appointment	NA
Nature of expertise in Specific Functional Areas	Refer Corporate Governance report
Disclosure of relationship with Directors inter-se	Related to Kiran Mazumdar Shaw
Directorship held in other Listed Companies	None
Membership of Committee in other Companies, if any	None
Shareholding as on March 31, 2023	8806

Glossary

Definitions

ALCOA - attributable, legible, contemporaneous, original and accurate.

ALCOA+ has four additions: Complete, Consistent, Enduring and Available

Abbreviated New Drug Application (ANDA): An Abbreviated New Drug Application is an application for a U.S. generic drug approval for an existing licensed medication or approved drug. The ANDA is submitted to FDA's Center for Drug Evaluation and Research, Office of Generic Drugs, which provides for the review and ultimate approval of a generic drug product.

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.

Biologics: A biologic drug 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.

Carcinogen: A carcinogen is a substance, organism or agent capable of causing cancer.

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.

DNA-encoded chemical libraries (DEL): It is a technology for the synthesis and screening at scale of collections of small molecule compounds. The aim of DEL technology is to accelerate the drug discovery process and in particular early phase discovery activities such as target validation and hit identification.

DEREK Nexus™: A statistical-based software platform used in toxicity prediction.

Drug metabolism: Biotransformation of pharmaceutical substances in the body so that they can be eliminated more easily.

Electronic Laboratory Notebook (ELN): A computer program designed to replace paper laboratory notebooks. They are used by scientists and technicians to document research, experiments, and procedures performed in a laboratory.

ELISA (Enzyme-Linked Immunosorbent Assay): It is a commonly used laboratory test to detect antibodies in the blood. An antibody is a protein produced by the body's immune system when it detects harmful substances, called antigens.

GEMBA walks: Gemba walks denote the action of managers going to see the actual process, understand the work, ask questions, and learn.

Globally Harmonized System (GHS): GHS defines and classifies the hazards of chemical products and communicates health and safety information on labels. It ensures information on the hazardous properties of chemicals are properly communicated to enhance the protection of human health and the environment during the handling, transport and use of chemicals.

High-throughput screening (HTS): A drug discovery process that allows automated testing of large numbers of chemical and/or biological compounds for a specific biological target.

HTS methods are extensively used in the pharmaceutical industry, leveraging automation to quickly test the biological or biochemical activity of a large number of molecules, usually drugs. They accelerate target analysis, as large-scale compound libraries can quickly be screened in a cost-effective way.

Highly potent active pharmaceutical ingredients (HPAPIs): They are pharmacologically active substances that exhibit biological activity at extremely low concentrations.

In Vivo: In vivo refers to 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.

In silico tools: In biology and other experimental sciences, it means experimentation performed by computer.

Knockout mice: They are genetically modified organism and have a gene that is depleted or silenced to cause a loss of gene function.

Kaizen: a Japanese business philosophy of continuous improvement of working practices.

Large molecule: Large molecules are therapeutic proteins. They are also known as biologics.

m-RNA: In molecular biology, messenger ribonucleic acid is a single-stranded molecule of RNA that corresponds to the genetic sequence of a gene, and is read by a ribosome in the process of synthesizing a protein.

Mammalian: Relating to mammals.

Monoclonal Antibodies (mAb): These are produced in labs and engineered to bind specific targets such as antigens located on cancer cells.

Mutagen: A mutagen causes change in the DNA of a cell (mutation), which may harm cells and cause certain diseases, such as cancer.

NGS: Next generation sequencing is a sequencing technology used to determine the order of nucleotides in entire genomes or targeted regions of DNA or RNA,

Nanoparticle drug delivery systems are engineered technologies that use nanoparticles for the targeted delivery and controlled release of therapeutic agents.

qPCR (quantitative PCR) allows monitoring of amplification of any double-stranded DNA sequence

Oligonucleotides: Oligonucleotides are short DNA or RNA molecules that have a wide range of applications in genetic testing, research, and forensics. Commonly made in the laboratory these small bits of nucleic acids are vital for artificial gene synthesis, polymerase chain reaction (PCR), DNA sequencing, molecular cloning and as molecular probes.

Orthotopic tumor model: These involve the seeding of tumor cell lines or patient-derived cell xenografts into animal models

Pharmacology: Pharmacology is the study of how a drug affects a biological system and how the body responds to the drug.

Pharmacokinetics: The branch of pharmacology concerned with the movement of drugs within the body.

Research Informatics: Combination of Bioinformatics and Cheminformatics capabilities.

RT-PCR: The reverse transcription–polymerase chain reaction (RT PCR) is a nuclear-derived method for detecting the presence of specific genetic material in any pathogen, including a virus.

SOC is treatment that is accepted by medical authorities as a suitable treatment for a certain type of disease and that is widely used by healthcare professionals.

SQDECC – an acronym representing the six elements of operational excellence: safety, quality, delivery, engagement, compliance and cost.

Spheroids tumor model: These are simple, widely used multicellular 3D models that form due to the tendency of adherent cells to aggregate. They can be generated from a broad range of cell types such as embryos, liver and neural cells.

Target validation: Target validation is the first step in discovering a new drug. The process involves the application of a range of techniques that aim to demonstrate that drug effects on the target can provide a therapeutic benefit with an acceptable safety window.

T-cells: T cells are part of the immune system and develop from stem cells in the bone marrow. They help protect the body from infection and may help fight cancer.

Toxicology: Used to characterize the toxicity profile of a drug by identifying its impact on organ structure and / or functionality. This includes assessment of the severity and reversibility of toxicity, as well as dose ranges and their relationship to exposure.

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: Vaccine is preparation that reduce risks of getting a disease by stimulating the body's immune response against diseases

Abbreviations

Active Pharmaceutical Ingredient (API): Any substance or combination of substances used in a finished pharmaceutical product (FPP), intended to furnish pharmacological activity or to otherwise have direct effect in the diagnosis, cure, mitigation, treatment or prevention of disease, or to have direct effect in restoring, correcting or modifying physiological functions in human beings.

Contract Research Organization (CRO): These organizations provide support to a range of industrial sectors engaged in discovery research and development of large and small molecules.

CLM: Complete List of Materials

DS: Drug Substance

Good Clinical Practice (GCP): GCP is an international quality standard for conducting clinical trials that in some countries is provided by ICH, an international body that defines a set of standards, which governments can then transpose into regulations for clinical trials involving human subjects.

Good Laboratory Practice (GLP): Set of rules and criteria for a quality system concerned with the organizational process and the conditions under which non-clinical health and environmental safety studies are planned, performed, monitored, recorded, reported and archived.

HPLC: High Performance Liquid Chromatography (HPLC) is a form of column chromatography that pumps a sample mixture or analyte in a solvent (known as the mobile phase) at high pressure through a column with chromatographic packing material (stationary phase).

ICH Guidelines: ICH Guidelines were created by The International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use (ICH). ICH

aims to provide uniform standards for technical requirements for pharmaceuticals for human use.

ICMR: The Indian Council of Medical Research (ICMR), New Delhi, the apex body in India for the formulation, coordination and promotion of biomedical research, is one of the oldest medical research bodies in the world.

National Accreditation Board for Testing and Calibration Laboratories (NABL): It is a constituent board of quality council of India. The objective of NABL is to provide third party assessment of the quality and technical competence of testing and calibration laboratories. Government of India has authorized NABL as the accreditation body for Testing and Calibration Laboratories.

National GLP Compliance Monitoring Authority (NGCMA): Industries/test/ facilities/laboratories dealing with above chemicals and looking for approval from regulatory authorities before marketing them, may apply to the National GLP Compliance Monitoring Authority for obtaining GLP Certification. It is voluntary by nature.

NDA: New Drug Application (NDA) is the vehicle in the United States through which drug sponsors formally propose that the FDA approve a new pharmaceutical for sale and marketing.

ORABS: Open Rigid Access Barrier System

pH: Hydrogen ion concentration

United States Food and Drug Administration (US FDA or FDA): Federal agency of the United States Department of Health and Human Services. FDA is responsible for protecting the public health by assuring the safety, efficacy, and security of human and veterinary drugs, biological products, medical devices, our nation's food supply, cosmetics, and products that emit radiation.

Syngene

SYNGENE INTERNATIONAL LIMITED

Biocon SEZ, Biocon Park, Plot No. 2 & 3, Bommasandra Industrial Area, IV Phase,
Jigani Link Road, Bangalore - 560 099, Karnataka, India.

www.syngeneintl.com