

File Name	Meeting Date
Syngene International Limited	26-07-2023

## Syngene International Limited

**Moderator:** Good morning, madam. This is your moderator for the day. As the quorum is present, you can start the meeting. Thank you.

**Chairperson:** Thank you ಎಲ್ಲರಿಗೂ ನಮಸ್ಕಾರ ಸಿಂಜಿನ್ ಇಂಟರ್‌ನ್ಯಾಶನಲ್ ಲಿಮಿಟೆಡ್ ನಾ ಮೂವತ್ತನೆಯ ವಾರ್ಷಿಕ ಮಹಾಸಭೆಗೆ ನಿಮ್ಮೆಲ್ಲರಿಗೂ ಸ್ವಾಗತ ಸ್ವಾಗತ.

Good afternoon, ladies and gentlemen. I welcome all the shareholders to the 30th Annual General Meeting of Syngene International Limited. This meeting is being held through video conference in accordance with the circulars issued by the Ministry of Corporate Affairs. Before we initiate the AGM proceedings, let me introduce my colleagues who have joined me and all of us via video conference and are with me on the dais.

We have with us on my right, Mr. Jonathan Hunt, Managing Director and Chief Executive Officer. By video, Ms. Vinita Bali, Lead Independent Director and Chairperson Nomination and Remuneration Committee. Mr. Paul Blackburn, Independent Director and Chairman Audit Committee and Risk Management Committee. Professor Catherine Rosenberg, Non-Executive Director and Chairperson of the Corporate Social Responsibility Committee. Dr. Kush Parmar, Independent Director. Ms. Sharmila Abhay Karve, Independent Director and Chairperson of Stakeholders Relationship and ESG Committee. Dr. Vijay Kuchru, Independent Director and Chairperson of the Science and Technology Committee. And then to my far right, Mr. Shibaji Biswas, Chief Financial Officer. And to my left, Ms. Priyadarshini Mahapatra, Company Secretary. All directors other than Dr. Karl Di Chico are present at this AGM. Statutory Auditors BSR and Company LLP and Secretarial Auditors V Shridharan and Associates have also joined this meeting.

Participation of members through video conference is being reckoned for the purpose of quorum as per the circular issued by the Ministry of Corporate Affairs and pursuant to the provisions of Section 103 of the Companies Act 2013. As the requisite quorum is present for the Annual General Meeting, may I call this meeting to order. Notice of the 30th Annual General Meeting and the Annual Report for FY 22-23 were sent through email to all the shareholders whose email IDs are registered with the company or the depository participants in compliance with the circulars issued by the Ministry of Corporate Affairs and SEBI.

As the notice is already circulated to the members, I take this notice as read. Today, there are three ordinary resolutions proposed to be passed as set out in the notice of the AGM. The company has taken all necessary steps as per the provisions of the Companies Act 2013 and the circulars issued by the Ministry of Corporate Affairs to enable the members to participate and vote remotely on the resolution set forth in the notice. Members who have not cast their vote through this remote e-voting and who are participating in this meeting will have the opportunity to cast their votes through the Insta Poll facility provided by the companies RTA, KFIN Technologies Ltd. I now call upon our Company Secretary Priyadarshini to provide the general instructions to the members regarding participation in this meeting and the casting of votes through the Instapoll facility. Over to you Priyadarshini.

File Name	Meeting Date
Syngene International Limited	26-07-2023

**Priyadarshini:** Thank you, Chairperson. Good afternoon, everyone. The members may note that this meeting is being held through video conference in compliance with the provisions of the Companies Act 2013 and circulars issued by the Ministry of Corporate Affairs and SEBI. Facility to join this meeting through video conference or other audio-visual means is being made available to the members on a first-come, first-served basis. All the members are kept on mute to enable the smooth flow of proceedings of the meeting. The statutory registers and documents have been made available electronically for inspection by the members during the AGM.

Members who wish to inspect such documents, please do write to us at investor@syngeneintl.com. As the AGM is being held through video conference, the facility for appointment of proxies by members was not applicable. Hence, the proxy register is not for inspection and is not available. The company has received requests from a few members to register them as speakers at the meeting. Accordingly, the floor will be open for these members to ask questions or express their views. The moderator will facilitate this session once the Chairperson opens the floor for questions and answers. It may be noted that the company reserves the right to restrict the number of members asking the questions depending on the availability of time at the AGM.

Now let me summarize the three ordinary resolutions placed before today's meeting, seeking members' approval, as set out in the Notice of the Annual General Meeting. Part A of Item No. 1 relates to consider and adopt the audited stand-alone financial statements of the company for the financial year ended 31st March 2023 together with the reports of the Board of Directors and auditors thereon. Part B of Item No. 1 relates to consider and adopt the audited consolidated financial statements of the company for the financial year ended 31st March 2023 together with the report of the auditors thereon. The second item is to declare a final dividend of Rs. 1.25 per equity share i.e., Rs. 50 regular's dividend and Rs. 75 paise as an additional special dividend to mark the 30th anniversary of the founding of the company in November 1993. This is for the financial year ended 31st March 2023. The third item is to appoint a director-in-Place of Prof. Catherine Rosenberg, Non-Executive Director, who retires by rotation and being eligible, has offered herself for re-appointment. In compliance with the provisions of the Companies Act and the SEBI regulations, the company has arranged for an e-voting facility for all the members holding shares in the company as of the cut-off date of 19th July 2023 through K Fin Technologies Ltd. on all the resolutions proposed at today's Annual General Meeting. The remote e-voting period commenced on Friday 21st July 2023 at 9 a.m. IST and concluded at Tuesday 25th July 2023 at 5 p.m. IST. The members who have joined us today for this AGM through video conferencing facility and who have not exercised their voting rights during the remote e-voting period can still cast their vote on all the resolutions as outlined in the AGM notice through the InstaPoll facility provided by K Fin Technologies Ltd. Members can click on the thumb option below the screen to cast their vote on the resolutions. Mr. V. Sridharan, a practicing company secretary, and in his absence, Ms. Devika Satyanarayana, partners at Messrs. V. Sridharan and Company Associates, have been appointed by the Board as a scrutiniser for the e-voting process. Upon submission of the report by the scrutiniser, the result of e-voting and the InstaPoll will be intimated to the stock exchanges within two working days of conclusion of this AGM and made available on the company's website and the website of K Fin Technologies Ltd., the company's registrar and share transfer agents. Statutory auditors, Messrs. B. S. R. and Company LLP, and the secretarial auditors, Messrs. V. Sridharan and

File Name	Meeting Date
Syngene International Limited	26-07-2023

Associates, have expressed unqualified opinions on their respective reports for the financial year 2023. The auditors' report on financial statements of the company for the year ended 31st March 2023 does not contain any qualifications, observations or adverse remarks on financial statements or matters which have any material bearing on the functioning of the company. The statutory auditors' report on the standalone financial statements and the consolidated financial statements are available on page numbers 200 and 278 respectively of the annual report. The secretarial audit report is enclosed as annexure 6 to the Board's report on page number 102 of the annual report. As the auditors' reports are already circulated as part of the annual report, we have taken the reports as read. I now request Madam Chairperson to address the shareholders.

**Kiran:** Thank you, Priya Darshani. Let me repeat my welcome to all of you for this Annual General Meeting and I look forward to discussing another strong year of our company's performance. Syngene has made remarkable progress in fiscal year 2022-23. The year was marked by strong scientific advancements, new partnerships and financial growth. We continued to invest in new capabilities while harnessing a culture of excellence in every aspect of our work and meeting the compliance demands of global regulators. Two important highlights of the year were marked by milestones in our partnerships with Zoetis and Bristol-Myers Squibb respectively. These are long-standing relationships which have prospered based on years of working together, delivering science that improves lives for patients and increasingly also for companion animals. I'm sure Jonathan will tell you more about this in just a moment. Our focus on adding value to clients' research using the latest technology and leading-edge scientific capabilities was a major factor in driving growth. During the year, we built a significant pro-tax capability at our Hyderabad campus and commissioned a sterile injectable fill-finish capability in Bangalore to deliver supplies for clinical trials. In discovery services, the introduction of new proprietary artificial intelligence and machine learning models gave clients the opportunity to accelerate R&D timelines, delivering both cost savings and a higher probability of success with their projects. I am pleased to report that our strong operational performance was matched by our financial performance. Full-year revenue from operations grew by 23% to Rs 3,193 crores. And profit after tax increased by 17% to Rs 464 crores, exceeding the upgraded guidance provided during the year. We continue to invest in our communities through our CSR programs, including funding activities in Karnataka and Telangana, focusing on community-based healthcare, environmental rejuvenation, and increased access to science education in schools and colleges. As a service-based company, our workforce is critical and we are committed to offering rewarding careers to both scientists and non-scientists. Last year, we invested in career-long skills development for all our employees and added new programs on management and leadership skills, thus ensuring that our first- and second-line managers had the tools they needed to advance their careers. Dear shareholders, this is indeed a very proud milestone as we embark on our 30th year, and I feel great pride and optimism. Our company's achievements over the past three decades have been nothing short of remarkable. We have established a strong position in the world of contract research services, and we have a significant and growing presence in the world of contract development and manufacturing services for small and large molecules. To add to this, India is becoming an increasingly attractive destination for these activities. The emergence of new medical insights and advancing technology is driving greater complexity in research and development. To tackle this complexity and accelerate innovation while containing costs, pharmaceutical firms are now exploring the option of outsourcing the drug discovery and development process, and this is where we come in. Our company possesses deep scientific capabilities, cutting-edge infrastructure, and world-class quality standards, thus positioning us as a desirable partner to deliver innovative R&D solutions. Our expertise in drug discovery and

File Name	Meeting Date
Syngene International Limited	26-07-2023

development is second to none. Our company has established a firm foundation for growth, and I am confident that this will benefit all stakeholders in the years ahead. Our commitment to delivering exceptional value to our clients through advanced scientific capabilities, strategic partnerships, and innovative solutions will enable us to seize new opportunities and drive our success. In closing, I would like to express my gratitude to all Syngene employees for their commitment and dedication to scientific excellence. I would also like to thank Jonathan, Shibaji, and the rest of the executive team for driving performance with strategic intent and determination. I am grateful for the sound counsel and strong support offered by my fellow board members, as well as that of clients and other stakeholders who have placed their trust in Syngene. My final thanks are to you, our shareholders. While the company celebrates 30 years of excellence in science in November, I am delighted that many of you have shared this journey with us since the company got listed in 2015. The world of science constantly evolves, and our company will continue to do the same. The opportunities will be many, and we are well positioned to capture our share. Thank you.

**Priyadarshini:** Thank you, Kiran. I now request Jonathan to address the shareholders of the company on the company's performance during the financial year 2022-23.

**Jonathan:** Thank you, Priya Darshani. Thank you chairperson, Kiran. Let me add a warm welcome and a good afternoon to everyone. I'm delighted to report another successful year for your company. Our ability to deliver world-class science and service was fueled by the strong partnerships that we forge with our existing clients, while attracting a growing number of small and medium-sized research-based companies seeking outsource research, development, and manufacturing capabilities. Last year, we were delighted to sign a 10-year manufacturing contract with Zoetis, a leading animal health company. The agreement was a culmination of an 11-year association built around other projects, and it's a good demonstration of what it takes to build the trust required to commit to long-term partnerships. In March, we celebrated the 25th anniversary of our partnership with Bristol Myers Squibb for innovative discovery research in human health. The dedicated research and development facility that we run for BMS in Bangalore is their largest research facility outside of the United States. Outside of the dedicated centres, we pride ourselves on the scale and cutting-edge technology that we offer clients. During the year, we added space for around 400 additional scientists at our Hyderabad campus, and that takes that to a total of around 1,000 people. And as Kiran mentioned, we also invested in a dedicated pro-tech facility, and that accommodates 150 researchers. We were pleased to receive the U.S. FDA approval for the active pharmaceutical ingredient, or API, manufacturing facility in Mangalore just a few weeks ago. And as one of the world's most stringent regulators, this approval is an endorsement of our commitment to global quality manufacturing standards. We continue to monitor and manage our impact on society from an environment, social, and governance perspective. During the year, I'm pleased to report that we reduced our environmental footprint by delivering a 3.8% energy saving, and we did that while procuring 75% of our energy from renewable sources. We also reduced fresh water withdrawal by 40%, and recycled more than 90% of all of our waste. We monitor our workforce as part of being a responsible employer, and last year we ended the year with 28% of our total workforce being women. That's up from 16% in our baseline year, so meaningful progress. And those women are going on to have management careers at Syngene, so 25% of our management population are now women. In January 2023, Syngene became a member of

File Name	Meeting Date
Syngene International Limited	26-07-2023

the United Nations Global Compact to underline our commitment to running our business responsibly for the benefit of future generations. And looking to the future, we see further opportunities in the pharmaceutical and biotech sectors, as these companies seek speed and scale to advance their research pipelines. We also see growth potential in the animal health sector, presenting a new market for us. Overall, it was a focused and busy year, and I'd like to thank my Syngene colleagues for their continued commitment to our high standards of customer delivery, which in turn enables us to build trust with our clients. I'd like to recognise the leadership and vision of my colleagues on the Executive Committee, and offer my thanks to the many other stakeholders who ensure that we deliver safely and reliably for our clients every day. Today, as you'll be aware, we reported good first quarter results for the first quarter of the year, with revenue up 26%, profit after tax also up by 26%. A few weeks ago, we announced our intention to acquire a manufacturing site in Bangalore that will add scale to our biologics manufacturing. This is in line with our strategy and also reduces the planned capex expenditure that we had. We look forward to completing this transaction and getting the site up and running smoothly in the latter part of this financial year. So finally, let me echo Kiran's thanks for your ongoing support. We've come a long way in 30 years, and Kiran, I think, has to take much of the credit for that. And our commitment to our clients and partners has never been more important to accelerate scientific innovation. I know I speak for all of my Syngene colleagues when I say that we take pride every day in knowing that the solutions that we deliver make medicines one step closer to enhancing the lives of people and patients and animals globally. Thank you.

**Priyadarshini:** Thank you, Jonathan. Dear members, before proceeding with the question-and-answer session, we would request you to kindly bear in mind a few points while participating during this session. Kindly unmute yourselves before you proceed to ask your questions. Please mention your name and demat credentials. Each shareholder will have two minutes for his or her questions. Hence, we request you to please keep your questions brief and specific. I will now request the moderator to facilitate the question and answer session. Moderator, over to you, please.

**Moderator:** Thank you, Madam. Total, we have 12 speakers registered for this particular AGM. First speaker is Mr. K. Sadananda Sastry from Bangalore. May I request Mr. Sadananda Sastry ji to unmute yourself, switch on your camera, and speak, please?

**Mr. Sadananda Sastryji:** Am I audible?

**Moderator:** You are audible, sir. You can proceed with your question, please.

**Mr. Sadananda Sastry:** Okay. I am Sadananda Sastry from Bangalore. My number is 11702201. Chairman, I will go according to only your report. And other than that, my questions will be simple. According to the report, attempts are being made to get to the market because people are waiting its arrival. And its credit should not slip down to the other hands like Serum Institute or AstraZeneca. Like COVID vaccine. Page number 31, metabolic disorder. Any

File Name	Meeting Date
Syngene International Limited	26-07-2023

research is conducted to exploit vaccines for these general disease like diabetes, obesity, etc. page number 35, any permanent solution is found out as an alternative for chemotherapy which has many side effects. Page number 49, what is the ultimate results of glycoimmune therapeutic product? Whether it is available in the market? Aged and seniors are waiting for it. Page number 56, any research is still being made whether the company can avail opportunity to beat global competitors. Page number 73, water saving. For a social cause, has the company showed any devices to recharge groundwater? Page number 88, force report. I congratulate the company for its efforts to bring positive growth both in revenue and profit for the year. Page number 89, out of three subsidiaries, Ingene USA has given a profit of 41 billion. What about other two which have not even opened the profit account? Page number 90, company has been has completed three decades. In commemoration of this, additional dividend of 75 paise is declared. Even though it is a small one, 70 paise, it is good for having bifurcated from regular dividend of 50 paise. Page number 95, green initiative. I do agree with the company's view of green initiatives, but studying this lengthy report in the mobile is very difficult. Company has to supply physical report to those preferred. I am happy I received it. Thanks to company secretary, Mr. Priyadarshani madam. Page number 189, financial performance. Company has suffered 418 million losses in foreign fluctuation, exchange fluctuation, which is on the higher side. However, this item will be shown in the other expenses, but it is not made available in other expenses. How it is considered? Page number 244, with the retained earnings, company has expressed its intention to declare bonus shares. Other equities also permitting. Shareholders will be happy with the bonus share as dividend declared is only 50 paise. Page number 225, do the company have any idea of introducing artificial intelligence to replace computers, which have a lifetime of only three years as company considered. Page number 287, balance sheet, trade receivables, credit impairment may hit the profit, whether the credit impairment of 83 million is a loss or recoverable. Cash and equivalent of 895 million is moderately maintained, but compared to last year, how do the company meet its working capital requirements. Borrowings are somehow reduced, but the finance cost is unduly inflated to the extent of 210 million. What is the reason for this imbalance? In other expenses, there is an increase of 51 million in clinical trial expenses. Whether it leads to this extent? Is there any expansion in this direction? Thank you, everyone. See you in the company premises next year. Thank you very much.

**Priyadarshini:** Thank you, Mr. Shastri.

**Jonathan:** There's a long, long list of questions. You've clearly gone through every page of the annual report, so I commend you on that. Let me pick out one or two. Maybe the broader question on disease, unmet need, if you want to maybe take a bit of an overview on that. I'm very happy to talk a little bit around the questions on water, renewables, what we can do within the business to run it in a way that's more sustainable. I think the celebration of the 30th anniversary and the 30th dividend is something that you'd be best to comment on. Then, Subhadji, quite a number of finance questions. I think given the precision of some of those questions, very, very detailed, you might want to offer a follow-up call as well. I'll do that, but I'll answer whatever.

**Kiran:-** Thank you sadanand shastri, Thank you for your very detailed set of questions. Let me start by saying thank you for all the congratulations you know that you've given us for our 30 years and for many other aspects of what we have done for the 30 years. As an overview, let

File Name	Meeting Date
Syngene International Limited	26-07-2023

me basically say that Syngene basically is offering research services which really focus on providing innovative solutions for developing drugs and other aspects of addressing unmet medical needs. As you know, we've also recently gone into animal health, which is another area that is seeking innovative solutions for many of the needs of the sector. We also service a number of companies in non-pharma as well. Overall, I think what Syngene is doing is it is not really focusing on key segments like you are suggesting, like whether we have solutions for chemotherapy. As you know, immunotherapy and large molecules like antibodies are a very, very specific alternative or solution for many of these diseases like cancer. But that is not what Syngene is cut out to do. Syngene basically works with its customers, works with very innovative biotech companies, which are also very small, to really work out very innovative solutions for addressing a large number of medical needs. So, I think Syngene uses its scientific workforce, its scientific capacities to help its customers provide or develop very, very innovative solutions in this whole area of new drug development. So, I think as a company, unlike other parts of the Biocon group, which really focus on certain areas like cancer and diabetes and autoimmune diseases, I think Syngene has a much bigger mandate, a much bigger canvas. It covers almost any and every disease segment because it works with so many global pharma companies and small biotech in the ecosystem. So, I think answering your very, very specific questions on are you doing this or are you doing that, I don't think is something which we can answer in that specific way because we are dealing with clients who are addressing these aspects of your questions. So, I hope I've answered those questions. But regardless to say that we are doing all of this by investing a lot in high science, both in terms of infrastructure and talent. And we really want to be that leading company when it comes to scientific innovation and research and development. As you know, we have recently moved into large scale manufacturing, which again now makes us into a very comprehensive, integrated, end-to-end research services company. And as we do that, we are also dovetailing and embedding sustainability into everything we do. So whether it is about rejuvenation of lakes, whether it is about rural health care, whether it is about rural education, whether it is about afforestation, we are committed to a number of sustainability goals through our CSR programs. And I think we are a very responsible company in every sense of the word. And we want to really be considered as a company that delivers high growth while it pursues high science. Thank you.

**Jonathan:** Kiran, that's a perfect segue. You asked questions around water security and recycling and just that general sort of how can you be efficient and manage your impact on what are very, very precious and scarce resources. I gave some numbers in my introductory comment. If you look at our total energy consumption, we managed to produce a 3.8% energy saving. That's while the company grew. And the company grew last year at 23% as measured by revenue. So, the overall economic activity, scientific and manufacturing activity is going up, but we are managing to do it with less energy. We are also increasingly switching the type of energy that we use. And this is somewhere I think actually India is proving itself to be amongst the leaders in the world. The amount of renewable energy that's available in India is well ahead of what we see in many other countries around the world. And in Syngene's case, 75% of all of the power that we consume comes from renewables, whether that's solar or whether that's from wind or other ways of generating it. That really starts to limit our carbon footprint. Other things that we do on sort of water security, we try and recycle an awful lot of water. So, we try and take much less groundwater out every single year. And we saw a 40% reduction last year. So, every time we have a glass of water, we expect to use it two or three times. It might start off incredibly pure in our manufacturing environment where we need the highest levels of cleanliness, but then it can be recycled and used for grey uses, as we call them,

File Name	Meeting Date
Syngene International Limited	26-07-2023

different ways. And finally, we've got some beautiful gardens around the campuses. They're good as well, by the way. They're feeding the trees that capture an awful lot of carbon, but we keep recycling. So, we're zero discharge operations and we're finding ways to renew and make sure that we recycle as much as possible. I think I also mentioned 90% of all of our waste is now recycled and we'll keep pushing it. If you can see on the dais, we no longer have plastic bottles. They've gone out of the organization and the water will have been recycled water that's may well been through our labs twice already, but still at the level where we'd be happy to drink it. Subadji, some of the financial questions.

**Subadji:** And thank you, Mr. Shastri. Thank you for making the effort of going through the detailed numbers. I'll take the questions one by one. Your first question on financial was why there is no profit on the two subsidiaries, SSSL and SMSL. Just for information, these two subsidiaries were formed in the last financial year and they did not start operation in the financial year. SSSL started operation as of 1st April this financial year. And from this quarter onwards, you'll get to see the financials of SSSL and the profits of SSSL. So, I hope that clarifies your question, number one. The second question was on Forex and how the Forex is considered a P&L. All the Forex fluctuation, and you know that last year the rupee depreciated quite a bit. That definitely impacted our P&L. We, as per the policy of the company, hedge all Forex receivables well in advance. So essentially, we hold a hedge book either through forwards or options. And when rupee depreciates or rupee appreciates, that hedge book either has a loss or a profit. Last year, we had a loss and that hedge loss was booked through other expenses. And that diluted our margin, which I spoke about in our analyst and investor call. But effectively, it had almost 100 basis points or 200 basis points, depending on which quarter you are talking about dilution of the margin. But we still would hedge our books because it's better to play safe over there. We do not keep open positions as a company policy. And any profit or loss coming out of the hedge book management will get into our P&L. So that's question number two. Third question was about credit impairment and the rupees 83 million that is showing up in the P&L. As per our provisioning policy, when we do not collect within a period of time, we make a provision in the P&L. 83 million that you see in the P&L is a provision that we made for bad debt. However, that provision is lower than the previous year, which means we actually collected more than what we provided for. We as a company have very less bad debt. We almost collect 100% of what we bill to the customer. So, I do not expect this 83 to crystallize. Hopefully, the next year's report, you will see either that it's staying stable because of the provisioning policy or coming down. But we are in very good shape as far as the collection and provisioning for credit impairment is concerned. I'll go to your question number four, which is about working capital management and cash balance. If you go to page number 317, you will see our cash and bank balance has gone up year on year. Which means, you know, the cash and the money that we deposit in fixed deposits or debt mutual funds, you have to see that together, that moved up. And that happened because we have a very, very efficient approach towards managing receivables, inventory and payables. And if you take all this together, that comes out as working capital. And working capital management has been good. And that cash and bank balance has actually improved year on year. You can find that information in page 317. Last two questions, clinical trial expenses. Our clinical trial activities had gone up last year compared to the previous year. Prior year was a pandemic year, so we had lower level of activity. So, we had higher level of clinical trial expenses. And also, you know, there is inflation in the economy, so cost per trial has also gone up. But mostly it came from clinical trials going up in the company and hence the expenses went up. Your last question was on borrowing and finance costs. We have all our borrowings in US dollar at this point in



File Name	Meeting Date
Syngene International Limited	26-07-2023

time. So, the rupee depletion did impact our borrowing level. And that translation losses went into our financials as cost of borrowing. Fortunately, for most of our borrowing, what we have what we call interest rate swap. So, our interest rate was kind of fixed. And we did not really suffer so much from interest rates going up. But the translation losses coming out of the forex losses that we have on those ECB, US dollar denoted loans. That definitely hit the interest lines. And why you have seen interest costs going up or the financing costs going up to be very specific. I guess I have answered all the questions.

**Jonathan:** Super. Thank you, Subhajt. There was one other actually that I don't want to miss. You asked a question about AI, artificial intelligence, and are we using it within the business? We're using it in one very specific area, which is in research, where we've got an AI group that are using all sorts of complex algorithms to help us think differently about science to try and discover molecules that wouldn't be naturally occurring to help us design them. So, we're doing it scientifically. And then more generally within the business, we're looking for any process that can be enhanced. I'll give you one example, given that you clearly have read the annual report. There are sections in the annual report that will have been developed and written using AI. So, we're using it in general business as well. Thank you very much. Priyadarshini.

**Priyadarshini:** Yes, thank you. Over to you, moderator.

**Moderator:** Thank you, madam. We have the next speaker, second speaker of the day, Ms. Celestine Elizabeth Mascaranas from Mumbai. May I request Ms. Celestine Elizabeth Mascaranas to unmute herself and speak

**Ms. Celestine Elizabeth Mascaranas:** Hello? Hello? Am I on?

**Moderator:** You are audible. You can proceed with your question, please.

**Ms. Celestine Elizabeth Mascaranas:** Respected Chairperson, Madam Majumdar, other members of the board, my dear fellow shareholders.

**Priyadarshini:** We've lost you, Ms. Mascaranas. Please continue.

**Ms. Celestine Elizabeth Mascaranas:** Hello. I thank the company secretary, Priya Darshani Mahapradhau, and her team for sending me an annual report and also registering me as a speaker. And also, I thank the K-Fintech platform. Little bit difference has come than the earlier one. Now, I go to the annual report, very good, very informative. At the same time, adhering to all the norms of corporate governance. Working is very good. Revenues are up. And dividend of rupees 1.25 is very good. Keep it up. And what I admire now is very good market capitalization. Madam, keep this tempo, market capitalization. The syngene has gone from where to where. I feel so good, you know. Now, I come to the congratulation part for all the awards and accolades received during the year. Everything in the annual report. As time is

File Name	Meeting Date
Syngene International Limited	26-07-2023

limited, I will not take any sort of give weightage for any, especially, you know, I would like to do it. Now, good CSR work. Keep it up. Now, I come to the ESG, which is the most important climate and footprints and carbon and all. And every day the climate is going different. So, have we gone for application for ESG rating? And if we have done it, if the rating, definitely, it should be good because we are a pharma company and all this. So, have we any plan for listing in on any ESG platform or might have been listed? Then you can just tell me on which platform we are listed. Platform or platforms? We have a very big workforce, but I will ask specially of the 6000 scientists we have. So, madam, I would like to know what is the attrition level in this among the scientists? And if the rate is high, how are we retaining? I would love to see very good market capitalization in Biocon also, madam. This time, I'm very happy you have given even little dividend in Biocon also because giving dividend, maybe big deep pocket people, top investors may come rushing in our company and then we can do a lot of growth work. But this I don't want to take much of your time because the earlier many answers were given. And at one time, there are so many meetings are going, you know, between three and four. I am all confused only. So, I support all the resolutions. I wish my company all the best. And specially, I wish you all very good health because health is wealth. With this, thank you so much. God bless our company.

**Kiran:** Thank you, Mrs. Mascarenas for all your good wishes. I would like to restrict these discussions to Syngene since we are at a Syngene Annual General Meeting. And I think some of your specific questions on ESG as well as on the attrition, I will now ask Jonathan to answer some of them.

**Jonathan:** I'll be delighted to. Yes, we sign up for many of the multiplicity of ESG platforms and ratings. What I'm going to do though is I'm going to ask Priya darshini, would you mind sending her a copy of our ESG report?

**Priyadarshini:** Yes.

**Jonathan:** And this is available to all shareholders. It's on our website. But we've put in a separate specific report that will give you that in great detail. But all of the things I mentioned in my opening comments that we'd signed up for the United Nations Global Compact. We sign up to things like the carbon disclosure project. There are many, many others. In general, I think the premise of your question is right. Syngene is in a pretty good place. We're generally highly regarded within those surveys. We're doing the right things. But there's a lot more that we can do and all businesses can do. So, we do take it seriously. On attrition, and you asked specifically within the scientists, it's been a little bit of a rising trend of attrition in our industry in general over the last two or three years. And part of the reason for that is that India is sort of booming as a place to do science. It's one of the reasons that Syngene has grown. It's one of the reasons that the market cap, I think, of the company has gone up is reflects that demand. So there's quite a competition for talent. Now, one of the things that Syngene has done is we're known as the best place to hire the best. So, we've become, to some extent, the recruiting ground in the industry. We hire more young graduates than I think anybody else in India. We train more of them and we have a reputation for putting them through fantastic operational on the job training. So, they get the skills they need very early in their careers. So unsurprisingly, our

File Name	Meeting Date
Syngene International Limited	26-07-2023

attrition in that early phase of career is quite high because many of them get wonderful offers to go to our competitors because they know this is where they're going to get the very best from. What I would say, though, is once we get into established scientists, into that sort of management leadership group and into senior management, our attrition rates are really quite low by Indian standards. We have many, many of our staff have been with us decades or more. In fact, only last week we were doing our annual long service awards. We have people that have been with the company 30 years, 25 years, 20 years, and they tend to be the most senior scientists that we've got in the company.

**Priyadarshini:** Thank you, Jonathan. Over to you, moderator.

**Moderator:** Thank you, Madam. We will go to the third speaker of the day, Mr. Aspie Bamanshah Besania from Mumbai. Mr. Aspie, as there is no response from Mr. Aspie, we will go to the fourth speaker of the day, Mr. Rajesh Kevalram Chainani. Mr. Rajesh Kevalram Chainani, as there is no response from Mr. Rajesh Kevalram Chainani, we will go to the fifth speaker of the day, Yusuf Yunus Rangwala. Mr. Yusuf Yunus Rangwala, as there is no response from Mr. Yusuf Yunus Rangwala, we will go to the next speaker of the day, Prakashini Ganesh Shenoy. Prakashini Ganesh Shenoy, no response from Prakashini Shenoy. We will move to the next speaker, Vinay Vishnu bhide from Mumbai. Vinay Vishnu bhide.

**Vinay Vishnubhide:** Hello, are you able to hear me?

**Moderator:** Yeah, Mr. Vishnubhide.

**Priyadarshini:-** Yes, yes, we can hear you.

**Moderator:-** Fine, thank you, thank you. The weather is bad all over the country, so please excuse me. I will do with the audio and I will save the video for the sake of continuity. I will start. Chairperson Kiran Majumdar Madam, Mr. Jonathan Hunt, other distinguished directors present at today's AGM, company executives and shareholders, I am Vinay Vishnubhide. I am a shareholder speaking from Mumbai. At the outset, I must thank you for the excellent preparation of the annual report and the details that you have explained at the start of this meeting. I must say for the sake of understanding that the annual report contains more of science and pharmacy and optimal portions of the finance part. So, thank you for explaining all the divisional working of our various verticals. So, at this point of time, as the report contains all the details of the various divisions and their performance, I will restrict my queries to a couple of financial questions and with your permission, ma'am, they are as below. The questions are, revenues from the India geography are lower at 1217 million versus 2789 million last year. The question here is that, is this due to contract closures, non-renewal of contracts or a part of effort to remove revenues, to move revenues outside India? So, this question is from page 344 of our annual report. And the second and the last question is on the expenses of chemicals and reagents, which we have shown on page 214 of the annual report. And the question is, how do expenses on chemicals and reagents in current financial year compare to that of financial year 2022-23 And what is the expected direction slash trend of expenses in the

File Name	Meeting Date
Syngene International Limited	26-07-2023

current year. So, these are the two key questions I had in mind. Otherwise, I am very pleased with the various awards that the company has received, as mentioned by the speakers. I will not take much of common time. I will only say as a part of closing that the secretarial team of Priyadarshini madam and Priyadarshini madam and her team have taken all the efforts to ensure that we have the data for participation in the meeting and the facilities. So, I will close with best wishes to the directors and the employees. Thank you for giving me an opportunity to speak, madam.

**Kiran:** Thank you. I think Shubhaji, you should take the question.

**Jonathan:** Just on the first one, just on the envy of it.

**Shubhaji:** Yeah. So, thank you, Mr. Vireh, for your question. If you recall, in FY22, we were in the middle of the pandemic year and we manufactured Remdesivir during that year. That was a big revenue for us, but it was manufactured mainly to kind of help the pandemic situation. But it also resulted in revenue, which is Indian revenue. Typically, our Indian revenue share is very small, but that year it went up to high single digit as a share of the revenue. That was a one-time revenue and we do not have that in FY23. And as a result, the share of Indian revenue has come down. So, to make it simple, it was because of a one-time revenue that happened in 22 and that didn't appear in 23, it came down. On raw material cost, as a mix of the business, our business is slowly moving towards development and manufacturing. So, both our discovery research is also growing very well and development and manufacturing is also growing. But because now we are getting bigger in commercial manufacturing, you should expect to see a higher raw material cost as a percentage of revenue going forward. So, in terms of future trend line, no drastic movement, but over a period of time, raw material cost as a percentage of revenue is expected to slowly move up to a certain level. But it will always be the result of the mix of how much business is in discovery and how much business is in development and manufacturing. Thank you.

**Priyadarshini:** Thank you, Subhaji. Moderator, we move on to the next speaker, please.

**Moderator:** Thank you, madam. We will move on to the next speaker of the day, Arun Kumar Bhopanna. Arun Kumar Bhopanna from Navi Mumbai. As there is no response from Mr. Arun Kumar Bhopanna, we will move on to the next speaker of the day, Mr. Mukesh V. Ajmera from Bangalore. Mr. Mukesh V. Ajmera. As there is no response from Mr. Mukesh V. Ajmera, we will move on to the next speaker, Sushma Chanda.

**Ankur Chanda:** I am audible?

**Moderator:** Yeah, you are audible.

File Name	Meeting Date
Syngene International Limited	26-07-2023

**Ankur Chanda:** Well, I am ankur Chanda joint holder with sushma Chandra good afternoon to everyone Sir, मैं ये कहना चाह रहा हूँ ये। आप लोग का थोड़ा असर शेयर होल्डर फ्रेंडली बनिए क्योंकि देखिये जो इतने शेयर होल्डर ने स्पीकर रजिस्ट्रेशन भेजा नहीं बोल रहा कोई इसका मतलब आप लोग फ्रेंडली नहीं है क्योंकि हमारे जो सी एस है आप, वो हमारे कॉन्टैक्ट में ही नहीं है। किसी तरह कॉन्टैक्ट करना चाहो कॉन्टैक्ट नहीं करता। अच्छा मुझे ये बताइए सर जो हमने फाउंडेशन 2022 में हमने 105% बढ़ाया, 110% बढ़ाया और 2000 का भी इस इर जो है आप लोगों ने 10% के आसपास इन्क्रीज किया लेकिन शेयर होल्डर के लिए आप नहीं सोचते थे शेयर होल्डर को कोई 50 पैसे और एक कम ₹75। मतलब ये ₹1 डिविडेंड दे रहे हैं तो उनके बारे में भी नहीं। सोचो ना सर उनको भी देखो कुछ ना कुछ भी हाँ उनको तो कुछ मिले ना सर। तारा अगर आप लोग ही रहना अपने रेग्युलेशन में ही करते जाएंगे तो हमें क्या मिलेगा? तो इस बारे में सोचेगा सर थोड़ा और बताइयेगा, मुझे क्यों ऐसा हो रहा है? धन्यवाद।

**Kiran:** शुक्रिया आप के शब्द के लिए और हम जरूर हम देखेंगे अब जो अपने बात की है। और मैं ये भी कहना चाहती हूँ कि हम काफी हमारे शेयरहोल्डर्स की बहुत इज्जत करते हैं और हम जरूर हम आपको यू नो ये प्रश्न पूछने में हम आपको चान्स दे रहे हैं। ऐसी बात नहीं है कि हम उनकी वो। मानती नहीं है उनके शब्द को, लेकिन हम बहुत इज्जत करते हैं आप हमारे सब शेयर होल्डर्स को और अगर वो नहीं आ पाते हैं तो वो भी हम मान सकते हैं, लेकिन ऐसे आप प्लीज़ मत सोचिए की हम उनको टाइम नहीं देते हैं। और आपने जो कहा है, हम जरूर सुन के हम महसूस समझ के हम। फैसला करेंगे। धन्यवाद।

**Priyadarshini:** Thank you Kiran for data moving out of the next speaker shareholder please. Moderator you need to unmute yourself.

**Moderator:** Thank you Madam, 11th speaker of the day Mr Rahul Kumar Paliwal Mr Rahul Kumar paliwal from Pune no response from Rahul Kumar Paliwal 12th speaker last speaker of the day Prabhjot Singh Sahni Delhi Prabhjot Singh Sahni from Delhi as there is no response from Prabhjot Singh Sahni with this we have given enough opportunity to all the 12 speakers to speak now the dice is given back to the board AGM dais thank you.

**Kiran:** With this, we conclude the question-and-answer session. I would like to thank all the shareholders, directors, and other invitees for attending the 30th Annual General Meeting. The meeting now stands concluded. I would request the directors to kindly log out. Members may note that the e-voting facility through Insta poll will be available for the next 15 minutes on the K FIN Technologies Limited website. Kindly stay safe and take care of yourselves and your families. Thank you very much. Namaskar.