Syngene

Putting Science to Work

SCIENCE THAT MAKES A DIFFERENCE.

Annual Report 2020-21

Contents

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www.syngeneintl.com/investors/

Science that makes a **difference**

The past twelve months have drawn global attention to the international scientific community and efforts to develop new approaches to diagnose, treat and cure disease, including the coronavirus. At Syngene, this is our daily endeavor. As technology evolves and we learn more about the world we live in, the application of science drives innovation, improves the way we live today and increases our ability to live better, safer and healthier lives.

As a strategic partner to our clients, often working as an extension of their internal scientific teams, we bring them the flexibility and efficiency to scale up rapidly and respond to challenges and opportunities in a result-oriented, safe, and compliant manner. Our scientific solutions benefit not only the life sciences sector but also the animal health, consumer goods, nutrition, agro-chemicals and specialty chemicals sectors.

Throughout the year we leveraged science to make a difference. Examples include: performing small and large molecule drug discovery projects, developing a drug substance for the treatment of a rare genetic liver disease, producing complex multi-drug combination formulations for companion animals, and making advances in specialty platform programs such as antibody-drug conjugates (ADCs) and proteolysis targeting chimeric molecules (PROTACs).

Our planning, resilience and a robust business continuity plan helped us deliver on our research commitments despite the restrictions and disruptions of the pandemic. We also actively contributed to the fight against COVID-19 by setting up an RT-PCR testing facility, developing various kinds of proteins and reagents for use in diagnostic kits and supporting clients on vaccine development and therapeutic projects.

As the world emerges from the pandemic, more aware than ever of the power of science, we will continue to offer our expertise in integrated discovery, development, and manufacturing of novel molecules to our clients. In our laboratories, in every project, for every client, we remain committed to exploring the boundaries of science, driving innovation, and delivering speed and agility, with one objective: making a difference.

About us

Delivering science that makes a difference

Syngene International Limited is an integrated research, development, and manufacturing organization providing services from early discovery and development to commercial manufacturing for small and large molecules. Our researchers work in multiple therapeutic areas to meet the needs of our bio-pharmaceuticals clients. We also serve the nutrition, animal health, consumer goods, and specialty chemicals sectors. Our ability to deliver world-class solutions is driven by our highly qualified team, including over 4,700 scientists, and supported by state-of-the-art infrastructure and market-leading technology.

Since our inception, we have worked with clients worldwide to deliver science that makes a difference. We pride ourselves on our ability to deliver both integrated and stand-alone solutions. We have established long-standing relationships with leading global companies as well as partnerships with biotech companies, non-profit institutions, academic centers, and government organizations.

Our science footprint

Syngene is headquartered in Bangalore, India. We have one research campus and two sites in Bangalore, one research campus in Hyderabad and one manufacturing campus in Mangalore. Syngene USA Inc., a US-based wholly-owned subsidiary of Syngene, supports US-based clients.

Our values

Integrity

Excellence

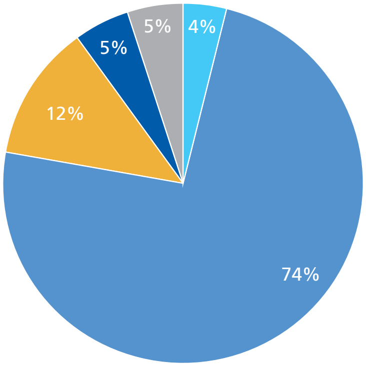
Professionalism

Our vision

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

www.syngeneintl.com/about-us/

Delivering research and development for clients around the world



USA
Europe
Japan
Rest of the world
India

Business divisions

Discovery Services

Engaged in early-stage research from target identification to delivery of drug candidates for further development. Capabilities include Chemistry, Biology, Safety Assessment, and Research Informatics for small molecules; recombinant DNA engineering, cell line development, Next Generation Sequencing, and protein sciences for large molecules.

Development Services

Engaged in activities from pre-clinical to clinical trials, including drug substance and drug product development, and associated services to demonstrate the safety, tolerability, and efficacy of the selected drug candidate, cGMP-compliant manufacturing of clinical supplies, and registration batches for small molecules.

Manufacturing Services

Engaged in the manufacturing of small and large molecules for commercial supplies through cGMP-compliant facilities, a state-of-the-art API manufacturing campus and a biologics manufacturing facility.

Dedicated R&D Centers

Dedicated R&D facilities for strategic clients providing exclusive access to research teams, infrastructure, and project management to support the client's R&D requirements.

Our clients and partners

We aim to build strategic, long-term relationships with our clients and partners by offering a range of integrated research services from initial planning of research programs up to candidate selection, pre-clinical and clinical development, and manufacturing. We help leading pharmaceutical and biotechnology companies navigate regulatory requirements and increase speed to market. We apply our scientific expertise to deliver innovation in segments beyond life sciences, including specialty chemicals and consumer products. We provide high-quality, customized, and cost-effective services – compliant with regulatory standards – irrespective of the size and scope of the client's project.

Delivering science for multiple industries*

Large & Mid-sized BioPharma	Emerging BioPharma	Animal Health	AgroChem	Consumer Products
abbvie	ASCENEURON	BAYER	FMC	Unilever
Albireo	Genmab	MERCK		
AMGEN	PharmAust	zoetis		
Bristol Myers Squibb	rodin THERAPEUTICS			
gsk	sosei HEPTARES			
Johnson & Johnson				
MERCK				
SANOFI				

*indicative list of clients

Partnering models

We recognize that each client and each project is different. Our range of business models offers flexibility and customization to meet individual requirements. Clients can select a single model or a combination to suit their R&D requirements.

Fee for Service (FFS)

Client collaboration to deliver agreed services 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 Centers

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

Risk/reward

Across a portfolio of stage gate-driven research projects, client benefits from reduced upfront payments in exchange for significant success-based milestone payments against pre-agreed criteria.

Digital exhibition stand

Digital client engagement

Keeping close to our clients, ensuring that we have a deep understanding of their requirements and updating them on our capabilities, offerings and facilities are critical. Accelerated by the pandemic, our digital approach has made a difference to our client engagement efforts.

Part of establishing new client relationships involves client facility visits to meet the team and see our campuses first-hand. With travel restrictions in place, a portfolio of 360° InstaVisit videos of our facilities was created. These are interactive videos designed to give a 360 degree virtual experience of Syngene's world-class facilities and capabilities, anytime, anywhere.

Regulatory and client audits are also an important part of client agreements. To avoid delays and maintain our compliance assurance activities, virtual audits were introduced leveraging advanced technology to facilitate real-time interactions customized to the requirements of each stakeholder. Testimony to the accuracy and transparency of our approach are the 36 virtual audits by top biotech/pharmaceutical companies and regulatory authorities in the past 12 months, all of which were successfully cleared.

In terms of client outreach, the development of virtual exhibition booths allowed us to attend online scientific conferences and trade events. We also intensified our focus on digital communications, such as science webinars, digital advertisements, email campaigns, and social media in addition to adding new functionality and analytics to our website, the primary showcase of our capabilities.

Visit https://virtualbooth.syngeneintl.com/ to experience Syngene's virtual booth.

Virtual conferences

29

Virtual audits

36

InstaVisit videos

33

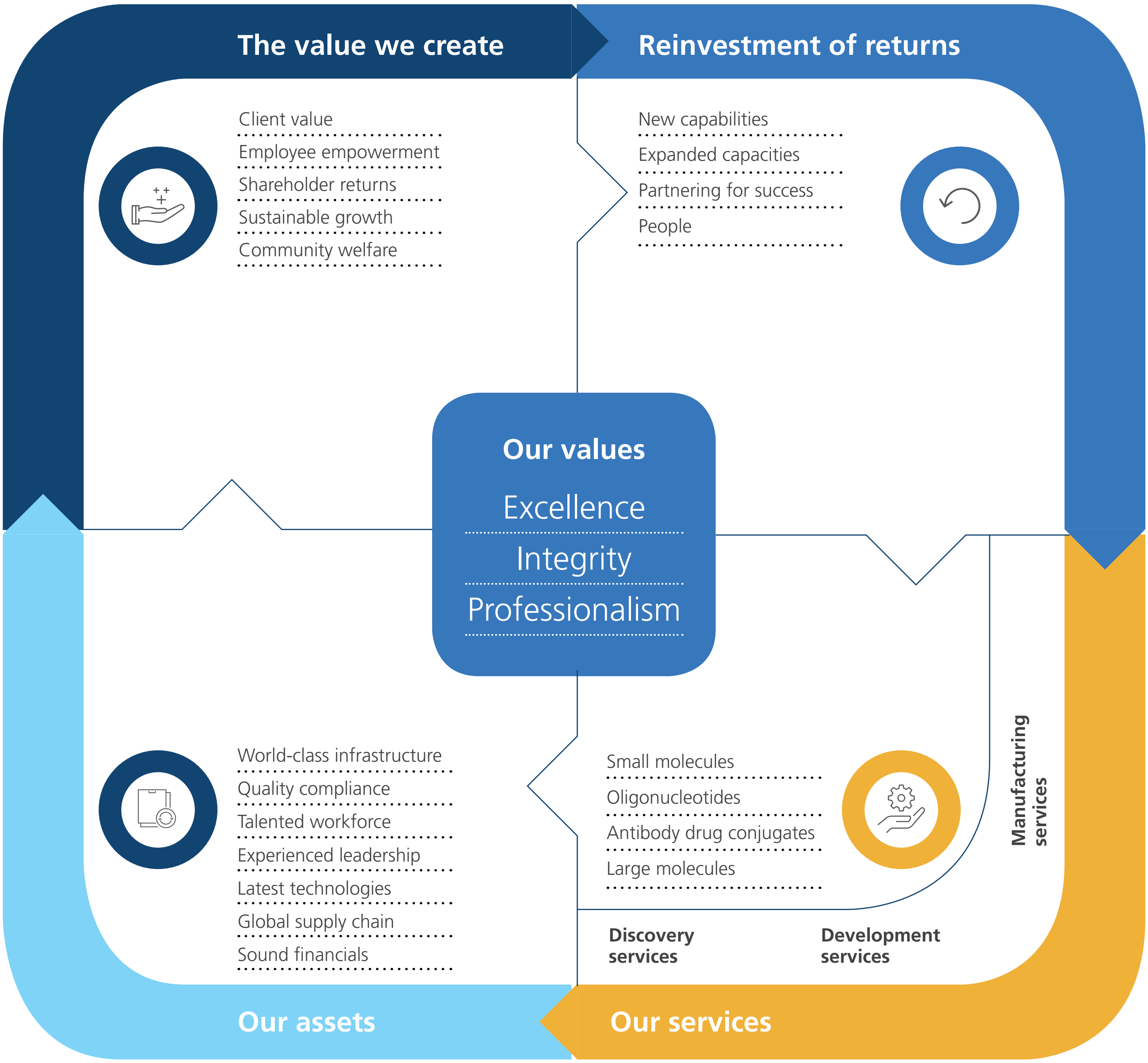
Scientific webinars

10

Increase in social media followers

69%

Value creation model



Assets
We have solid foundations based on our laboratory infrastructure, technology investments, skilled workforce, strong leadership, and financial strength. These assets underpin our ability to deliver great science for our clients.

Services
We deploy our asset base to offer integrated services across scientific discovery, development and manufacturing tailored to the requirements of every project.

Value created
We create value for our clients by delivering innovation while providing them both time and cost-to-market benefits. Our business activities also enable us to create value for our employees, shareholders and the community at large.

Reinvestment
We will continue to invest in additional capacity and new technology to ensure that we keep pace as science evolves.

Our services

Discovery Services	Development Services	Manufacturing Services
Chemistry	Drug Substance	Clinical Supplies
Biology	Drug Product	Highly Potent Active Pharmaceutical Ingredients (HPAPI)
ADME/DMPK	Integrated Drug Substance – Drug Product	
Safety Assessment	**Safety Assessment**	**Specialty Molecules**
Integrated Drug Discovery	Human Pharmacology Unit (Phase 1)	Commercial Supplies
Therapeutic Antibody Discovery & Engineering; Cell Line Development	Bio Analytical Lab (Large Molecules)	
	Stability Services	
	Bioprocess Development, Process Characterization Clinical Manufacturing (Microbial & Mammalian)	**Bioprocess Development, Process Characterization Clinical Manufacturing (Microbial & Mammalian)**

Research Informatics : Target Dossiers, Next Generation Sequencing, Integrated Data Analytics, CADD and Molecular Modeling, Systems Biology, Drug Repurposing, Systems Modeling

Response that makes a difference

Using our knowledge and resources, we were proud to contribute to the fight against COVID-19 while meeting our commitments to our clients and keeping our employees safe.

Response that makes a difference

An employee undergoing throat swabbing at an on-site sample collection booth

The COVID-19 pandemic disrupted the global economy and redefined the conventional ways of working across multiple industries. It also saw unprecedented collaboration between the global scientific community to fight the pandemic. Syngene has actively contributed to this collaboration and also demonstrated its resilience and adaptability to deliver on project commitments while keeping its workplace and the community safe.

Syngene was categorized as an essential service provider soon after the lockdown in India was first announced. While operations were temporarily suspended, our focus was on resuming near-normal operations as quickly as possible while implementing strict COVID-19 control measures to build a safe and sustainable work environment. Our business resilience was matched by a sense of responsibility to employees, the community, and research partners. Where we could, we were committed to making a difference using our knowledge and resources.

Putting safety first

Our robust business continuity plan enabled us to quickly implement a series of measures to resume operations, ensure employee safety and get client projects back on track. Within 48 hours of the lockdown coming into effect, IT arrangements were made to allow around 2,500 employees, whose roles permitted remote working, to transition working from home.

On-site, we introduced shift working to reduce the density of employees in our laboratories and manufacturing facilities, to enable social distancing while at work. We also divided our campuses into zones and set up satellite canteens within each zone to limit movement around the site, reduce individual contacts, and avoid crowding and queuing. The zoning also helped ensure physical distancing and in tracing primary contacts if a positive case was detected.

A dedicated microsite was created on the intranet that became the central hub of all information related to COVID-19 including government notifications and advisories, corporate initiatives, leadership messages, informative tips and messages, safety videos, etc. The objective was to enable employees to stay updated on the latest news and also access useful information.

We added to our fleet of company vehicles and restricted the number of passengers in each vehicle to maintain physical distance during commuting. We provided personal protective equipment to employees and enhanced sanitization of our facilities using appropriate chemicals and solvents. We also implemented online recording and monitoring of employees' temperatures and thermal screening of anyone entering the campuses for any reason. In the Occupational Health Center (OHC), we introduced a well-defined protocol for dealing with any symptomatic cases on campuses as well as monitoring employees returning to work after traveling outside of the city of their work base.

Our comprehensive response enabled us to settle into a new operating rhythm, and by mid-May 2020, we were back to operating at close to 100% capacity, including the remote working employees. A robust business continuity plan ensured that client projects were brought back on track and timelines and expectations for client deliverables were met.

"Being a laboratory-based oncologist, I needed to come to the office regularly and work on-site. Also, I was responsible for the safety of my team and my family members. There were times when I was scared to even step out of my house. Thanks to the safety measures taken by Syngene, which were planned, organized, and executed to perfection, I could come to work without any fear. Measures like zoning, shift system for practicing physical distancing as well as periodic testing of all employees have made me feel safe and comfortable to come to work every day."

Lakshmi Ramchandran Iyer,
Discovery Biology

Delivering scientific solutions

The ability of science to make a difference was one of the highlights of 2020. As the impact of the coronavirus became clear, all efforts focused on finding diagnostics, treatments, and vaccines.

With science and technology at our fingertips, we used our deep understanding of virology and our specialist laboratories to contribute to the fight against COVID-19 while continuing to deliver research projects for our clients.

To meet the urgent need for testing kits, our discovery research scientists developed an IgG (immunoglobulin G)-based ELISA test (ELISafe 19), which was launched by bioscience company HiMedia Laboratories. The antibody testing kit, which detects COVID-19 infection and also assesses the immune system's response to the virus, was approved by the Indian Council of Medical Research in September 2020.

Syngene also joined an international consortium of 19 organizations in the healthcare space, led by long-time research partner Bristol Myers Squibb. The consortium aims to improve and accelerate various aspects of COVID-19 testing, from research to clinical diagnostic applications, because fast, reliable, and widely available testing is a critical defense against current and future waves of the disease.

We also entered into a voluntary licensing agreement with Gilead to manufacture the novel intravenous drug remdesivir for distribution in India and other global markets. The drug received US FDA approval in October 2020 for the treatment of COVID-19.

With our broad range of scientific expertise, we have been supplying reagents (primers and probes) for COVID-19 diagnostic testing to clients, as well as working on research projects related to vaccine development that could represent a longer-term solution to the pandemic. Our research scientists developed various types of proteins such as S1, RBD, and N proteins to help diagnostic kit manufacturers develop effective kits. We also partnered with various organizations to support the fight against COVID-19. These include National Center for Biological Sciences, the Foundation for Neglected Disease Research, and the International AIDS Vaccine Initiative to develop monoclonal antibodies against COVID-19.

We have been working with more than 50 employers in and around Bangalore including Cipla, Tata Aerospace and Defence (Tata Advanced Materials, Tata Advanced Systems, Tata Power SED) Baxter, Aurigene, and ELCITA (Electronics City Industrial Township Authority), a representative body of 200-member organizations in the Electronic City area, to offer COVID-19 testing to their employees as well as advise them about implementing COVID-19 safety measures on-site, evidence-based workforce planning and business continuity planning.

Supply chain digitalization enabled us to better manage the risk of supply interruptions, obtain alternative sources of raw materials, and ensure timely product shipments while strengthened IT systems dealt with the sudden increase in online activity.

Employees at one of the on-campus sample collection booths as part of the proactive testing

"Despite the pandemic, my onboarding was smooth. The synergy between the various teams has made the transition from learning from home to on-site working easy for a new joiner like me."

Shweta Patil,
Quality Assurance

"As a member of the RT-PCR testing team, my role was to test samples collected from various hospitals in the state. Initially, I was concerned about handling infectious samples, but the bio-safety measures and protocols ensured complete protection. Also, the support from various cross-functional teams in the form of good housekeeping practices, emergency response, equipment maintenance, and safe transport of samples ensured a safe working condition inside the lab."

Nagesh Kuravadi,
Discovery Biology

Reflecting on the past year, we were tested by the operational challenges and the speed of change required. However, as a result, we have built a stronger and more resilient organization.

Contributing to our communities

With skills and know-how readily available, we contributed to the efforts in the community to manage the impact of the pandemic. In support of government efforts to identify cases of COVID-19 infection and contain the spread of the disease, we repurposed one of our laboratories in Bangalore to set up a COVID-19 testing center using RT-PCR technology.

This center has been working with public and private medical establishments across Karnataka to expand the state's testing capacity. As we scaled up our testing operations, round-the-clock sample processing was offered free of charge for government hospitals as part of our Corporate Social Responsibility (CSR) activities. We also extended testing services to companies wanting to keep their employees safe. Our RT-PCR testing facility has now analyzed more than 185,000 samples, 90% of which were conducted free of charge.

"I heard about the incredible actions Syngene has been able to activate very fast to maintain the safety of employees, while ensuring continuous support to Baxter. In particular I have been extremely impressed by Syngene's ability to continue to deliver on all the programs ongoing for Baxter Clinical Nutrition, and I want to thank you and your team for this very impressive outcome!"

Olivier Dahlem, Ph.D.
Vice-President, Clinical Nutrition R&D
Baxter R&D Europe

Market Overview

Favorable trends are driving the market for contract research and manufacturing services. Our strategic plan is designed to capture these opportunities.

Market overview

Contract research and manufacturing markets

Global context

In 2020, the value of the global Contract Research Organization (CRO) services market was estimated at USD 47.77 Bn while the global pharmaceutical contract manufacturing market was valued at USD 109.67 Bn. During the forecast period of 2020 to 2025, the CRO market is estimated to grow at a CAGR of 9.1% to reach USD 73.77 Bn[1]. During the same period, the Contract Manufacturing Organization market is expected to grow at a CAGR of 6.4% to reach USD 162.1 Bn[2].

Key trends driving the market

Increasing R&D investment and outsourcing

R&D investments by the global pharmaceutical industry stood at USD 186 Bn in 2019, an increase of over USD 5 Bn from the previous year. By 2026, R&D spending by the pharmaceutical industry is estimated to reach over USD 230 Bn[3]. This continued growth in R&D investments will drive the growth of the CRO market. The other source of growth is increased outsourcing penetration which enables service providers to access a greater proportion of the R&D budget of the client companies. In 2018, the share of outsourced services expenditure in the global pharmaceutical market stood at 37.7% and this is expected to increase to over 49% in 2023. This points to a significant shift over a relatively short timespan[4].

2020 was one of the best years for biotech financing, with over 73 life science firms raising more than USD 22 Bn through initial public offerings[5]. Private fundraising also grew, with a 37% increase in funds compared to the previous year[6]. A large part of this money is expected to be routed towards R&D outsourcing.

Increasing number of small biotech companies

Emerging and virtual biotechnology companies often lack the internal infrastructure to run their own research. To complete their R&D programs, these biotech players are increasingly accessing the services of CROs. With a growing number of small biotech players in the market and their important contribution to the global R&D pipeline, the demand for CRO services is expected to further proliferate.

[1]https://www.marketsandmarkets.com/Market-Reports/contract-research-organization-service-market-167410116.html#:~:text=%5B272%20Pages%20Report%5D%20The%20global,9.1%25%20during%20the%20forecast%20period

[2]https://www.globenewswire.com/news-release/2020/05/07/2029779/0/en/Pharmaceutical-Contract-Manufacturing-CMO-Market-Growth-Trends-and-Forecast-2020-2025.html

[3]https://www.statista.com/statistics/309471/randd-spending-share-of-top-pharmaceutical-companies/

[4]https://www.statista.com/statistics/1085611/global-pharma-market-internal-vs-outsourced-services-expenditure-share/#statisticContainer

[5]https://www.nature.com/articles/s41587-021-00817-7

[6]https://www.nature.com/articles/s41587-021-00817-7

Increased complexity in drug development

The complexity of the drug development process has increased the duration and cost of bringing a drug into the market. Moreover, the synthesis and formulation of next-generation biologics, such as ADCs, gene therapy, cell therapy, and peptides, are highly complex. With CROs aligning their capabilities for the development of these innovative therapies, biopharmaceutical companies are calling on them to access expertise that might not be available in-house, navigate the complexities of the regulatory environment and expedite time-to-market.

Focus on core competencies by pharmaceutical companies

Pharmaceutical companies are increasingly focusing on their core competencies. For the big pharma players, it is about balancing their fixed and variable costs while optimizing resource utilization. For the small and medium players, it is about accessing scale, experience and infrastructure that they do not have nor want to build in-house.

Focus on cost optimization by biopharmaceuticals

Innovator companies are increasingly seeking the services of CROs as expert partners to optimize their internal cost structures and remain flexible. By outsourcing their research activities, companies can avoid capital investments and save on resource cost, infrastructure cost, and other overhead expenses. At the same time, by working with many customers, CROs can drive higher capacity utilization and optimize resource utilization in comparison to biopharmaceutical companies.

Growing demand for generics and biologics

Generic medicines continue to play an important role in increasing patient access to affordable healthcare. This rising demand is fueling the growth of the CMO market. The increasing demand for biological therapies, growing focus on specialty medicines, and advancements in cell and gene therapies are also stimulating the growth of the CMO market.

Strategic priorities

We believe that global demand for high quality scientific services will continue to grow and evolve and that the prospective outlook is a positive one for those companies that can successfully anticipate the evolving needs of clients and deliver services and solutions that meet those emerging needs.

Delivering integrated science

What this means

The trend to outsource research and development offers opportunities for CROs with the technology and skills to meet the needs of companies operating at the leading edge of science. Our priority is to use the full scope of our R&D capabilities to provide solutions for clients that capture the benefits of using a single service provider at all stages of the value chain.

Strategic response

Building seamless transitions across services is a prerequisite for delivering the full benefit of our integrated approach. Strong project management ensures that each stage runs efficiently with all elements of delivery focused on the client outcome.

Progress

- Service integration has been a key operational driver in both Discovery Services and Development Services and project outcomes in terms of safety, quality, reliability and timelines have been important performance indicators during the year. An increased number of complex, integrated projects delivered successfully during the year demonstrate the value of this approach (see case studies pages 43 and 47).
- Synpro, our proprietary approach to project management, has been successfully piloted in Discovery and Development Services and will allow us to ensure that professional project management skills underpin every project in addition to scientific expertise

Operational Excellence

What this means

Our client base ranges from the very largest multinational companies to small and medium-sized biotechs and the very smallest and newest of innovator start-ups. The characteristics that unite them are their need to find a partner with the breadth of skills, depth of knowledge and the required quality standards to deliver the latest science and technology, reliably, efficiently and cost-effectively.

Strategic response

Operational excellence is fundamental to operating successfully in research and development, particularly in a regulated environment such as the pharmaceutical sector. It is a primary focus for our organization and a key performance indicator of our success. As part of this drive, investing in automation and digitalization has been a key element in our strategy for the past few years to capture cost, accuracy and reliability benefits.

Progress

- Our approach to operational excellence is embedded within our SQDECC* process and covers all parts of the company. (See details on page 68)
- A multi-year project to digitize our quality systems is approaching completion (see details on page 57). In addition, procurement systems have been automated to increase efficiency and improve tracking of inbound and outbound materials (see details on page 63)
- A workforce management system has been developed to help with resource planning and improve productivity

Investing in future capabilities

What this means

Science and technology continue to evolve opening up new frontiers for scientific discovery. As a result, both clients and service providers continually explore the possibilities of new technologies and new approaches to find those most suitable for adoption at scale. One such opportunity is the increasing use of artificial intelligence (AI) and machine learning to transform the management of data and analytics driving new approaches to problem solving and increasing efficiency.

Strategic response

Choices about future investments in new areas of science and technology are driven by two factors: client requirements; and by exploring the adjacencies to our current capabilities to increase the opportunities for an integrated and synergistic approach. Artificial intelligence is an increasingly important enabler to delivering advanced research. Establishing how best to leverage this discipline across our research operations to derive the full benefit is an ongoing project.

Progress

- During the year, much of the focus for our scientists was on discovery and development activities related to COVID-19 diagnostics, treatments and vaccines (see details on page 14). The commissioning of a dedicated RT-PCR testing laboratory was a timely investment to meet the needs of the community
- New capabilities were added to our drug discovery offerings including specialty platforms such as antibody drug conjugates (ADCs) and proteolysis targeting chimeric molecules (PROTACS)
- An AI capability was embedded in each operating unit during the year to ensure that AI is a core consideration of data management from the outset of each project. AI is also offered to clients as a stand-alone service

Building a learning organization

What this means

Increased collaboration, technological developments and faster communication are accelerating scientific advances. Building an organization that understands the latest developments in science and can apply them in practice requires continuous investment in learning and development. Developing future leaders in this environment requires not only scientific expertise but business acumen and personal competencies as well. Investing in building a strong cadre of leaders is part of securing the foundations for future expansion.

Strategic response

Recognizing learning needs at different stages of a career in science and delivering targeted interventions ensures that our scientists are trained in the latest technology and research techniques, as well as the fundamentals of safety and operational excellence. In addition, we are investing to build the leadership mindset needed to balance great science with business acumen while creating a Great Place to Work.

Progress

- The pandemic accelerated the requirement to transition all learning modules online and provided the ability to deliver more targeted learning interventions
- The introduction of a Learning Management System provided increased tracking of delivery of e-learning materials
- 'Leadership Next', our program for senior leaders, welcomed the second cohort of leaders during the year and the Syngene Academy, which focuses on upskilling and integrating newly qualified young scientists, successfully rolled out its 'Campus to Corporate' program and attracted a higher number of new graduates than in prior years

*Safety, quality, delivery, engagement, cost and compliance

Message from our **Chairperson**

Kiran Mazumdar Shaw

Dear Shareholders,

The pandemic plunged the world into a global health crisis that, in turn, placed unprecedented stress upon the world economy.

Few countries have escaped the dual impact upon both their healthcare systems and their economies; most have suffered significant loss of lives and livelihoods. In this context, the role of the life sciences sector in addressing the urgent need for ways to combat the coronavirus has never been clearer nor more valuable.

The contribution of medical science has reminded us of the critical role played by researchers and led us to wonder at their ability to respond rapidly to address society's most complex and pressing problems.

The pandemic has brought together the collective force of the global scientific community, regulators, and policymakers worldwide to combat the coronavirus. The solidarity demonstrated has driven the discovery, development, and launch of vaccines in record time. Governments, hospitals, non-profits and many other stakeholders have worked in unison to provide widespread distribution and administration of a rapidly increasing range of COVID-19 vaccines and treatments. As waves of infection continue to disrupt people's lives and economies globally, preserving and building on this coalition will remain crucial and may well bring lessons for future models of scientific collaboration.

Contract research organizations, such as Syngene, have also played their part.

Outsourcing research to access additional capacity, specialist skills and advanced technology has become a feature of the life sciences sector as companies seek to bring more complex treatments to patients faster and at a lower cost. The strategic role that CROs have played in these exceptional

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The strategic role that CROs have played in these exceptional times - and we are proud of the contribution made by Syngene - has put the spotlight on the depth of expertise and technical capability now available within the CRO industry to client companies seeking high-quality research and innovation.

In 2020-21, Syngene delivered continued growth and a creditable business and financial performance against the backdrop of an exceedingly challenging environment.

On the financial side, we reported revenue growth, excluding export incentives, of 12% to Rs. 21,802 Mn (USD 295 Mn) and profit after tax (PAT) growth of 4% to Rs. 3,821 Mn (USD 52 Mn). Operational highlights included the extension of several important client collaborations, strengthening of the integrated drug discovery portfolio, further expansion of our footprint in Hyderabad, and the addition of about 40 new clients.

During the year, we continued to invest in digitalization and automation, aimed at driving further cost and resource optimization to ensure we retain our current global competitiveness.

Our business continuity planning proved essential during the pandemic and allowed us to operate at close to normal levels throughout the year and to take forward clients' scientific projects when they themselves weren't able to operate. The commitment and ability of our employees to adapt to the "new normal" hybrid model of working both from home and on site, has been inspiring.

We continued to invest in digitalization and automation, aimed at driving further cost and resource optimization to ensure we retain our current global competitiveness.

Throughout the pandemic, the health, safety, and wellbeing of our employees has remained our top priority. We were quick to implement comprehensive safety measures, including a campus-wide proactive employee COVID-19 testing service which we have sustained throughout the year. Following the vaccine rollout in India, we are making rapid progress in offering free vaccinations to employees and will extend this to their families as well as support the local communities in which we operate.

To help meet the demand for increased COVID-19 testing, we set up a dedicated RT-PCR testing laboratory at our Bangalore campus very early in the pandemic. We have manufactured and supplied reagents, primers and probes for COVID-19 diagnostic testing kits as well as partnered with several organizations directly engaged in COVID-19 research. We have also joined an industry consortium to share knowledge and experience with other companies in the biopharmaceutical sector. At a local level, we also continued our broader CSR programs focused on underserved communities in health, education and the environment.

The extraordinary challenges of the year demanded an extraordinary response. In this regard, I am immensely proud of the commitment and resilience demonstrated by our Company. I would like to thank the leadership and their teams for their relentless efforts. I would also like to express my gratitude to my fellow Directors for their guidance and support. Finally, I offer my thanks to our clients, shareholders and all other stakeholders for the trust they have placed in Syngene. Our mission to deliver science that makes a difference is a proud hallmark of our commitment to science and society.

On behalf of the Board of Directors, I wish you all the best in these challenging times.

Stay safe, stay well.

Thank you,

Kiran Mazumdar Shaw

The commitment and ability of our employees to adapt to the "new normal" hybrid model of working both from home and on site, has been inspiring.

Rs. 21,802 Mn (USD 295 Mn)

Revenue (excluding export incentives)

Rs. 3,821 Mn (USD 52 Mn)

Profit after tax (PAT)

Message from our **Managing Director and CEO**

Jonathan Hunt

Dear Shareholders,

In a year defined by the COVID-19 pandemic, I am pleased to report that the resilience and adaptability shown across the Company enabled us to fulfill our commitments to clients, employees, shareholders and communities and deliver growth in both revenue and profits.

During the year, we also made meaningful progress on the strategic development of the Company by adding to our Integrated Drug Discovery portfolio, expanding our footprint in Hyderabad, completing the qualification of our manufacturing site in Mangalore and building our presence in the animal health sector.

The pandemic put renewed focus on the critical role of science in impacting healthcare, saving lives and enhancing the quality of life for millions. At Syngene, we are committed to operating at the forefront of this effort and proud of the contribution we have made over the last year.

At the industry level, the pandemic brought out the very best of the biopharmaceutical sector and saw an unprecedented scale of collaboration and urgency among the global scientific community. Immediately after COVID-19 was first reported, biopharmaceutical companies, government, academia, start-ups and non-profits came together to bring an end to the spread of the virus.

Syngene has played an active part and I am justifiably proud of the work our staff have done in combating COVID-19, whether directly through the operation of the RT-PCR testing center or through the work we have done in partnership with our scientific collaborators.

Closer to home, by implementing our business continuity plan and employing rigorous COVID-19 control protocols to keep employees safe, we were able to continue to support our global clients even as they remained in lockdown. Our operations resumed soon after the initial lockdown in India and ramped

Syngene has played an active part and I am justifiably proud of the work our staff have done in combating COVID-19, whether directly through the operation of the RT-PCR testing center or through the work we have done in partnership with our scientific collaborators.

up to near-normal levels of activity throughout the remainder of the year. After a heavily impacted first financial quarter, client projects were brought fully back on track. Our ability to move quickly and decisively reassured clients and ensured that projects were delivered on time.

Delivering scientific solutions

At Syngene, our aim is to deliver scientific solutions that help clients achieve their overall R&D goals. Our integrated drug discovery (IDD) projects bring together the full range of our capabilities; starting from designing the research strategy and then leveraging our discovery, development and manufacturing capabilities to span the entire R&D value chain. By seamlessly bringing together all our resources, IDD projects enable clients to eliminate certain costs in the R&D process while reducing the time to market as well as benefiting from the deep scientific expertise that lies at the core of our R&D operations. During the year, we added 10 clients to the IDD portfolio, including signing a five-year R&D collaboration with Deerfield Discovery and Development Corporation (3DC), the drug discovery and development subsidiary of Deerfield Management Company.

The scientific breadth and depth of our portfolio is contributing to the development of new therapies for a wide range of diseases, with each offering the prospect of making a meaningful difference to the lives of people living with such conditions. As an example, we are proud of our work to help Albireo Pharmaceuticals develop a new treatment for a genetic liver disease that affects children. The compound is currently on track to become the first approved drug for affected patients. During the year, our scientists also worked on research projects that focused on leukemia, Parkinson's disease, inflammatory disorders, and fibrotic disorders, demonstrating our growing capabilities across complex therapies. In addition to serving the pharmaceuticals and biotechnology sectors, we also strengthened our position in animal health and executed our first fully integrated development project in this sector.

Building partnerships

Across the Company, we acquired an additional 40 new clients and expanded the scope of engagement with many existing clients. We continued to serve a broad range of client requirements ranging from the largest pharmaceutical

The scientific breadth and depth of our portfolio is contributing to the development of new therapies for a wide range of diseases, with each offering the prospect of making a meaningful difference to the lives of people living with such conditions.

companies to small and medium-sized companies lacking research capacity or technology of their own. A significant milestone was the extension of our strategic partnership with Bristol Myers Squibb (BMS) to 2030. The dedicated facility we have for BMS is its largest research facility outside of the United States and the partnership has gone from strength to strength since it was first set up in 2007.

Investing for the future

We continued to enhance our technical capabilities as well as expand infrastructure to ensure that we were able to meet clients' future needs. The phase II expansion of our Hyderabad research facility was completed during the year, while phase III of expansion is currently underway. Towards the end of the financial year, we completed the qualification activities for our API manufacturing plant at Mangalore and the facility has been awarded GMP certification by the Indian regulatory authority. The focus is now on gaining other key regulatory approvals over the next two years. Meanwhile, we are actively engaging with clients to showcase the new facility and the latest technologies available at the site.

Our continued focus on digitalization and automation enabled us to make significant efficiency and productivity gains. While improving the speed of delivery in our operations, digitalization reduces the chances of human error, increases safety, improves quality, and enhances our data security and compliance. The introduction of artificial intelligence and machine learning tools will increasingly allow us to leverage the power of data science and gain useful insights for expediting innovation. In the context of the ever-present threat of cybercrime, our security measures continued to evolve. A robust roadmap has been developed to further enhance our IT security and ensure we maintain the confidentiality of the data held in our IT systems.

Operational excellence is an everyday priority at Syngene. In 2020-21, around 2,000 employees were trained in lean process management tools. The use of productivity-enhancing tools and techniques such as Lean, Six Sigma, and Kaizens have reduced waste, lowered levels of required inventory and reduced downtime, while improving on-time delivery. The adoption of the Japanese approach of Gemba walks has ensured that managers have a greater awareness of day-to-day operational concerns and can make sure that appropriate solutions are implemented quickly.

Towards the end of the financial year, we completed the qualification activities for our API manufacturing plant at Mangalore and the facility has been awarded GMP certification by the Indian regulatory authority.

COVID-19 – Offering our contribution

We are proud of the contribution that we made towards increasing the understanding of COVID-19, validating potential treatments and supporting our local communities during the last year. We have included more comprehensive detail of our activities elsewhere in this report (see pages 12-15). Designated as an essential business by the Government of India, we felt a responsibility from the earliest days of the pandemic and were pleased to play a meaningful role in combating the disease.

Throughout the year, our foremost concern has been the health and safety of our staff. As companies around the world tackled the challenges of working in new ways in offices, laboratories and from home, we learned from others' experiences, and have shared our own best practices. Detailed planning, ingenuity, a willingness to overcome unexpected hurdles and agility were all features of the teams who played a role in keeping all our sites open and our operations running safely. I am immensely grateful for the efforts of so many staff and our 'near normal' operating levels are testament to their commitment to the task. At the time of writing, aligned with Government guidance, these teams are tackling a further logistical milestone with the rapid vaccination of our employees, and those of the other Biocon companies and their families.

Outlook

Entering the new financial year, our business divisions are performing well, and we continue to take the necessary action to keep our employees safe and our laboratories fully operational. During the year, we plan to make further investments in new capabilities and expanded capacity to support our strategy for long-term growth. The pandemic will continue to be a feature of our planning and we will build on our experience of the past twelve months: assuming that travel will be constrained; sanitation and physical distancing will continue to be required; and the virus may provide further challenges of a scientific and practical nature.

We will continue our digitalization and automation journey to gain the benefits of shorter innovation cycles and improved operational efficiency. We also plan to expand our global sales team to take Syngene's services to clients, at a time when they cannot come to us. By being closer to our clients, we believe we will make it easier and more convenient for them to work with us.

We will continue our digitalization and automation journey to gain the benefits of shorter innovation cycles and improved operational efficiency. We also plan to expand our global sales team to take Syngene's services to clients, at a time when they cannot come to us.

We will also be focusing efforts on leveraging the investments that we have made to build high specification Biologics and API manufacturing units. As the construction and qualification phases come to an end, we will be seeking to drive up utilization by adding to new and existing client relationships.

Our operations are underpinned by a strong balance sheet, and we will continue the prudent management practices of the past twelve months to ensure that we are prepared for any emerging uncertainty in the year ahead.

In closing, I am profoundly grateful to all Syngene employees who stepped up to the demands of this most challenging of years. Their commitment ensured that we were able to stay safe, resilient and serve our clients. My executive team and the broader leadership teams across the organization have also shown their mettle and I would like to recognize their determination to ensure that our teams delivered high quality work in difficult circumstances. Together, we are approaching the new year in the knowledge that scientific research holds one of the keys to solving the pandemic, just as it does many other important challenges that impact the lives of people around the world.

We remain more committed than ever to play our part.

Jonathan Hunt

Message from our **CFO**

Sibaji Biswas

Syngene

Performance highlights

2020 was a year of both opportunity and challenge; it is clear that the pandemic weakened the global and domestic macro-economies, resulting in industrial output falling to its lowest levels in four decades during the first two quarters and a marked contraction in consumer spending was evident around the world. Almost all sectors and companies were impacted. As the economy began its recovery, a second COVID-19 wave spread across the globe, dampening prospects of recovery towards the end of the fiscal year. Compared to the other sectors, the healthcare and life sciences sectors were relatively insulated from these adverse impacts due to the non-cyclical nature of demand, combined with the long-wave consumption cycles that are the norm within the healthcare and life science value chain.

For Syngene, the year turned out to be a positive one, with growth in both revenue and profits despite the obvious challenges posed by the COVID-19 pandemic. We faced a production slowdown in the first quarter as operations were temporarily suspended while we introduced COVID-19 safety protocols on all campuses. We also saw a slower build-up of client orders in the early part of the year due to the reduction in global travel affecting trade shows and reducing direct contact with customers. We believe this has created some pent-up demand and a more positive trading environment today as clients begin the process of catching up on projects delayed by their own pandemic shutdowns.

Despite these challenges, I am happy to report that our Company delivered a resilient performance and met growth guidance for the year. Revenues, before taking export incentives into account, grew 12% to Rs. 21,802 Mn (USD 295 Mn). Excluding the first-quarter performance, revenue growth for the remaining quarters was at 14%. As a prudent measure, we have not accounted for government export incentives in the reported period given the lack of clarity pending the announcement of continuity of the previous export incentive scheme by the Government of India.

Growth in revenue from operations was driven by steady performance across all businesses. Discovery Services constituted 35% of revenues, Development and Manufacturing Services accounted for 33% and the Dedicated R&D Centers formed the remaining 32% of revenues for the year. At an operational level, a combination of an effective business continuity plan and disciplined cost management allowed us to maintain uninterrupted operations throughout most of the year.

Maintaining client engagement during the year, despite the restrictions on travel, was an important priority and one that was partially addressed through rapid adoption of new technologies to create new sales and engagement channels. We took our marketing online and invested in digital events and activities to

Rs. 35,634 Mn (USD 482 Mn)

Total capex base

Rs. 4,669 Mn (USD 63 Mn)

Total capex spend in FY21

EBITDA margin from operations increased by 220 basis points from 28.4% in FY20 to 30.6% in FY21 reflecting a strong underlying performance. Despite the absence of the export incentive, which is equivalent to almost 300 basis points dilution in margins, the reported EBITDA margin dropped only by 70 basis points from the previous year to 32.7%, thereby demonstrating strong underlying margin growth.

maintain our profile in the industry. The digital platforms have proven to be an effective way to showcase our latest science and technology to new and existing clients. During the year we added 40 new clients, taking the total count to above 400, as well as expanding our relationships with existing clients.

Besides our financial and operational performance, we are proud of the contribution we make to society. During the year, we deployed our scientific expertise to play an active part in the world's fight against COVID-19 through our work on diagnostics, COVID-19 treatments and new vaccines. Our development and manufacturing services were used for production of remdesivir, a broad-spectrum antiviral medication for the treatment of COVID-19 infection, under a voluntary licensing agreement from Gilead to meet a medical need in India and we supported the State of Karnataka with our dedicated RT-PCR testing facility.

Cost and margin overview

Earnings before interest, tax, depreciation and amortisation (EBITDA) grew by 5.3% to Rs. 7,364 Mn (USD 100 Mn) in FY21. EBITDA from operations, excluding interest income and export incentives, grew by 21% over the prior year. The growth was driven by our focus on optimizing costs while building scale. EBITDA margin from operations increased by 220 basis points from 28.4% in FY20 to 30.6% in FY21, reflecting a strong underlying performance. Despite the absence of the export incentive, which is equivalent to almost a 300-basis point dilution in margins, the reported EBITDA margin dropped only by 70 basis points from the previous year to 32.7%, evidence of strong underlying margin growth.

Profit after tax (PAT) grew 4% to Rs. 3,821 Mn (USD 52 Mn) as compared to Rs. 3,662 Mn (USD 49 Mn) in the prior year before an exceptional gain from an insurance receipt. PAT margin was lower by 50 basis points to 17% as depreciation increased due to expansion at our main Bangalore facility, new investments in Hyderabad facility and the commissioning of the Mangalore commercial API plant towards the end of the previous year (March 2020).

Capex

Capex for the year was Rs. 4,669 Mn (USD 67 Mn), lower than planned by around 25% as we deferred certain projects due to the pandemic. Lower capex was also due to the release of additional capacity resulting from the introduction of shift working, especially in Discovery Services. Of the total capex, 15% was deployed in the API manufacturing facility, 31% in Discovery Services, 13% in the Biologics manufacturing facility and the remaining 40% in the Dedicated Centers, Development Services and common assets. Capex currently stands at Rs. 35,634 Mn (USD 510 Mn) as on March 31, 2021.

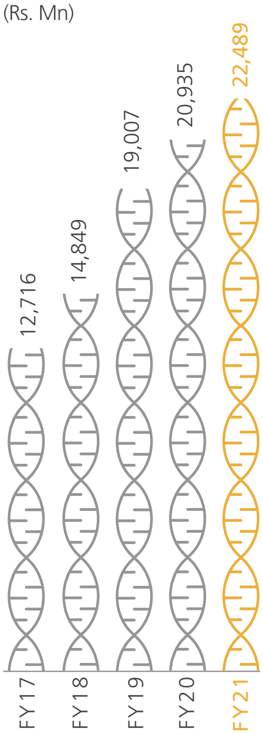
Foreign exchange movement

With most of our sales being denominated in foreign currency, hedging is an important part of our strategy to minimize the risks of currency fluctuation. During the year under review, with the average hedged rate at Rs. 74 per USD against the average spot rate of Rs. 73.5 per USD, we registered a foreign exchange gain of Rs. 171 Mn (USD 2 Mn) as compared to Rs. 144 Mn (USD 2 Mn) in the prior year.

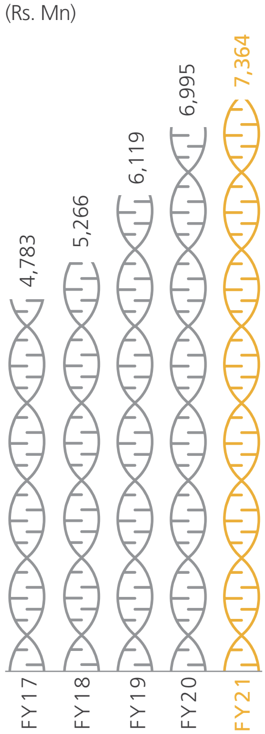
Healthy balance sheet

A key focus during the year was on maintaining a strong liquidity position. This focus on receivables delivered the highest ever collections, reducing the overall outstanding days of receivables to 58 days as on March 31, 2021.

Revenue
(Rs. Mn)

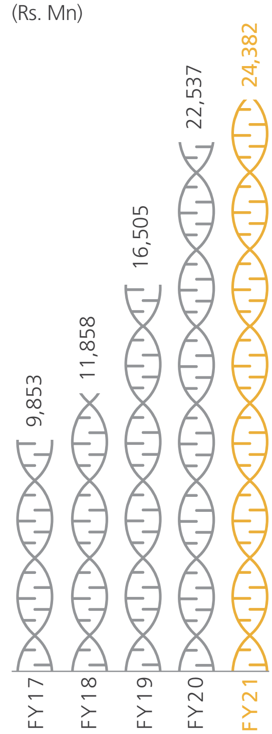


EBITDA
(Rs. Mn)



PAT
(Rs. Mn)

Net Fixed Assets
(Rs. Mn)



Calibrated spending contributed to a 79% growth in the net cash balance to Rs. 6,475 Mn (USD 88 Mn) as on March 31, 2021.

Our improved liquidity position and healthy financial risk profile, along with growth visibility, strong fundamentals, sound business model, and strong client base, contributed to an upgrade in our credit rating. We are now rated AA+ by both CRISIL and ICRA for the long term up from AA in the prior year.

Dividend

While the Company anticipates good growth opportunities, there remains uncertainty as the Indian economy and those of our client markets, recover from the impact of the past twelve months. In line with this, the Company has taken a decision to retain surplus funds instead of distributing dividends in order to focus on maintaining a healthy cash and liquidity position in case of unforeseen events. The Board will review the dividend payable for FY 2021-22. However, our business remains in a solid position backed by a robust net worth of Rs. 28,214 Mn (USD 381 Mn) as on March 31, 2021 as compared to Rs. 21,758 Mn (USD 294 Mn) as on March 31, 2020.

Way forward

The year ahead offers positive prospects reflecting the strong fundamentals of the global biopharmaceutical industry against a backdrop of potential further disruption due to the second wave of the pandemic. The extension of our strategic collaboration with Bristol Myers Squibb until 2030 will provide scope for new areas of R&D within that relationship. We have initiated multiple expansion and capability-building initiatives. The phase-III expansion of the Hyderabad laboratory is ongoing and will offer capacity for an additional 300 scientists. We are collaborating with the Biotechnology Industry Research Assistance Council (BIRAC), under the National Biopharma Mission, to build a viral vector development and manufacturing plant for cell and gene therapy. We have added capacity to our mammalian cell biologics manufacturing capabilities as well as commissioned a new microbial facility, further enhancing our services in biologics. The Mangalore API plant has completed the qualification stage and beyond the GMP approval from the Indian regulator, we are working towards other regulatory approvals while adding clients and projects.

In conclusion, I am confident that our efforts will ensure long-term profitable growth that will create value for all stakeholders. As we mark the end of a difficult year, I would like to thank all our stakeholders for their support and look forward to reporting continuing growth in the year ahead.

Thank you,

Sibaji Biswas

Review of Business Divisions

Together, our business divisions make us a fully integrated player for the research, development and manufacturing of small and large molecules.

Review of business divisions

Discovery Services

The delivery of enhanced services and a new platform for integrated drug discovery underscored our efforts to execute the latest scientific techniques seamlessly and smoothly across a wide range of potential therapeutic targets. In a year shaped by the health challenges of the COVID-19 pandemic, we also applied our scientific acumen to make contributions both for clients and the community.

We completed the second of our multi-year strategy to assist our clients by providing integrated solutions combining multiple capabilities within Discovery Services. As such, we continued to focus on engaging clients both as an extension of their internal capabilities and as a resource for critical expertise outside of their core competencies. In addition to more effectively integrating specialist teams within Discovery Services, we also built stronger interfaces with other divisions. This comprehensive approach enables us to make better scientific decisions and recommendations to our clients, thus reinforcing Syngene's position as both a service provider and a partner for innovation. Furthermore, we leveraged our expertise in molecular biology, protein sciences, antibody production, and assay biology to help fight COVID-19.

Discovery Services delivered strong growth by expanding relationships with existing clients and initiating relationships with new clients. We converted several Fee-for-Service (FFS) contracts into more durable, Full-Time Equivalent (FTE) engagements, reflecting the perceived value addition that we offer to clients. Our reputation as a leading strategic partner and solutions provider was additionally reflected in the increased number of collaborations for integrated drug discovery (IDD) projects that we attracted during the year.

Enhancing our IDD platform

The Discovery Services division houses most discovery-stage research services required by pharmaceutical and biotechnology companies under one roof. Combining these capabilities seamlessly along with those offered by Development Services allows Syngene to deliver high-quality innovation with speed and efficiency at every stage of a project, from program initiation through clinical evaluation.

Syngene SynVent™, our proprietary platform for executing integrated drug discovery projects, is designed to provide the most effective and efficient means to advance programs through target validation, translational interrogation, therapeutic discovery, and preclinical development for both large and small molecules, as well as specialty modalities such as targeted protein degradation.

During the year, we signed a five-year strategic collaboration agreement with Deerfield Discovery and Development Corporation (3DC) to execute a portfolio of fully integrated drug discovery programs. Many of these programs will represent novel biological targets with first-in-class opportunities.

This partnership puts us at the center of a network including some of the world's most notable academic institutions and drug discovery innovators. The combined strengths of the two companies will enable the effective prosecution of therapeutic discovery programs for the benefit of patients and create value for our shareholders. In the start-up phase, 3DC awarded IDD projects to Syngene in oncology and autoimmune diseases.

"This collaboration forms an important part of our execution strategy. When we identify a promising biological target, our goal is to discover and deliver the best possible therapeutic agent to the clinic as quickly and safely as possible. We believe the Syngene-Deerfield collaboration may provide critical new therapeutic options with pace and efficiency that could improve the lives of many patients."

Mike Foley, Ph.D.
CEO of 3DC

Review of business divisions

Discovery Services

In addition to human health, Syngene has a growing business among CROs offering animal health services. This year, we added our first IDD project in animal health. The project was initiated with the assay biology and screening teams developing, optimizing, and validating several requisite assays in an aggressive timeline of fewer than eight weeks, as compared to the typical twelve to sixteen weeks. Medicinal Chemistry to optimize the lead series is underway.

Advancing innovative science

Significant accomplishments in the year include generating critical data to enable candidate selection of a bispecific antibody for cancer treatment and achieving an important milestone towards discovering lead candidates for the potential treatment of inflammatory disorders. Scientists from Discovery Services were named co-inventors in nine patents filed during the year, underpinning our contribution towards delivering the science targeting unmet medical needs. Syngene scientists also continued to publish scientific outcomes including a co-authored article titled 'Selective recruitment of γδ T cells by a bispecific antibody for the treatment of acute myeloid leukemia' peer-reviewed and published in the renowned journal, 'Leukemia'.

COVID-19 research and projects

A significant research effort went into diagnostics and treatments for COVID-19. While RT-PCR kits are the gold standard in COVID-19 diagnostics, rapid antibody tests are a globally acknowledged method for quick surveillance and community risk management. With supply chains being disrupted during the pandemic and most antibody kits being imported into India, the country faced the challenge of rapidly scaling testing to a sufficient level. Our scientists stepped up to this challenge by developing an ELISA (Enzyme-Linked Immunosorbent Assay) antibody testing kit at our research facility in Bangalore. This advanced, highly reliable test identifies the presence of SARS-COV-2 antibodies in blood samples and confirms if a patient has been exposed to the coronavirus. It has a high throughput and generates results within three hours. The kits are being manufactured and distributed in partnership with bioscience firm HiMedia Laboratories.

Other accomplishments include:

- Development and validation of several surrogate neutralizing antibody and T-cell assay formats, enabling point-of-care assessment of acquired immunity toward SARS-CoV-2, the virus that causes COVID-19
- Discovery of several novel, high-affinity monoclonal antibodies (mAbs) and receptor-binding domain (RBD) proteins of SARS-CoV-2
- Supporting a research program in the discovery of a broad-spectrum antiviral for the treatment of COVID-19, in collaboration with Sosei-Heptares
- Co-recipient of a grant from Biotechnology Industry Research Assistance Council (BIRAC)* to discover the measles virosome-based COVID-19 vaccine
- Recipient of a BIRAC grant for the generation of a human-ACE-2 transgenic mouse to support studies targeting the prevention or treatment of SARS-CoV-2 infection. The human ACE-2 cell surface protein engages the viral SPIKE protein to facilitate entry into the cell

*BIRAC is a non-profit public sector enterprise set up by Department of Biotechnology (DBT), Government of India, as an interface agency to strengthen and empower the emerging biotech enterprise to undertake strategic research and innovation.

Strengthening Research Informatics

Research Informatics is a critical capability that can significantly augment every step of the drug discovery and development continuum. Continuing our focus on strengthening our research informatics capabilities, we are building an immuno-oncology platform that will enable mechanistic assessment of immune response, intelligent clinical trials for checkpoint inhibitors, and combination therapies to further strengthen our capabilities.

We are also integrating informatics capabilities across other operating units and enabling functions to leverage the power of data science, machine learning, and artificial intelligence. The adoption of these transformational technologies is enabling strategic engagement, improved processes, and faster turnaround time. For instance, when conducting multiplex cytokine analysis, a massive amount of data is generated. Manually reviewing and analyzing so many data points would be tedious, time-consuming, and prone to errors. To overcome this problem, the Research Informatics team developed an intuitive tool to automatically analyze the data, provide relevant analytics, support quality control, and generate reports. Most importantly, the tool helped reduce the turnaround time from one day to just three minutes.

Adding new capabilities

We continued to invest in adding new capabilities to further enhance our drug discovery offerings, including speciality platforms such as antibody-drug conjugates (ADCs) and proteolysis targeting chimeric molecules (PROTACs). While numerous traditional therapeutics rely upon inhibiting a biological target molecule's function, PROTACS engage the target molecule in a way that triggers its destruction within the patient's own cells. We initiated an EPSA (Experimental Polar Surface Area) assay which uses a supercritical fluid chromatography (SFC) technique, to enable improved permeability design for PROTAC targets in a high-throughput environment.

Plans are also underway to augment our Drug Metabolism and Pharmacokinetics (DMPK) capabilities through investment in automation. Our growing expertise in areas that hold the promise of discovering the medicines of the future is attracting new clients to Syngene.

Review of business divisions

Discovery Services

Investing in infrastructure

Syngene recognizes the need for timely investments in infrastructure to support growth in a scalable and efficient manner. During the year, we commissioned 23,000 sq. ft. of additional laboratory and office space to support Discovery Biology at the Biocon Park campus in Bangalore. The phase I expansion in Genome Valley, Hyderabad was commissioned in February 2020, adding capacity for up to 175 scientists for Discovery Chemistry services. Phase II of the facility was recently completed, housing an additional 90 scientists. Phase III construction is underway to further support the increasing demand for both Discovery Chemistry and Discovery Biology services.

The installation of sophisticated equipment and deployment of new and better technologies, as part of our digitalization strategy, continue to bolster our research capabilities across our various operating units. These include implementing an electronic laboratory notebook (ELN) across all FTE projects in Discovery Chemistry, installing new 400 MHz Nuclear Magnetic Resonance (NMR) instruments with high sensitivity probes, and the use of DEREK Nexus and SARAH Nexus toxicology modeling tools. These toxicology tools deliver fast and accurate toxicity predictions and statistics-based Ames mutagenicity predictions while meeting ICH M7 guidelines.

Working together for science

Generally, collaboration fosters innovative ways of thinking, leading to better solutions. The same is true in science. Our strategic alliances aim to unlock the positive impact of partnership. This year, we signed an agreement with the Foundation of Neglected Disease Research (FNDR) in Bangalore to facilitate SARS-CoV-2 in vitro and in vivo research combining Syngene's multidisciplinary skills in integrated drug discovery and development and FNDR's capabilities in conducting BSL-3* infectious disease research.

We have established strategic partnerships with institutions in Netherlands and Japan to provide access to industry-leading high-throughput screening (HTS) collections for small molecule discovery. We similarly signed a partnership agreement with a China-based organization to provide our clients access to their world-class DNA-encoded screening library (DEL). These partnerships strengthen our ability to provide integrated discovery services, expand our client base, and enhance our global footprint.

"There is an immediate need to accelerate the discovery and development of antiviral therapeutics and vaccines to combat the COVID-19 pandemic. FNDR is excited to collaborate with Syngene to provide efficient screening modalities to researchers across the globe to evaluate activity against SARS-CoV-2."

Dr Shridhar Narayanan,
Chairman and CEO of FNDR

*Biosafety level

CASE STUDY 1

Client requirement

The lead candidate on a project demonstrated an adverse effect (AE), though the pharmacokinetic properties of the molecule suggested otherwise. The client needed to understand the trigger for the adverse effect to decide on the next course of action.

Challenge / problem statement

Since the pharmacokinetic properties of the candidate did not suggest any potential AE, is the target or the molecule triggering the AE? What is the mechanism for AE?

Syngene approach

A combination of structural bioinformatics, cheminformatics, and network analyses was used to establish a mechanistic rationale for the AE. A structural comparison of the binding site with other proteins identified potential promiscuous binding modes. Drugs similar to the lead molecule were identified and this information was overlaid on a protein-protein-drug interaction network. Network analyses revealed the relationship between the molecule neighborhood, off-target proteins, and their links to various biochemical pathways. This information was used to establish the mechanisms that triggered the AE.

Services involved

Research Informatics

Outcome

The work helped the client establish a mechanism-based understanding of the problem and take an informed decision on the mitigation plan (reducing timelines and other expensive forms of testing).

CASE STUDY 2

Client requirement

Parallel synthesis of highly potent compounds to establish a Structure Activity Relationship (SAR), identification of lead compounds, and synthesis and delivery of highly potent compounds for animal studies.

Challenge / problem statement

The original method provided for compound synthesis in support of developing SAR was highly inefficient and thus impractical to achieve requisite amounts of test material. Although the client lacked an optimized method to make key compounds, rapid synthesis and delivery was imperative for timely conduct of toxicity studies.

Syngene approach

Syngene developed a parallel exploration approach for the SAR. Molecular optimization was completed utilizing a lower quantity synthesis during which the synthetic route was optimized to improve the overall yield of material. This was achieved within the agreed timeline.

The synthesis and purification processes were further optimized to afford a much larger quantity of product, meeting the client's stringent timeline requirements.

Outcome

The client further increased the quantity demand for the specified compound and expanded the collaboration by increasing the number of contracted scientists.

Review of business divisions

Development Services

Development Services continued to re-shape its service delivery to focus on being a high-quality, reliable, solutions provider to our clients. The division also played a significant role in using its scientific skills and technology for humanity by devising scientific solutions to combat the COVID-19 pandemic.

Rolling out a strategy to assist our clients as a 'one-stop' integrated solutions provider, we continued to drive internal alignment of services to facilitate the smooth transitioning of molecules from discovery into the development and commercialization stages.

The division reported a steady performance for the year. New clients were added across the various scientific disciplines, while many existing clients established broader relationships by expanding the scope of engagement.

Finding solutions through science

Through the year, our scientists continued to support our clients to bring new therapies to the market. This was reflected in the critical role that we played in the success of odevixibat, a lead drug for specialist biopharmaceutical client, Albireo Pharma. This drug, which treats a genetic liver disease, achieved its two primary endpoints in phase III clinical trials. Our scientists delivered several campaigns of the drug substance - from registration batch to phase III trials - to assist in the overall success of the product. The US FDA has accepted Albireo's new drug application for odevixibat and has granted it priority review status.

Within Formulations Development, our scientists helped to develop a complex multi-drug combination formulation for a client with extensive interests in animal healthcare. In this project, our scientists demonstrated their ability to deliver a solution using a minimum quantity of API - and against stringent timelines - while considering the need to develop a comprehensive risk assessment for scalability with an associated mitigation plan.

In another complex and time-critical project, our scientists developed a robust, scalable process for a small molecule inhibitor that blocks a specific cancer target. This was a significant milestone in the overall project, which is currently in the process performance qualification (PPQ) studies stage.

Other highlights include delivering GMP# supplies for a leading pharmaceutical company to support its pilot bioequivalence studies in humans within accelerated timelines. Additionally, a US-based client filed a New Drug Application (NDA) for immediate-release tablets for treatment of vaginal yeast infections (vulvovaginal candidiasis) with the United States Food and Drug Administration (US FDA), the registration batches of which were manufactured at Syngene's GMP facility.

Using science to combat COVID-19

In the context of the COVID-19 pandemic, we leveraged our expertise in clinical trial management, human clinical sample testing, analytical capabilities, molecular biology and viral testing to support the government and the community in combating the pandemic. We repurposed one of our laboratories in Bangalore to establish a COVID-19 sample testing center within six weeks.

Using RT-PCR technology, this NABL and ICMR approved testing laboratory worked in collaboration with local hospitals to expand the testing capacity in Bangalore and help reduce the spread of the virus in the community. Continuing our contribution in the fight against COVID-19, another RT-PCR testing facility was established in October.

Pursuant to the voluntary license agreement signed with Gilead Sciences and the subsequent technology transfer, we commenced manufacturing and supplying its antiviral drug remdesivir for the treatment of COVID-19 patients. Syngene initiated manufacturing and supply of this drug in December. Biocon Ltd. and Biocon Biologics Ltd., the two other Biocon Group companies, are partnering with Syngene to distribute the product in the Indian and international markets.

#Good manufacturing practice (GMP) is a system for ensuring that products are consistently produced and controlled according to quality standards. GMP is also sometimes referred to as "**cGMP**". The "c" stands for "current," highlighting that manufacturers must employ technologies and systems which are up-to-date in order to comply with the regulation.

Review of business divisions

Development Services

Driving greater integration

Aligned with our strategy to integrate multiple service lines within Development Services to offer integrated solutions, we restructured the Division in the previous financial year. This transformation gained momentum during the year under review. We also set up the Analytical Development function, which will further boost our ability to offer integrated development services. With this addition, the Development Services structure mirrors that of large pharmaceutical companies, designed to facilitate the smooth flow of molecules from the Discovery to Commercialization phase.

Building our capabilities

We are continually enhancing our capabilities to provide a more efficient and broader range of development solutions to our clients worldwide. A non-GMP (nGMP) technical support testing laboratory was commissioned in Bangalore to test all nGMP batches for in-process, intermediates and finished products. This facility will enable us to implement phase-appropriate quality services and reduce the turnaround time for nGMP sample analysis by an estimated 30-50%.

Our investments in artificial intelligence and machine learning technologies are steadily increasing and this unlocks higher R&D productivity for our clients. In addition, our dedicated GMP-compliant facility for the development of animal health products is enabling us to meet the growing demand for veterinary drugs.

Another significant achievement was the setting up of the Highly Potent Active Pharmaceutical Ingredient (HPAPI) laboratory at the Bangalore campus. This facility completed the validation process towards the end of the fiscal year and will develop chemical processes for high potency molecules at a laboratory scale.

We also have a clear plan for further capability additions and enhancements to reinforce our position as a partner for innovation.

CASE STUDY 1

Requirement from the client

Process performance qualification and manufacturing of an API for NDA filing. The drug substance had a fast track approval from US FDA.

Challenge

A complex project requiring:

- 17-step synthesis
- 70 analytical validations
- 28 validation manufacturing batches
- 400 scientific reports
- Collaboration between more than 100 teams in multiple functions

Syngene approach

- Set up a governance mechanism to capture the voice of the customer
- Multiple communication points between functional experts with client
- Detailed planning process with cross-functional teams
- Weekly reviews by project teams and leadership throughout

Services

- Process development
- Process control justification studies
- Process validation and manufacturing scientific reports

The outcome

The program was completed without delays and the client completed NDA filing on time.

CASE STUDY 2

Requirement from the client

Development and clinical supplies of a complex triple API combination hard-chew tablet for animals, within an aggressive timeline.

Challenge

Three APIs with diverse physicochemical properties:

- Significant difference in ratio of drugs in tablet
- Challenge of moxidectin API with respect to uniformity and chemical stability
- Requirement to achieve palatability and stability of moxidectin

Robust analytical methods were required including stability studies.

Syngene approach

Adoption of multiple strategies to address uniformity and stability challenges of moxidectin by selecting polymer, antioxidant and alkalizer to address acidic impurities. Manufacturing process challenges addressed to scale up to 50 kg equivalent to clinical batch size.

- Initiation of license application during RFP stage enabled procurement of APIs and flavors early on
- Screening of multiple stabilization strategies by applying innovative short-term super stress stability conditions
- Scientific screening of dissolution media and conditions to have a single media for all APIs
- Risk assessment to ensure product attributes: content uniformity (milling and blending optimization), and prevent assay losses for lower doses
- Domestic suppliers identified as back-up to avoid delays
- Blister machine qualification completed in-house
- Split shipment to enable timely clinical labelling by the client

Services

Formulations Development, Quality Control, Quality Assurance, Supply Chain, Project Management

The outcome

Accelerated development with robust problem-solving to deliver product development within nine months and provide clinical supplies for the tick season - which was a key project milestone.

Additional clinical batches were requested and another triple API combination product is under discussion with the same client. It has also awarded a four-API combination product based on Syngene's track record in delivering complex drugs for animal health.

Review of business divisions

Manufacturing Services

The demand for a one-stop solutions provider is increasing and stretching beyond research and development to encompass commercial manufacturing. Our scientific solutions which include an ability to take a project from the earliest stages through to commercial manufacturing are exceptional and our clients reap the benefits.

When it comes to drug commercialization, clients increasingly prefer to collaborate with service providers who have been involved in the discovery and development process. The primary reason for this is to leverage the extensive process knowledge gained while advancing the molecule along the value chain making drug commercialization simpler, seamless and faster. Partnering with a single service provider eliminates the need for knowledge and technology transfers throughout the process accelerating time to market. Syngene's proven performance of solid multi-year, multi-project execution puts us in a strong position to serve clients who need manufacturing support to advance their product to commercialization.

Our scientific solutions are differentiated by our ability to deliver manufacturing of both clinical and commercial supplies across modalities. We have a state-of-the-art cGMP facility for chemical entities, an API manufacturing facility, a modern, disposables-based mammalian manufacturing facility with multiple 2,000L bioreactors, and a microbial manufacturing facility.

Our Manufacturing Services division recorded steady progress during the year.

API manufacturing

The API manufacturing facility in the Mangalore Special Economic Zone (MSEZ) completed its qualification process by the end of the year under review. The first commercial project was executed in the intermediate areas where equipment had already been qualified and the facility is on track to take on larger volume production in the coming financial year.

To drive continuous improvement, the facility has implemented the company-wide operational efficiency measures including the SQDECC program which monitors and analyses daily activities in safety, quality, delivery, engagement, cost and compliance. A phase-appropriate pharmaceutical quality system was initiated to meet the

current requirements and regulatory surveillance has also been introduced to ensure that quality systems and products are compliant with global standards. Additionally, we have embarked on an 'Anytime Audit Readiness' verification process to ensure that the site is fully prepared for scheduled or unscheduled regulatory audits. As activity at the facility scales up, virtual GMP training is being delivered to all the relevant employees to build awareness of current regulatory requirements and Syngene quality system procedures.

Biologics manufacturing

Our biologics manufacturing facility can handle multi-product production campaigns simultaneously based on our single-use technology platform, and we continue to build on our capacity year-on-year to meet the growing demand for outsourced biologics manufacturing. Our mammalian manufacturing plant added two new 2000 L bioreactors. This approach of 'scaling-out' instead of 'scaling-up' gives us more flexibility in meeting client demand.

The biologics manufacturing is supported by Syngene's own cGMP viral testing facility, which is currently the only one in India. Most India-based biopharmaceutical companies send their samples overseas for testing. Our unique service will enable us to capitalize on this significant business opportunity.

The construction of the new microbial manufacturing facility was completed and operations have commenced, reducing our dependence on external service providers. Other highlights include: the addition of pDNA and mRNA segments as a new line of the process development and clinical manufacturing service; the increase in the capacity of the microbial testing laboratory; a new 5,000 sq. ft. process development laboratory; and a new quality control laboratory housing the latest infrastructure.

The establishment of a new fill-finish facility for injectables has started. This will enable our clients to manage the complete product lifecycle from one single location.

Digitalization and automation continue to be a priority to further build on the robustness of our systems. Targeted measures were also carried out to strengthen quality control and drive continuous improvement. A phase-appropriate quality system has also been rolled out to increase turnaround time.

Review of business divisions

Dedicated R&D Centers

Syngene's clients value the dedicated R&D center model because of the advantages this approach brings to their R&D programs. This includes operating as an extension of the client's facilities, seamless and secured information exchange and a dedicated infrastructure and a team of cross-functional scientists. In a year disrupted by the pandemic in many parts of the world, Syngene's dedicated centers functioned at near-normal levels and met project timelines as planned.

The four dedicated R&D centers represent some of our deepest client relationships, including Bristol Myers Squibb (BMS), Baxter Inc., Amgen Inc., and Herbalife. Each center is customized to the client's requirements with dedicated infrastructure and exclusive multidisciplinary scientific and project management teams.

A client-centered approach backed by a robust governance model ensures that each facility fulfills our commitment to being a valued science partner in every sense. Meeting the challenges of COVID-19, the Company's agile response and focus on managing employee safety and project continuity was highly appreciated by our clients. Testament to the added value delivered by the partnerships, the scope and size of these centers continue to grow and our investments in infrastructure and technology increases accordingly.

Biocon Bristol Myers Squibb Research & Development Center (BBRC)

Syngene and Bristol Myers Squibb's collaboration dates from 1998 and the dedicated Biocon BMS Research Center (BBRC), Syngene's first dedicated R&D center, was established in 2007. The center is the largest research alliance for Bristol Myers Squibb, covering integrated drug discovery and development in multiple therapeutic areas, including cardiovascular, fibrosis, immunology and oncology. The center provides integrated services in target identification, lead discovery, lead optimization, early-stage pharmaceutical development, molecular and cell biology, protein sciences, assay biology, clinical biomarkers, amongst others.

During the year, the collaboration was extended until 2030 and the breadth of research was expanded to include translational medicine and pharmaceutical development. The extension also provides for a 40% increase in the number of scientists. Part of this increase was executed during the year and the remaining expansion is expected during the next two years.

We continued to drive improved internal efficiency by introducing measures like phase-appropriate quality systems, which have now been implemented across the organization. Steps were also taken to further strengthen and enhance safety, quality, people development and infrastructure sustainability practices.

"Syngene has been a trusted long-term partner in our endeavor of discovering and developing novel drugs. They have gone beyond our expectations in delivering projects even during the challenging times of the COVID-19 pandemic while keeping the safety of our people as the top priority."

Dr Manjunath Ramarao,
Group Director & Head of Discovery Biology and Translational Sciences, BMS

Review of business divisions

Dedicated R&D Centers

"Baxter has always considered and will continue considering Syngene as an equal partner, where we rely on each other's complementary strengths to bring in synergy and helping both organizations grow."

Suresh Kumar,
Director – RDI Operations,
Partner and Program Management
Baxter Innovations and Business Solutions Pvt. Ltd.

Baxter Global Research Center (BGRC)

The strategic alliance with Baxter Inc. was initiated in 2013. Syngene's contribution to Baxter's R&D programs is evidenced in the scope of engagement that has consistently expanded over the years. Today, we are partnering to deliver scientific solutions across product and analytical development, preclinical evaluation in parenteral nutrition and renal therapy and medical products and devices.

During the year, the collaboration was further expanded to include microbiology research and preclinical assessment projects for medical devices. Aligned with the enhanced scope of work, the bench strength was increased to more than 200 scientists.

During the year, the dedicated center delivered four new product development projects for registration in the US and European Union markets.

Herbalife Nutrition Research & Development Center (HNRD)

The research center for Herbalife has been in operation since 2016. The facility is Herbalife's first nutrition R&D center in India and includes a cGMP laboratory. The center provides support for product development, sensory evaluation and testing, scientific content writing, project management, formulation development, analytical services, stability studies and other related areas.

During the year, our scientists worked closely with the Herbalife R&D teams to launch five nutritional/well-being products for the Indian market. The scope of collaboration was enhanced to include services for outer nutrition including development, analysis, and feasibility (pilot scale-up and stability) studies. In line with this enhanced scope, an R&D feasibility study for outer nutrition products was also completed.

Syngene Amgen Research & Development Center (SARC)

The strategic collaboration with Amgen Inc. focuses on medicinal and process chemistry, biologics, drug metabolism, pharmacokinetics, bioanalytical research and pharmaceutical development. The dedicated center, Amgen's only R&D facility in India, was founded in 2016.

During the year, the SARC leadership team was reorganized to drive greater collaboration and efficiency. With the launch of the 'OneSARC' governance model, a team combining leaders from both Syngene and Amgen is now in place. This will drive greater alignment in SARC operations and provide better scientific and operational oversight. In addition to advancing Amgen's research programs, operational excellence initiatives were introduced to improve productivity across functional areas.

"The Syngene team did a great job in completing all projects on schedule helping us launch new products despite the COVID-19 situation. Thanks to Syngene, we launched five new products this year: Skin Booster, ShakeMate, F1 Banana Caramel, Brain Health & Immune Health."

Nagesh NC,
Director, R&D, Herbalife India


Nexera X2
SL-20AC
start
cooler
remote
CTO
1.5mL

Review of Enabling Functions

Our enabling functions are an important part of our ecosystem, collectively enabling our business divisions to operate smoothly and seamlessly.

Quality

Focus on quality that makes a difference

Our ability to deliver science that makes a difference is underpinned by our intense focus on quality systems and processes. This commitment to standards and compliance has enabled us to win our clients' trust and build long-term relationships.

Driving digital transformation

We recognize the importance of generating reliable and retrievable data by using advanced technology platforms. To further build on the robustness of our quality systems, the Quality function started a digitalization journey in 2019, many components of which were completed during the year. All Quality digitalization systems are compliant with regulatory requirements for effective management of electronic documents.

TrackWise - Electronic Quality Management System

A centralized platform that creates automated workflows which foster compliance and bring greater efficiency in document review and project approvals. The workflows also provide full traceability and accountability for each record related to a specific project. Advanced data analytics identify improvement opportunities, thereby enabling us to be better prepared for external audits and bringing us closer to our goal of 'Anytime Audit Readiness'. In 2021, TrackWise implementation was extended to Discovery Services, Development Services, Mangalore API facility and the dedicated centers.

Documentum - Electronic Document Management System (EDMS)

This platform manages the lifecycle of documents from creation to archival in standardized templates and provides traceability, audit trails, data security, and data backup.

During the year, the scope of the document management system has been extended to Mangalore API facility and the Hyderabad operations. In addition to Quality, all the Environment, Health, Safety, and Sustainability (EHSS) documents are now being managed through the EDMS.

Learning Management System (LMS)

The employee Learning Management System has been enabled for mobile devices. Now any employee at Syngene can access and complete training on their mobile devices anytime, anywhere. Besides nurturing a 'learning organization' culture, it also enables live tracking of progress and performance of participants.

Laboratory Information Management System (LIMS)

LIMS system tracks the lifecycle of test samples in the Quality Control laboratories. The system is designed to manage the entire cycle of testing and reporting of results starting from sample receipt to the generation of the final certificate of analysis. The system is also designed for full data traceability and easy record retrievability. The integration of LIMS with the SAP system delivers faster processing of data and release of results. During the year, LIMS implementation was extended to the Mangalore API facility.

Quality

Focus on quality that makes a difference

The focus on digitalization has been central to the Syngene strategy for enhanced quality, safety, and user accountability. The aim has been to minimize manual intervention across our processes and ensure data reliability. Electronic laboratory notebooks in the quality control laboratory (small molecule) is an important ongoing project designed to make the laboratory operations paperless. Over the past year, digitalization has been extended to all Syngene operations in the GxP (GMP, GLP, and GCP) environment and our dedicated R&D centers. We have also implemented Enterprise DocuSign Digital Signature that enables remote digital signature on all GxP documents. This helps in speedy review and execution of documents in a safe and secure environment.

Regulatory inspection updates

During the early weeks of the pandemic, our clinical laboratory in Bangalore was certified by the National Accreditation Board for Testing and Calibration Laboratories (NABL) as per ISO 15189:2012 for RT-PCR testing of COVID-19 samples.

The National GLP Compliance Monitoring Authority (NGCMA), Department of Science and Technology, Govt. of India has extended the scope of GLP certification for the Syngene facility (for compliance with the Organization for Economic Co-operation and Development principles) for biocompatibility testing of medical devices.

The safety assessment laboratory was also certified for ISO IEC 17025:2017 by the NABL for testing medical devices and the Clinical Laboratory was re-accredited as per ISO 15189:2012 by the NABL for clinical and molecular diagnostics.

Fulfilling commitments with virtual audits

The lockdown in different parts of the world – and the travel restrictions due to the pandemic – brought a halt to physical audits of our facilities by clients and regulators. We swiftly adopted new ways of conducting audits while maintaining safety requirements for our employees, regulators and clients. We adopted 'Remote Eye' technology that enables an auditor to experience a real-time environment while conducting virtual audits. In this approach, an employee on-site operates a handheld device that enables an auditor to audit remotely and 'tour' our facility just like they would in a physical audit. The uniqueness of the solution is that it provides real-time streaming from laboratories and production areas. The software also allows the auditor to zoom in or zoom out of any part of the Syngene facility and even view samples or labels visible in the handheld device frame. The technology also enables pictures to be taken during the audit to facilitate annotation.

Enhancing our skills

Our quality-driven culture means that quality is everyone's concern and that every employee is fully focused on meeting the highest quality standards. When COVID-19 infections were high in Bangalore, we quickly adjusted our team of Quality professionals to work on a daily rotation basis. We also carried out multi-skilling within the Quality function and cross-functional training to ensure resource availability. Our agile response to the evolving external environment ensured that our Quality Control (QC) laboratories could deliver on schedule. Cross-functional training also helped us to meet resource requirements in other divisions.

During the year, we intensified our training efforts to build analytical skills in our QC laboratories. A certification program was rolled out with the Biocon Academy to build analyst capabilities and reduce the analyst errors observed in QC operations. The first batch of 16 analysts was certified in September 2020. Training will continue in the coming year to cover all our analysts in both small and large molecule QC laboratories.

To strengthen the investigation process in our GxP operations, a standardized investigation template has been developed, reflecting global best practices, to check for adequacy of investigations, before they get signed off by Quality Assurance. A customized training program was rolled out to develop technical writing skills for employees involved in investigations to ensure that documentation consistently meets regulatory and client expectations.

The lockdown period was also used to provide training on key Quality topics through virtual classrooms. We conducted more than 10,000 man-hours of training during the year and have since adopted it as a best practice for capability-building in our operating units. To complement the traditional Standard Operating Procedures training, video-based content has been developed. These learning videos are hosted on the intranet and can be accessed anytime, anywhere on fixed and mobile devices with adequate security measures.

Effective internal quality audits

Internal quality audits are conducted across the organization by trained and certified Quality auditors. This process has contributed significantly to identifying areas of improvement across the Company. Detailed corrective and preventive actions - tracked closely for timely execution on agreed parameters - help to ensure our Quality systems are always current and in compliance with the latest standards.

Information Technology

Robust IT systems that make a difference

Information technology further consolidated its role in every aspect of Syngene's business, with a special focus on data protection, information security, compliance, productivity and a cyber-attack defense shield.

We continued to embed digitalization and automation deeper into our operations during the year to leverage the power of technology that can make a difference. We completed the electronic quality management system rollout at the Mangalore API facility and the Baxter Global Research Center (BGRC) and Biocon Bristol Myers Squibb Research & Development Center (BBRC), the dedicated R&D Centers for Baxter Inc. and Bristol Myers Squibb respectively. We also implemented the user account management system for our GxP software applications and deployed the laboratory information management system at the Mangalore API facility. Increasing digitalization across all areas of operations is helping us effectively mitigate data integrity risk, improve regulatory compliance and enhance productivity.

Significant progress was made in implementing electronic laboratory notebooks, with more operating units now going paperless during the year. This has enhanced compliance with the ALCOA* principles and enabled better preparedness to our goal of being 'anytime audit ready'. Digitalization progress across Syngene is also reflected in the implementation of the digital signature technology for critical records, including GxP documents, enabling us to save time and cost. Another critical project completed during the year was the digitalization of the hazard analysis method selection (HAMS) documents. With better traceability, availability and easy access to hazard control, this digital tool will help prevent accidents at our laboratories, thereby enhancing workplace safety.

The IT team rolled out the phase-appropriate quality system for late-phase GMP manufacturing. This SAP-based calibrated approach facilitates greater efficiency in our R&D programs by improving turnaround time. The team also supported the Discovery Services division in achieving their objective of efficient, scalable and cost-effective data management. This was made possible by implementing a centralized data repository, facilitating data flow between

*Attributable, Legible, Contemporaneous, Original and Accurate different functions, driving data analytics, and leveraging Artificial Intelligence (AI) and Machine Learning (ML). The team also helped the Project Management function use digitalization technology to expedite project execution, improve efficiency and responsiveness. Implementation of MS Projects Online helped create an organization-wide unified platform for all project monitoring activities, standardized templates and integrated it with SAP. This has helped in real-time collaboration leading to faster decision-making and reduced time spent on manual data consolidation/analysis. It also helps in the early identification of project risks and initiating appropriate risk mitigation measures.

The Clinical Development team implemented an advanced cloud-based Electronic Data Capture (EDC) tool to capture clinical trial data. The tool will help us cost-effectively improve clinical trial management.

We are also implementing an Early Warning System (EWS). This automated web-based tool continuously analyzes and monitors electronic data and logs generated from analytical instruments in the Quality Control laboratories to identify potential anomalies. As this is a web-based tool, it is accessible from anywhere and eliminates the requirement of physical monitoring of quality compliance and improves the speed and efficiency of reviews.

In light of the rapid technology changes and the increasing use of sophisticated methods to infiltrate IT systems, the next steps to further improve our security posture was initiated. A project initiated during the year will transform Syngene's business enabling environment to build an IoT (Internet of Things) platform for real-time monitoring of process safety, infrastructure, and utility critical parameters across all locations. The IoT platform will cover our facilities at Bangalore, Mangalore and Hyderabad and connect them to a central monitoring station at Bangalore. The project will also support remote controlling of critical parameters, an alert mechanism, and advanced analytics.

Cybersecurity

Cybersecurity is a critical aspect of our operations and IT philosophy. Our IT systems are ISO 27001:2013 certified, the internationally recognized standard for information security management systems. Underscoring our continued focus on cybersecurity risk management, robust plans have been mapped out to maintain our IT systems' confidentiality, integrity, accessibility and scalability. We are setting up a next-generation Security Operation Center (SOC) that gathers threat intelligence by using AI and ML. The SOC will be part of our cognitive cyber-defense platform, which will monitor and pre-empt cyber-risk and cut response time. We are also reducing third-party risk through a vendor risk management program and enhancing our phishing programs. Another important aspect of the plan includes implementation of the privileged access management system to protect against the accidental or deliberate misuse of privileged access by streamlining the authorization and monitoring of privileged users. Privileged access management system will improve incident response time through automation and prove beneficial in demonstrating regulatory compliance. We are also developing a cyber threat intelligence enhancement program under which appropriate cyber resilience plans are being put in place for new cyber incident scenarios that have the potential to escalate into a crisis.

Cybersecurity best practices and compliance with key cybersecurity initiatives were promoted among employees to combat this increasing risk. Following the nationwide lockdown, around 2,500 Syngene employees, about 40% of our workforce, began to work from home during the initial phase of the lockdown. The IT team quickly swung into action to establish secure connections for the remote workforce to maintain business continuity and protect against cybersecurity threats.

Managing our operations in a way that enables continuity of services is integral to the way we function. Disaster recovery plans are in place and regularly tested, along with configuration of critical applications and their availability on a disaster recovery site for business continuity. During the year, we successfully executed disaster recovery drills for all the key applications. Our proactive focus enables business data protection as part of business continuity and minimizes the duration of disruption to operate the business-critical applications.

Strategic sourcing

Agility that makes a difference

Our Strategic Sourcing team is committed to streamlining our procurement activities to ensure smooth running of the operations in full alignment with our organizational goals. As the global impact of the pandemic became clear, the team moved quickly to maintain movement of supplies nationally and internationally throughout the year.

Syngene's 120-strong Strategic Sourcing team partners with more than 2,500 vendors worldwide and has standing contracts with global logistic leaders for inbound and outbound consignments. Our Special Economic Zone (SEZ) status offers benefits, including exemptions on duties and taxes for import and domestic procurement. An SEZ customs officer operating within the Biocon Park SEZ enables faster goods clearance at airports.

As operations grow, our supply chain also continues to scale up to serve our needs. Through digitalization and automation, our sourcing and procurement strategy delivers benefits of increased agility, reduced supply chain risk, cost reduction and enhanced safety and compliance. During the year, we continued to forge strategic long-term collaborations with multiple vendors to build resilience against delays and disruptions.

Procurement transformation

The year marked some important advances in strategic sourcing strengthening category management driving digitalization and e-procurement, investing in automation and further strengthening governance for the procurement function.

Category managers have adopted a 3-dimension approach to facilitate effective category management:

- Engagement with the project and scientific teams to optimize demand forecasting, ordering and delivery on a just-in-time basis, taking account of raw material availability to manage price volatility
- Building deep understanding of products, markets and suppliers to obtain the required quality and optimum pricing
- Improving speed of order processing and turnaround times by maintaining continued emphasis on vendor collaboration and consolidation, volume consolidation, and supplier rationalization

Digitalization

Digitalization of the procurement process has introduced increased transparency, efficiency, and traceability in the procurement lifecycle as well as greater cost control. The e-procurement process covers Request for Quotation, quote management, price negotiations, and vendor selection. More than 1,300 vendors are trained to use the e-procurement platform that today accounts for 50% of our total annual procurement.

The team has also digitized the consignment shipping and tracking process that enables real-time tracking of consignment movement. The new system is integrated with Syngene's SAP and courier system and automatically generates airway bills and sends automated updates to clients on shipment status.

AI-based automation

With rapidly scaling operations, all inbound materials must reach the respective project teams on time. To speed up the inbound delivery process, starting from documentation for customs clearance through invoice accounting, the team has started the implementation of AI-enabled robotic process automation (RPA), covering both GMP and non-GMP materials and services. RPA will reduce gate entry process time by 30% and the time taken from Bill of Entry to invoice processing by 20%. It will also help speed up the process, improve efficiencies and reduce manual entry, thereby reducing errors. Powered with AI technology, the platform eliminates repetitive manual tasks and frees up employees' time so that they can focus on more value-added activities.

Resource time freed with RPA

Gate Entry Process

Turnaround time reduced from ~ 5 mins to 2 mins per transaction

~250 transactions per day

12.5 hours saving per day

Bill of Entry Process

Turnaround time reduced from ~8 mins to ~3 mins per transaction

~250 transactions per day

16 hours saving per day

Goods Receipt Note

Turnaround time reduced from ~15 mins to ~3 mins per transaction

~250 transactions per day

29 hours saving per day

Invoice Accounting

Turnaround time reduced from ~5 mins to ~2 mins per transaction

~250 invoices processed per day

12 hours saving per day

Strategic sourcing

Agility that makes a difference

Managing COVID-19 disruption

The COVID-19 pandemic had significant ramifications for global supply chains. Staying agile given the evolving environment, the sourcing team formed an action plan to ensure an uninterrupted supply of raw materials and delivery of finished products. COVID-19 safety practices were strictly implemented for consignments received from vendors, including segregation in a material quarantine area and surface sterilization to avoid any risk of infection.

Responding to the challenge

- Arrangements with alternate vendors for uninterrupted supply of raw materials
- Periodic assessments to ascertain the impact of any potential delay or disruption
- Working with freight forwarders for seamless delivery of materials
- Coordinate with government agencies and industry bodies
- Timely coordination with customs and freight forwarding agencies for seamless movement of inbound and outbound shipments
- Coordinating with organizations such as CII (Confederation of Indian Industry) and nodal officers and directly with airlines etc. to identify cargo space available in every vessel/flight coming into Bangalore/Hyderabad
- Advance booking of space in airlines for smooth inbound and outbound cargo movement

Supply chain achievements

- Agile supply chain management resulted in minimal interruptions for our scientific activities
- 410 exports and 1,640 imports to and from US, EU, and China during the lockdown period in India (March 23, 2020 to May 31, 2020)
- Supply of all chemicals and reagents to set up our COVID-19 testing center within the fastest possible timeline
- Rapid sourcing of PPE and other protective equipment to allow employees to work safely during the pandemic

Safe practices that made a difference

Strategic collaboration with suppliers

We have built a strong supplier network in India that meets a significant proportion of our raw material requirements. We entered into strategic collaborations with key vendors having warehousing facilities in Hyderabad to support supply chain resilience and insulate us from disruption. This enables us to reduce raw material delivery times while reducing our dependence on imports and improving supply chain efficiency. We also entered into strategic collaborations with key suppliers to integrate them into our SAP system. This facilitates system-to-system connectivity, which makes the procurement processes seamless, fast and more efficient.

Reinforcing safety in our supply chain

We continue to reinforce safety systems and processes in our supply chain activities. During the year, improvements were carried out in our chemical safety, storage and inventory management operations. Highlights included: pursuing centralized ordering instead of project-based ordering for better inventory management; adopting Globally Harmonized System (GHS) for labeling and zoning of chemicals; driving improved SAP controls to ensure safety data sheets are updated in our system for quick access; capturing material safety information in SAP before ordering any new chemicals; and refining our chemical sweeping process for identification and incineration of expired chemicals.

Each material consignment received at our stores is identified by a SAP-generated barcode that contains critical safety information including zone, expiry date and storage details related to the material.

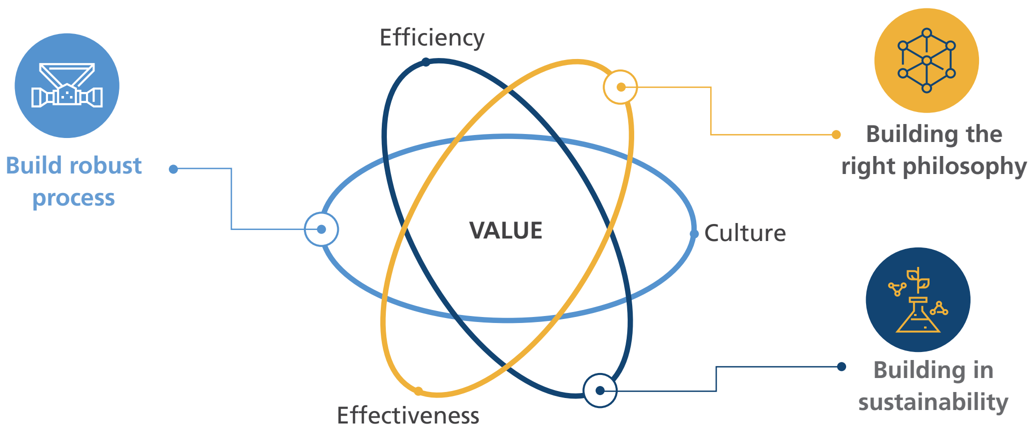
Extending our safety philosophy beyond our campus, the Strategic Sourcing team regularly organizes safety training for vendors and transporters to embed the principles of safety. All training programs were held virtually this year due to the COVID-19 pandemic including more than 200 suppliers. We also conducted virtual audits of vendor sites to assess their on-site safety management system and help them to adopt the right measures to ensure a safe and steady supply of materials and services to Syngene.

Operational efficiency

Excellence that makes a difference

Our employees are united in their efforts to carry out their work in the best possible way. This commitment to the pursuit of operational excellence is reflected in our attention to optimizing and streamlining processes and procedures so that we operate safely and efficiently.

Under the LEAP (Leverage Excellence to Ascend and Perform) program, we made significant progress in our operational excellence journey in the year. By driving efficiency and effectiveness in our operations and instilling a culture of continuous improvement, the program helps to create value for all our stakeholders. It is based on a three-pronged approach: building the right philosophy, building robust processes, and building in sustainability.



Building the right philosophy

As the first step towards driving excellence in our operations, LEAP is focused on building the right philosophy and understanding among our employees.

Lean Six Sigma certification

Syngene provides organization-wide training on Lean and Six Sigma principles to help employees master the methodologies for delivering quality and efficiency improvements. Lean principles help reduce or eliminate process waste while Six Sigma focuses on enhancing process control. During the year, a number of employees received the Lean and Six Sigma Certification across the various levels (White Belt, Green Belt, Black Belt, and Champions).

Capability programs	2020	2021*
White belt certification	4,054	4,698
Green belt certification	160	188
Black belt training with projects	0	29
Lean Six Sigma Champions (SLT) training	0	35
SQDECC lean daily management training	421	1,451

*All figures are cumulative of 2020

Organization in the workplace

Continuing from 2020, the 5S (sort, set in order, shine, standardize, sustain) concept, which is a globally recognized system for workplace organization, was implemented in more operating units and at the API manufacturing facility in Mangalore to better organize the workplace and increase productivity and employee morale.

Continuous improvement

Simple yet effective, Kaizen ('continuous improvement' in Japanese) tools were used, along with providing relevant training, to drive laboratory process excellence, energy savings, material efficiency, and workforce optimization. During the year, 945 kaizens were generated across the organization of which 60% have already been implemented.

Operational efficiency

Excellence that makes a difference

In line with the digitalization initiatives across the organization, the operational excellence team also designed an online portal to record and track kaizens.

Encouraging shop floor interaction

Based on the Japanese word Gemba, meaning 'site' or 'place', the Gemba walk concept facilitates the gathering of first-hand information by walking around the workplace. Managers and supervisors undertake Gemba walks, interacting with their staff, coaching them, and listening to the issues that they raise. At the end of the walk, the group works together to find solutions to these issues. This model promotes a problem-solving mindset among our employees and ensures that operational problems are solved quickly and proactively. Syngene's IT team developed a proprietary Gemba mobile app that allows managers and leaders to record their observations from the Gemba walk straight from their mobile phones safely and securely. A Gemba Walk Academy has been established to deliver a three-level certification program for our leaders. During the year, 822 employees achieved associate-level training. All employees in the middle and senior management levels are required to achieve certification by completing an online training module.

Fostering a problem-solving mindset

During the year, we combined metrics focused on safety, quality, delivery, engagement, cost, and compliance under the SQDECC program to enable operating units to review their operational efficiency through visual dashboards that were installed in laboratories and production areas. To further complement the SQDECC program and foster a problem-solving mindset, we also introduced 'why-why' problem-solving analysis. This is a proven model designed to identify the root cause of a problem. The 5-step analysis helps to build a problem-solving mindset and ensures that sustainable solutions are found.

Building robust processes

The second aspect of embedding operational excellence relates to building robust processes from order to delivery. Several new initiatives were completed during the year in line with this objective.

Laboratory productivity

We embarked on the automation of our SQDECC data to improve monitoring and controls. As increasing numbers of laboratories on our campuses adopted the approach, productivity has improved by 15-20%.

Safety management system

A robust safety management system was established for the management of risk and governance of corrective and preventive actions taken following operational incidents. The transparency brought by this system ensures that we monitor and complete all actions in a timely way.

Request for proposal

A newly-designed lean process for effectively managing Request for Proposals across Discovery, Development, and Biologics services was introduced to improve efficiency and has resulted in up to 30-40% reduction in turnaround time helping clients start their projects sooner.

Establishing lean and reliable order-to-delivery processes

An improved order-to-delivery process was rolled out in Development and Manufacturing services.

Efficient material planning process in Chemical Development

Several Lean Six Sigma projects were selected to address the excess materials left over after each project. The introduction of a strategic approach and project-based accounting drove optimization of the purchased quantity and helped to minimize wastage.

Building sustainability

The third aspect in our pursuit of operational excellence relates to building sustainability by ingraining safety, quality, and integrity into our operating culture.

SQDECC – a daily discipline

Building sustainability, we now have close to 100 SQDECC dashboards across our campuses. Additionally, the SQDECC program was extended beyond operational functions to include enabling functions and to our Mangalore and Hyderabad campuses. Virtual SQDECC boards have been put in place where needed to engage productively and ensure on-time delivery while working from home.

Cultural elements - World-class practices	2020	2021*
No. of SQDECC boards	47	96
Why-Why analyses	51	976
Kaizens	1,190	2,135

*All figures are cumulative of 2020

Proactive risk identification

To increase awareness of personal risk, phase 1 of 'Switch On' was launched. This program applies the latest research techniques in neuroscience and decision-making to help each person adopt safe behavior all the time. The 'Switch On' program has been integrated with SQDECC to encourage individuals to systematically identify risks in the workplace.

'Anytime Audit Readiness' culture

In line with our goal of being audit-ready at all times, the 'Anytime Audit Readiness' program was rolled out across Syngene. The initiative has been integrated with our SQDECC program to facilitate robust review mechanisms and better compliance.

Reliability-centered maintenance

We have made it mandatory for all our Engineering and Maintenance (E&M) personnel to undergo the American Society of Quality Certified Reliability Engineer course. The learnings will help improve the reliability of our critical equipment and reducing their lifecycle costing.

Human resources

Workplace that makes a difference

Achieving Great Place to Work® certification validated our commitment to being a world-class employer. By creating a great work environment and supporting personal and professional growth, we continue to attract, retain and develop the very best talent.

Adapting to the new normal

Early in the year, the nationwide lockdown in India challenged the agility and preparedness of the Company. Around 40% of the workforce began remote working within 48 hours of the lockdown coming into effect on March 24, 2020. While ensuring the same information security as in our office environment, our Work from Home (WFH) model has opened new possibilities and revealed the unique benefits of digitalization. With stringent COVID-19 safety protocols in place, 90% of the workforce was back on site before the end of the first quarter, while the remaining 10%, who have non-site-dependent roles, continued to work remotely.

During the year, we digitalized the entire onboarding process for new recruits; interviews, induction, and joining formalities were all moved to an online platform. Video tools were utilized to assess and shortlist candidates for campus/off-campus and lateral hires. Digital collaboration technology such as Microsoft Teams enabled us to interview 60-80 candidates each day during the recruitment drives.

Once onboarded, any new employee (or contractor) visiting the Syngene campus was required to provide a self-declaration of health and get a sign-off by the doctors in the Occupational Health Center before gaining entry. Some of our recruits lived in containment areas and/or their roles allowed for WFH. In these cases, recruits were given laptops by the Company, protected by data security measures. As a substitute for 'home quarantine', hotel accommodation was arranged for candidates from outside Bangalore who joined the Company and had to compulsorily isolate themselves for a certain number of days before reporting to the Syngene campus. Simultaneously, we expanded Company accommodation units to house these candidates and give them more time to find their accommodation amid the pandemic.

L&D initiatives during the lockdown

One of our key HR initiatives during the lockdown period involved online programs for learning and development (L&D) and skill enhancement to help employees make the best use of their time. This particularly benefited employees whose roles did not allow WFH but were unable to report to work because of the restrictions. The online interventions included training programs for building technical, leadership, and behavioral skills. These programs helped our employees remain gainfully engaged with the Company and sharpen their skills.

The L&D initiatives ranged from self-learning modules to webinars and instructor-led sessions on Microsoft Teams and LinkedIn Learning. We identified our learn-from-home audience of close to 2,500 employees very quickly into the lockdown and delivered relevant programs for them. These employees refreshed their knowledge of Standard Operating Procedures and scientific concepts and learned new skills to function more efficiently. A system was devised for managers to keep track of learning outcomes.

Human resources

Workplace that makes a difference

Leaders, too, came within the ambit of the L&D initiatives, as they had to learn to manage operations remotely. Programs specific to them focused on leading everything virtually, which included managing oneself and one's team; and managing customers and stakeholders.

Besides honing employees' professional abilities, online events also covered well-being through live webinars on meditation, mindfulness, emotional health, and nutrition.

Celebrating leaders and leadership

Bringing out leadership qualities in people and celebrating leaders who serve as role models is one of the focus areas of human resource development. At Syngene, we do this in several different ways: through leadership and managerial development training and our new mentoring program. Our key leadership and development interventions are:

Emerging Leaders Development Program (ELDP)
For critical and emerging talent

People Managers Forum
For alignment of leadership philosophies across Syngene

Leadership Excellence Series
Sharing webinar links from global thought leaders

Leadership Webinar Series
Lessons on navigating tough times by Syngene leadership

Achieving the Great Place to Work® Certification

Among the highlights for the year was being recognized as a Great Place to Work. We are proud to have consistently improved our employee feedback and the suite of HR policies that form part of the assessment process. Over the past seven years, our Trust Index score has steadily increased, driven by focused efforts to strengthen people practices and engage employees. At Syngene, trust is founded on five focus areas: credibility, respect, fairness, pride, and camaraderie. The 2014 assessment served as the baseline, and the 2020 assessment showed double-digit percentage improvements in each area.

Enriching our talent pool

Syngene Training Academy (STA) was started in 2015 to make the transition smoother for new campus hires and equip them with skills essential for their jobs. The program enables us to hire fresh university graduates, introduce them to the Syngene culture and values, and help them become accustomed to the world of business. We hired 140 freshers straight from academic institutions who were provided additional training at the STA during the year. We also refreshed the curriculum established to train up new campus hires. The overhaul has resulted in a blended approach to training in soft skills, functional skills, and Syngene values.

The 180-day program models the 70:20:10 learning methodology. It begins with two days of induction, followed by 12 days of boot camp, including training in core values, meeting leaders, and engaging with an HR business partner. The remainder of the program covers on-the-job training, mentoring, setting performance goals, understanding the performance review process, and periodic 'pulse checks'. This year, we also introduced wellness sessions as part of our bootcamp.

To encourage overall employee engagement and identification, retention, and top talent development, we launched a pilot mentoring program for several of our business divisions. The outcome of this pilot will help us implement mentoring across the Company.

Fostering inclusion and diversity

We are an equal opportunity employer, and we proactively promote inclusion and diversity across our workforce to get the best talent mix. Our initiatives in this area did not falter during the pandemic. Some of the key programs undertaken during the year within diversity and inclusion were: SHE (Speak, Hear, Empower), a female empowerment initiative through which we conducted focus group discussions with women employees to hear directly from them on what they would like to see more of in Syngene; and the August 2020 launch of a Women's Forum (HERizons) in 3 of our units, to discuss shop-floor and lab issues and encourage women to take leadership roles.

As of March 31, 2020, Syngene had 5,437 employees on roll. Over the years, we have increased women's participation in the Syngene workforce from less than 16% in FY 2016 to 24% in the year under review.

Engaging and recognizing our people

In line with our digital strategy, we are also digitalizing various dimensions of our employee management. To empower employees with speedy and automated 24x7 access to relevant information, we launched our artificial-intelligence-powered HR chatbot named Botzie. Also available on a mobile app, Botzie handles a wide range of frequently asked questions and instantly answers employee queries on HR and administrative policies/ processes. Multiple systems are integrated into a single interface, making Botzie a single-point internal information system. The chatbot is changing the way HR operates, improving efficiencies and productivity and driving better utilization of resources.

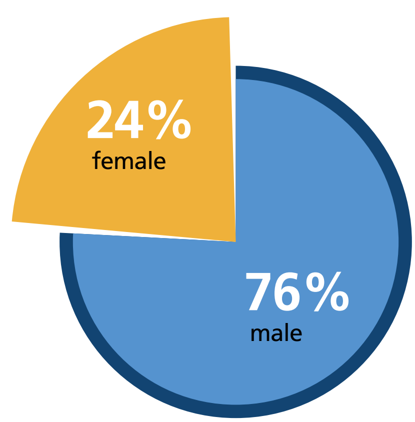
80,000+
queries logged into Botzie since launch

26+
Company policies available on Botzie

~5,400
Total headcount as of March 31, 2021

87%
No. of scientists

Gender diversity



Environment, health, safety and sustainability

Care that makes a difference

The recent pandemic has brought to the fore the need to integrate socio-environmental criteria into every business decision. At Syngene, we have long held care for our people, planet, and the communities we serve as being essential to long-term value creation.

Environmental sustainability

Our environmental practices have ISO 14001:2015 certification, meeting the highest international standards. During the year, we undertook measures for greater energy efficiency and optimization across the Company.

Recognizing the impact our operations can have on the environment, we pay special attention to water conservation and waste minimization. Our awareness programs related to these are targeted at employees and the communities around us. The 3 'R's - reduce, reuse, recycle - guide our waste management policy, which is complemented by safe disposal methods of the remaining unusable waste. Waste solvents are segregated at the source of generation for appropriate disposal, as per regulations. Treated wastewater is recycled and reused for utilities and landscaping, as per prescribed norms.

At the beginning of the financial year, Syngene set itself a target to reduce at least 10% of its overall water usage. Our conservation program enabled us to exceed our planned targets, with usage declining by 16% lower than last year's consumption. The savings were made possible by improved rainwater harvesting management and recycling water.

During the year under review, two significant developments took place within the realm of Environment, Health, Safety, and Sustainability (EHSS). Biocon Group took part in the Carbon Disclosure Project (CDP), an international non-profit group. We received a 'C' rating and we are committed to continuously improving our future performance. Secondly, we got an EcoVadis score of 50 against the industry average of 43. EcoVadis is the world's largest and most trusted provider of business sustainability ratings, creating a global network of more than 65,000 rated companies. The annual score is an evaluation of how well a company has integrated the principles of sustainability/corporate social responsibility into its business and management systems.

Waste management at Syngene is a strategic activity to conserve resources, reduce pollution and create cost-saving opportunities for our business. During the year, led by our commitment to running a responsible and sustainable business, we inaugurated Paritrana (Sanskrit for 'safeguard') - a dedicated 4,000 sq. ft. waste yard which manages non-hazardous waste, hazardous waste, and biomedical waste generated from our operations. The state-of-the-art segregation facility gives us an independent waste management space. Our waste collection method is designed to decrease carbon emissions as we deploy electric vehicles (EVs) for this task. The EVs have helped us shrink our carbon footprint, equivalent to 5.88 metric tons of carbon dioxide emissions.

Type of waste (Metric Ton)	Percentage of waste for FY 20	Percentage of waste for FY 21
Hazardous and Non Hazardous waste (recycled)	84%	80%
Hazardous waste (Incineration)	12%	15%
Biomedical waste (Incineration)	4%	5%

*The lower quantities for 2020-21 are due to the COVID-19 pandemic impact on business processes and operations.

Health

At Syngene, the health and wellbeing of employees is a primary concern and during this year we took it to a new level given the pandemic situation. All our facilities follow good engineering and maintenance practices to contain employees' exposure to occupational hazards and minimize acute and chronic exposures. The on-site OHC (Occupational Health Center) was geared up with additional staff and a well-defined COVID-19 protocol to handle positive cases on campus. Given the nature of our operations, which involves research and manufacturing of human and animal health products including biologics products, we follow intensive safety and cleanliness as a matter of routine.

Environment, health, safety and sustainability

Care that makes a difference

Safety for all

Kavach, our flagship sustainable safety initiative, is designed to embed EHSS systems and processes in every aspect of our operations and protect employees, contractors, equipment, infrastructure, property, and clients' projects.

In 2021, Syngene completed surveillance audits for environmental and occupational health and safety management systems, as per the requirements of global standards such as ISO 14001 and ISO 45001.

To quickly reach out to those in need across our 90-acre Bangalore campus, our EHSS Team commissioned a customized emergency response vehicle (ERV) during the year. The ERV is equipped with best-in-class rescue and first-aid equipment to respond to emergencies. It is also compliant with NFPA 1901 (the standard for firefighting apparatus). It includes an auto-fitted self-contained breathing apparatus system and fire- and chemical-retardant suits that offer protection up to 2,000°F (1,093°C).

The other important initiatives undertaken during the year include conducting an awareness for chemical disaster prevention and management, including drills on all Syngene premises. Other key efforts include implementation of a centralized inventory strategy created for inventory reduction/control of pyrophoric and explosive materials; and the installation of advanced fire detection systems in all buildings in the Biocon Park campus.

We are piloting a Real-Time Occupancy System (RTOS) that updates numbers on a screen every time a person swipes in or out of a building. RTOS identifies each person as an employee, a visitor, contract worker, vendor, or an Emergency Response Team (ERT) member. This database is beneficial for planning and executing emergency evacuation.

For personal risk management, we recently launched phase 1 of 'Switch On', an awareness program that applies the latest research techniques in neuroscience and decision-making to help each employee adopt safe behaviors all the time.

Alongside these, we conducted regular awareness campaigns on Road Safety Day, National Safety Day, Fire Services Day, World Environment Day, and Chemical Disaster Prevention Day.

Our focus on safety and the various safety measures implemented across all our campuses helped us clock 9,387,998 man-hours of operations without loss-time injury (LTI) until February 2021. However, there was a fatal incident in one of our manufacturing facilities in Biocon Park campus when one of our employees was exposed to fumes during a chemical transfer process. A full incident review and root cause analysis was conducted and the Company has taken additional measures to further improve and strengthen its safety processes to avoid the recurrence of such incidence.

Climate

- 82% of energy consumption (62 Mn kWh) is through green energy sources across Syngene resulting in a reduction of 53,280 tons of carbon dioxide emissions (CO_2 equivalent under Scope 2 emissions)
- 550,190 kWh unit reductions in power consumption due to energy conservation initiatives resulting in a reduction of 470 tons of CO_2 emissions (CO_2 equivalent under Scope 2 emissions)

Water management

- Implemented integrated water resource management program
- 21,290 KL of water conserved through effective rainwater harvesting as well as recycling of used water; resulting in 15% less consumption of freshwater over last year

Waste management program

- Continuous monitoring to identify opportunities to reduce, reuse, and recycle waste, reducing plastic waste by stopping usage of single-use plastic and introducing compostable starch-based bags
- 890 metric ton of waste disposed in an environment-friendly manner and ~290 MT of solid waste recycled in 2020-21

Safety training

- 21,590 total man-hours of safety training undertaken under the Kavach program

Corporate social responsibility

Involvement that makes a difference

By getting involved in our local communities, we understand their needs and can deliver help that makes a difference.

In today's world, companies can be a force for good. As part of our corporate social responsibility activities, we identify the real concerns of our communities and use our core business strengths of science and technology to make a positive contribution in the areas of education, women's empowerment, health, environmental sustainability, and rural development. Syngene contributes to community outreach programs directly and via the Biocon Foundation.

New projects for the year

Contribution towards Bangalore Metro Rail Project

Environment-friendly, safe and efficient transport is a priority as cities contend with traffic bottlenecks and rising pollution levels. The Bangalore Metro has an average daily ridership of about 450,000 passengers (pre-COVID-19 level). Recognizing the growing shift in our local communities for a convenient and sustainable public transportation option, our CSR arm, Biocon Foundation, made a significant contribution to Bangalore Metro Rail Corporation Limited (BMRCL). The funds will be used for the construction of the Biocon Hebbagodi Metro Station.

The Biocon Hebbagodi Metro Station is part of the new line being constructed under phase II of the Bangalore Metro Rail Project. This metro connectivity would provide a sustainable and efficient mode of transport to residents and business commuters from all parts of Bangalore, reducing traffic congestion and helping lower the environmental impact from traffic pollution.

Biocon Foundation is funding the construction of the Metro station as part of its CSR activities aimed at promoting sustainable urban development and urban transport, as per the approval of the Ministry of Corporate Affairs, Government of India.

Operating our COVID-19 RT-PCR testing center

To help India in its fight against the COVID-19 pandemic, Syngene commissioned a COVID-19 RT-PCR testing center at its Bangalore campus. Refer to page 15 for more details.

*For more details on COVID-19 Initiatives, please refer page 12,13,14,15

Education

To promote science-based learning, we continued our partnership with Agastya International Foundation (AIF). In the face of the pandemic, AIF swiftly pivoted to an online teaching-learning format to prevent learning losses due to school closures. The EPL (Explore, Play & Learn) program leveraged eLearning platforms to encourage students to self-learn and explore through their household materials and daily life situations. The initiative benefited more than 1,600 students of 14 government schools and provided some 416,000 virtual exposures and more than 6,000 face-to-face exposures (each exposure of 1-1.5 hours in duration). Virtual training programs were conducted for teachers to innovate their teaching methods and make them child-centric educators.

Impact of EPL initiative on key behavioral shifts of students

16%
improvement in awareness

16%
improvement in curiosity

21%
improvement in confidence

*Scores were measured at the beginning and towards the end of the academic year

Women's empowerment

We also continued our support to Parihar, an initiative of Bangalore City Police, to counsel and rehabilitate women and children in distress. The services include counseling, police support, medical assistance, short stay and rehabilitation, legal aid, vocational training, and educational support. During the lockdown, a sharp increase in the cases of domestic violence, cybercrime, and crimes against children was reported and dealt with. Workshops were organized to sensitize police personnel to better handle the offense against women and children. Community awareness sessions on issues related to women's rights and child safety were held. Additionally, awareness camps were conducted on health and hygiene and COVID-19 related safety measures, along with free medical check-ups and distribution of masks, sanitizers, and food for the participants.

Impact of Parihar in 2021

3,013
cases registered

2,335
cases reconciled and settled amicably

Corporate social responsibility

Involvement that makes a difference

Health

In pursuit of technology-enabled innovation in healthcare, the Biocon Foundation developed the eLAJ Smart Clinic model, a real-time health information system that was integrated into Primary Health Centers (PHCs) of the Government of Karnataka. Focused on individual patient needs, the eLAJ dashboard stores patient records and facilitates seamless information flow to improve physician productivity and operational efficiency. The smart clinics also support evidence-based care through their high-quality diagnostic capabilities.

Along with extending support to PHCs, Syngene, through the Biocon Foundation, runs three smart clinics in Bangalore. These clinics provide free services in the areas of non-communicable diseases (NCDs) and comorbidities, common cancers, woman and child health, as well as dental health. Services are also provided to the elderly for managing geriatric health issues.

An advantage that the eLAJ clinics possessed was the availability of personnel that were well-versed with digital health since they had been trained on the use of electronic medical records and integrated diagnostics. In keeping with the "Test, Track and Treat" strategy of the Government, the emphasis across Karnataka, through the available human resource at PHCs was on rapidly ramping up the number of daily tests. The eLAJ personnel were therefore immediately deployed for COVID-based contact tracing as well as RT-PCR testing in the field. Data sets were regularly updated by our staff in the field through the software application of ICMR. With the commencement of vaccination for frontline healthcare workers by the government, our personnel were also deployed for vaccination-related data entry. The contribution by our staff has been recognized and appreciated by local officials and different government stakeholders across our network of eLAJ clinics.

In the year under review, the eLAJ Smart Clinic workflow process has been enhanced with coordination of COVID-19 services, improved patient experience, and the creation of a technology roadmap to meet future needs.

Impact of eLAJ Smart Clinics in 2021

36,000
patients benefited

15,000
newly registered patients

Recognizing the need for public mental health advocacy and initiating innovative, scalable, and sustainable models of mental healthcare delivery, the National Institute of Mental Health and Neurosciences (NIMHANS) and Biocon Foundation planned three projects which have been approved by the Ethics Committee of NIMHANS:

- Bangalore Urban Mental Health Initiative (BUMHI): Developing a mental health resource kit for supporting community informal care and self-care
- The community consultative meetings and expert workshops were held to develop modules on self-care and informal care. The modules will be validated and released in the next year. This initiative would provide community members with modules that would sensitize and train them in the provision of psychological first aid services for common mental disorders
- Healthy Hearing: Bridging the communication gap for the elderly by providing hearing aids to those in need. The hearing aids have been procured and a soundproof audiological booth has been set up at General Hospital, Srinivasapura, Kolar to evaluate and address the hearing losses in elderly
- School Mental Health: Addressing technology addiction amongst adolescents. The pre-implementation planning has been completed and field activities will be initiated upon reopening of schools

Environmental Sustainability

We continue to extend support to the Miyawaki Urban Forest Project, Mangalore. Miyawaki is a Japanese technique that helps build dense, native forests through an approach where plant growth is 10 times faster and the resulting plantation is 30 times denser. It involves planting dozens of native species in the same area, with the plantation becoming maintenance-free after the first three years. Nearly 500 saplings of 40 varieties have been planted at the project site of Ramakrishna Mission Campus.

The project will help to improve the air quality in the area through the absorption of polluting gases. Miyawaki Urban Forest is also a great habitat for biodiversity by supporting hundreds of species of insects, fungi, moss, mammals, and plants. Protection against soil erosion and floods and an increase in the water table of the region are some other benefits from this project. Overall, the project is making the area a greener and better place for the citizens of Mangalore.

Rural Development

The global pandemic has thrown into sharp relief the vulnerabilities and challenges in the education sector. In keeping with the mandate of promoting educational initiatives, support towards reimagining educational and allied spaces was continued. A sanitation complex was inaugurated at Government High School, Pejavar, Dakshina Kannada. The linkage of toilet block with water supply, sewerage system, and septic tank will ensure sustainable use.

Improving sanitation infrastructure in schools impacts better hygiene practices, gender equality and has shown to improve attendance in schools, especially for girls.

In addition, pre-school education received a makeover with the construction of two model anganwadi centers in Maravooru and Kalavar and refurbishment of 14 anganwadi centers in Dakshina Kannada.

Board of Directors

Kiran Mazumdar Shaw
Non-Executive Chairperson

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

Jonathan Hunt
Managing Director and
Chief Executive Officer

Mr Hunt has done his BA in Business Studies & Economics from the University of Sheffield and MBA from Durham University, United Kingdom. He has over 30 years of experience in the global biopharmaceuticals industry. At Syngene, he is responsible for leading the Company's business operations and steering its investments in developing and strengthening its capabilities and capacity. 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 is also a member of the Stakeholders Relationship Committee at Syngene.

Professor Catherine Rosenberg
Non-Executive Director

Professor Rosenberg is the Canada Research Chair in the Future Internet, the Cisco Research Chair in 5G Systems and

Kiran Mazumdar Shaw
Non-Executive Chairperson

Jonathan Hunt
Managing Director and
Chief Executive Officer

Professor Catherine Rosenberg
Non-Executive Director

John Shaw
Non-Executive Director

Vinita Bali
Lead Independent Director

Dr Carl Decicco
Independent Director

Paul Blackburn
Independent Director

Sharmila Abhay Karve
Independent Director

Dr Vijay Kuchroo
Independent Director

a professor in electrical and computer engineering at the University of Waterloo, Canada. She is a Fellow of the Institute of Electrical and Electronics Engineers and of the Canadian Academy of Engineering. At Syngene, she is Chairperson of the Corporate Social Responsibility Committee, and a member of the Nomination and Remuneration Committee and the Risk Management Committee.

John Shaw

Non-Executive Director

Mr Shaw has a postgraduate degree in Arts (Economic Hons.) in History and Political Economy from University of Glasgow, United Kingdom. Currently, he is the Vice Chairman and Non-Executive Director of Biocon Limited. Before joining Biocon, he worked at Coats Viyella Plc. for 27 years and served as Finance Director and Managing Director of the Coats Viyella Group. He was also the former Chairman of Madura Coats Limited.

Vinita Bali

Lead Independent Director

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

Dr Carl Decicco

Independent Director

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

Paul Blackburn

Independent Director

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

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 and Aadhar Housing Finance Limited in India. At Syngene, she is a member of the Audit Committee and Risk Management Committee and Chairperson of the Stakeholders Relationship Committee.

Dr Vijay Kuchroo

Independent Director

Dr Kuchroo has a doctorate in Pathology from the University of Queensland, Australia. He is also the Samuel L. Wasserstrom Professor of Neurology at the Harvard Medical School, Senior Scientist at the Brigham and Women's Hospital and Institute Member at the Broad Institute of MIT and Harvard, all in the United States. Dr Kuchroo has won many awards for the discovery of TIM-3 'checkpoint' molecules for cancer immunotherapy and Th17 cells in induction of autoimmunity. Dr Kuchroo holds 25 patents and has published over 325 research papers in immunology. He is a member of the scientific advisory boards of leading pharmaceutical companies including Pfizer, Sanofi and GSK. He has founded five biotech companies including CoStim Pharmaceuticals and Tempero Pharmaceuticals. At Syngene, Dr Kuchroo is a member of the Nomination and Remuneration Committee and the Corporate Social Responsibility Committee.

Executive Committee

Jonathan Hunt

Managing Director and Chief Executive Officer

Mr Hunt has done his BA in Business Studies & Economics from the University of Sheffield and MBA from Durham University, United Kingdom, with over 30 years of experience in the global biopharmaceuticals industry. At Syngene, he is responsible for leading the Company's business operations and steering its investments in developing and strengthening its capabilities and capacity. 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.

Sibaji Biswas

Chief Financial Officer

Mr Biswas is a certified Chartered Financial Analyst from ICFAI and holds a B.Tech from IIT-Kharagpur. With an MBA from University of Calcutta he has also completed Management Development Programs at the Indian Institute of Management (IIM), Ahmedabad and London Business School. He has over 20 years of extensive experience in finance and related functions. His prior experience includes working with Vodafone (Romania), Vodafone (India), Hutchison Essar Limited, Fascel Limited, and the ABP Group. Prior to joining Syngene, he was the CFO and a member of the Board at Vodafone (Romania). 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, improving profitability, identifying new opportunities, improving cash generation and enabling organizational growth.

Dr Mahesh Bhalgat

Chief Operating Officer

Dr Bhalgat 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

Jonathan Hunt
Managing Director and Chief Executive Officer

Sibaji Biswas
Chief Financial Officer

Dr Mahesh Bhalgat
Chief Operating Officer

Alok Mehrotra
Chief Quality Officer

Ashu Tandon
Chief Commercial Officer

Dr Jan-Olav Henck
Sr. Vice President – Development Services

Dr Kenneth Barr
Sr. Vice President – Discovery Services

Sanjeev Sukumaran
Chief of Staff

Vinita Shrivastava
Chief Human Resources Officer

years of experience in biopharmaceuticals, vaccines and biotechnology. 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 Celera Genomics, Molecular Probes, Monsanto, Amgen, Biological E and Sanofi. Prior to joining Syngene, he was the Executive Director and Chief Operating Officer at Shantha Biotechnics, a Sanofi company, where he was the Site Head of all vaccine operations and was responsible for manufacturing, quality, engineering and projects, supply chain, project management and long-term strategic planning and development. As Chief Operating Officer and a member of the Executive Committee at Syngene, he is responsible for all operations, including discovery, development, manufacturing and biologics. He also leads safety and is responsible for driving operational excellence.

Alok Mehrotra

Chief Quality Officer

Mr Mehrotra holds an M. Tech in Chemical Technology (Food Technology) from Harcourt Butler Technological Institute. He has over 25 years of experience spread across Manufacturing Operations, Quality Assurance, Sustainability/EHS, Production and Supplier Technical Assurance across varied 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 put in place an integrated Global Quality Management System and was also responsible for the quality oversight of all external suppliers and vendors globally. His last assignment at Dr Reddy's Laboratories was as Head of Operations Excellence, EHS and Sustainability. As Syngene's CQO, he leads the Quality and Compliance function and is responsible for initiatives to further strengthen our track record in quality and compliance.

Ashu Tandon

Chief Commercial Officer

Mr Tandon holds a BA (Economics) degree from the University of Delhi, India as well as a Post Graduate Diploma in International Marketing from the Delhi School of Economics. He completed his MBA at IMT Ghaziabad, India and has over 20 years experience in the global biopharmaceuticals industry including Sales and Account Management across consulting & outsourcing services in Research & Development. Prior to joining Syngene, he held leadership roles at IQVIA (formerly QuintilesIMS), Infosys and Accenture. He is based out of New Jersey and has global responsibility for Syngene's commercial activities, including leading the business development team as well as developing new capabilities in marketing, brand building, digital & account management. As a member of the Executive Committee, he plays an important role in driving strategy as it relates to Commercial activities.

Dr Jan-Olav Henck

Sr. Vice President – Development Services

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

Dr Kenneth Barr

Sr. Vice President – Discovery Services

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

Sanjeev Sukumaran

Chief of Staff

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

Vinita Shrivastava

Chief Human Resources Officer

Ms Shrivastava holds a post-graduate degree in Management from Barkatullah University, India and School of Industrial and Labour Relations, Cornell University (USA), she has over two decades of experience in the HR domain. Her prior experience includes working with Sasken Technologies Limited, HCL Technologies and Harman International Inc. where she was the CHRO for India and Senior Director for Global Mobility. As a member of the Executive Committee and CHRO, she spearheads initiatives to strengthen leadership development and enhance the employee value proposition in the company.

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 5000
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 Private Limited (formerly known as Karvy Computershare Private Limited)

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

Board's Report

Dear Members,

On behalf of the Board of Directors (the 'Board'), it is our pleasure to present the 28th Annual Report of your Company, along with the Audited Financial Statements and Auditor's Report for the Financial Year ended 31st March, 2021.

As we draw this exceptional year to a close, we are proud to reflect on a period in which science stepped up to a global challenge and delivered solutions that have saved lives and livelihoods, as well as limiting the damage to economies across the world. Your Company has played its part, applying its skills, knowledge and capabilities to the challenge. It has worked on treatments, diagnostics and vaccines for clients around the world.

As the pandemic took hold, the Company suspended operations for two weeks to introduce COVID-safe working protocols, allowing it to quickly return to its vital work. Our employees showed unprecedented commitment and resilience: adopting shift working to reduce density in the laboratories and working from home, where possible. Many, with the appropriate qualifications, volunteered to work in our dedicated RT-PCR testing laboratory serving the Bangalore community and, later, their colleagues through the onsite employee testing protocol.

Throughout the year, the Company has continued to innovate, publishing novel science in respected journals, building new client relationships and exploring new areas of science. We are immensely proud of the progress made in this extraordinary year and would like to take this opportunity to record our thanks to the executive team, the talented scientists and those around them who have made such important contributions when they were most needed.

FINANCIAL REVIEW

Your Company's standalone performance during FY 2020-21, compared to the previous year is summarized below.

(Rs in Mn)

Particulars	31st March, 2021	31st March, 2020
Revenue from operations	21,794	20,119
Other Income	646	816
Total revenue	22,440	20,935
Total expenditure	15,094	13,952
Profit before Depreciation, Finance Costs, Exceptional items and Tax expense	7,346	6,983
Less: Depreciation and Interest	3,022	2,539
Profit before Exceptional items and Tax expense	4,324	4,444
Add: Exceptional items	350	713
Profit before Tax expense	4,674	5,157
Less: Tax expenses	637	1,042
Profit for the year	4,037	4,115
Other Comprehensive income	1,906	(1,916)
Total Comprehensive income	**5,943**	**2,199**
Revenue from operations excluding Export incentives	21,753	19,465
Earnings from operations (excluding Export incentives, Other income, Depreciation, Finance Costs, Exceptional items and Tax expense)	6,659	5,513
Profit for the year excluding exceptional gains (net of tax)	**3,809**	**3,656**

Key highlights of the Company's financial performance during FY 2020-21 are as follows:

- Revenue from operations, excluding export incentives, increased by 12% (from Rs 19,465 Mn to Rs 21,753 Mn) driven by steady performance across all divisions

- Total Revenue increased by 7% (from Rs 20,935 Mn to Rs 22,440 Mn)

- Earnings from operations (excluding export incentives, other income, depreciation, finance costs, exceptional items and tax expense) increased by 21% (from Rs 5,513 Mn to Rs 6,659 Mn) mainly driven by lower material costs

- Profit after tax excluding exceptional gains increased by 4% (from Rs 3,656 Mn to Rs 3,809 Mn)

- Profit for the year after exceptional gains declined by 2% (from Rs 4,115 Mn to Rs 4,037 Mn)

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

OPERATIONAL REVIEW

Syngene International Limited is an integrated research, development and manufacturing services organization offering services across a wide spectrum of modalities including small and large molecules, antibody-drug conjugates (ADCs), and oligonucleotides. It operates at every step in the value chain. The strength of the Company lies in its highly qualified research teams, comprising over 4,700 scientists, and its state-of-the-art facilities, encompassing ~2 Mn. sq. ft., in three locations in India: Bangalore, Hyderabad and Mangalore. Syngene has four divisions: Discovery Services, Development Services, Manufacturing Services and the Dedicated Centres.

DISCOVERY SERVICES

Despite a temporary suspension of activities in the first quarter due to the COVID-19 pandemic, a robust performance was achieved for the full year by returning to near-normal operations promptly once protective measures were in place to ensure employee safety. The Company entered into new client collaborations while expanding the team strength and scope of activity for several existing client contracts. One of the key collaborations for the year was the agreement signed with Deerfield Discovery and Development Corporation (3DC). As part of this five-year collaboration, Syngene will provide end-to-end discovery and preclinical development solutions, spanning multiple therapeutic areas and modalities.

Key scientific accomplishments during the year include the successful delivery of two drug candidates for clinical development. Another project delivered a library of 600 compounds with a success rate of >95%.

The Company launched SynVent, a platform for fully integrated therapeutic discovery and development across large and small molecules. SynVent Integrated Drug Discovery services are designed to provide the most effective and efficient means to conduct target validation, translational interrogation, therapeutic discovery, and preclinical development for clients.

The first phase of the newly established research facility at Genome Valley, Hyderabad opened in August 2019 is operating close to full capacity. Genome Valley was India's first purpose-built cluster for life sciences R&D activities and provides a vibrant ecosystem to drive scientific innovation and seamless delivery. Construction of the second phase was completed during the year, while work on the third phase is currently underway.

Throughout the year, Syngene played an active role in the fight against the COVID-19 pandemic by using its scientific expertise to develop diagnostics, treatments and vaccines for clients. Our research scientists in Discovery Services developed various types of proteins including S1, RBD, and N proteins to help diagnostic kit manufacturers develop effective kits for COVID-19.

The Company partnered with several organizations to support the fight against COVID-19:

- Collaboration with the Centre for Cellular and Molecular Biology to deliver high throughput next generation sequencing

- Collaboration with the National Centre for Biological Sciences to develop a novel human ACE 2 transgenic mouse that is anticipated to phenocopy the full spectrum of human COVID-19

- Collaboration with the Foundation for Neglected Disease Research to facilitate *SARS-CoV-2* in vitro and in vivo research to develop monoclonal antibodies against COVID-19

DEVELOPMENT SERVICES

The Development Services division reported a steady performance for the year. New clients were added across the various development disciplines while existing clients established broader relationships by accessing more services. The scientific highlights for the year include critical contributions to the development of a drug to treat a genetic liver disease mainly found in children and progress the drug to phase III clinical trials/Food and Drug Administration (FDA) approval stage for biopharmaceutical client Albireo Pharma. In terms of capability enhancement, a noteworthy milestone was the setting up and commissioning the Highly Potent Active Pharmaceutical Ingredient (HPAPI) laboratory in Bangalore.

As part of our contribution to fighting the coronavirus, a voluntary licensing agreement was signed with Gilead Sciences Inc. for the manufacturing and sale of its antiviral drug Remdesivir. Following the technology transfer, Development Services successfully completed the process validation and received Market Authorization Approval (MAA) and a license to manufacture Remdesivir under the brand name RemWin.

MANUFACTURING SERVICES

The Company's Mangalore Active Pharmaceutical Ingredient "(API)" manufacturing facility completed the qualification process as planned and is now a GMP-certified facility. Meanwhile, the Biologics unit improved its performance from the previous year. Several first-time client contracts have been signed offering prospects of further future business. Contracts were also signed for antiviral testing of consumer products.

DEDICATED R&D CENTERS

Syngene operates Dedicated R&D Centers for four clients: Amgen Inc., Baxter Inc, Bristol-Myers Squibb (BMS) and Herbalife. During the year, the Dedicated R&D Centers delivered a healthy performance, primarily driven by growth in the BMS and Baxter accounts. For both these Dedicated Centers, the scope of engagement and the number of scientists were increased, and new facilities were established. A major milestone for the year was the extension of the collaboration with BMS to 2030. Despite the disruption caused by the pandemic, all the Dedicated Center R&D projects were completed according to expectations, including those that involved generation of crucial data for regulatory filing within strict target timelines.

SUBSIDIARY COMPANY/JOINT VENTURE

Syngene USA Inc. is a wholly owned subsidiary of Syngene, incorporated in fiscal year 2018 to have a firm foothold in the United States market and provide easy access to the Company's clients based in the United States.

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, salient features of the financial statements, performance and financial position of subsidiary is given in Form AOC-1 as Annexure 1 to this Report. The Consolidated Financial Statements presented in this Annual Report include the financial results of the subsidiary.

DIVIDEND

Owing to the continuing uncertainty created by the second wave of COVID-19 pandemic in India, the Board of Directors has deemed it prudent not to declare a dividend for the financial year 2020-21 in order to prioritise cash and maintain liquidity, continuing the prudent management approach adopted during the last financial year.

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/. A copy of the policy is annexed to this Report as Annexure 2.

RELATED PARTY CONTRACTS OR ARRANGEMENTS

All contracts, arrangements and transactions entered into by the Company with related parties during FY 2020-21 were in the ordinary course of business and on an arm's length basis. During the year, the Company did not enter into any transaction, contract or arrangement with related parties that could be considered material in accordance with the Company's policy on dealing with related party transactions.

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

The Company has formulated the policy on 'Materiality of Related Party transactions and on dealing with Related Party Transactions', and this is available at https://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.

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

The Ministry of Corporate Affairs under Sections 124 and 125 of the Companies Act, 2013 requires dividends that are not encashed/ claimed by the shareholders for a period of seven consecutive years, to be transferred to the Investor Education and Protection Fund (IEPF). In FY 2020-21, there was no amount due for transfer to IEPF.

CHANGE IN NATURE OF BUSINESS

There has been no change in the nature of the Company's business. Your Company continues to be a leading Contract Research Organization (CRO) and a world-class partner delivering innovative scientific solutions.

LOANS, GUARANTEES OR INVESTMENTS

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

DEPOSITS

During the FY 2020-21, the Company did not accept any deposits covered under Chapter V of the Companies Act, 2013.

CREDIT RATING

During the year, CRISIL upgraded its rating on the long-term bank facilities of the Company from 'CRISIL AA/Positive outlook' to 'CRISIL AA+/Stable' and reaffirmed its short-term rating at 'CRISIL A1+'. Additionally, ICRA upgraded its rating from 'ICRA AA/Positive outlook' to 'ICRA AA+/Stable outlook' on the long-term rating. The rating on the short-term facilities was reaffirmed at 'ICRA A1+'.

PAID UP CAPITAL

During the financial year, the paid-up share capital of the Company remained unchanged and stood at Rs 4,000 Mn.

MATERIAL CHANGES AND COMMITMENTS

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

HUMAN RESOURCES

Syngene's multidisciplinary workforce is committed to operating safely and to world class quality standards. In these challenging circumstances, employees have shown commitment and resilience during the past twelve months, consistent with our values of excellence, integrity and professionalism. In FY 2020-21 the Company was conferred with 'Dream Companies to Work for Award' in the pharmaceutical sector at the 29th edition of the World HRD Congress Awards for translating and combining vision with action in HR strategy and cultivating competencies for the future. The Company has also achieved certification as 'Great Place to work' during the year. The headcount for year ending FY 2020-21 was approximately 5400 full-time employees, including more than 4700 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 employee 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, form part of this Report. Considering the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report, excluding this 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 can write to the Company Secretary.

EMPLOYEE STOCK OPTION PLAN /RESTRICTED STOCK UNITS PLAN

The Board of Directors of the Company had formulated the Syngene Employee Stock Option Plan 2011 (hereinafter referred to as the "ESOP Plan") which was approved by the members of the Company on 14th December, 2011 and further ratified by the members subsequent to the Initial Public Offering ("IPO") on 5th December, 2015. The ESOP Plan is administered by the Syngene Employee Welfare Trust ("the Trust") under the instructions and supervision of the Nomination and Remuneration Committee ("NRC"). The Trust had subscribed to equity shares of the Company on 31st October, 2012, using the proceeds from interest free loan of Rs 150 million obtained from the Company. The NRC, on various occasions, has granted options to eligible employees of the Company through the Trust. During the financial year, there was no change in the ESOP Plan. During FY 2020-21, no options were granted to eligible employees under the ESOP Plan. However, 620,225 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) Regulations, 2014 ("SEBI (SBEB) Regulations, 2014").

The shareholders, at the 26th Annual General Meeting ("AGM") of the Company held on 24th July, 2019 had approved the "Syngene Restricted Stock Unit ("RSU") Long Term Incentive Plan FY 2020" (hereinafter referred to as "the RSU Plan") designed to drive performance to achieve the Board approved strategic plan. The RSU Plan covers key employees who, by virtue of their roles, influence the accomplishment of the strategic plan. The RSU Plan is administered by the Trust. The shareholders have also approved at the 26th AGM the issue and allotment of further equity shares to the Trust over a period of time for the purpose of implementation of the RSU Plan.

Vide special resolution passed through postal ballot on 30th August, 2020, the shareholders have approved variations to the RSU Plan to streamline the plan with similar plans adopted by group companies to achieve uniformity in the approach to rewarding employees across the group. The terms of the modified plan are not detrimental to the interests of the employees of the Company. The RSU Plan is in compliance with the provisions of SEBI (SBEB) Regulations, 2014.

The Company has granted 3,184,649 RSUs as on 31st March, 2021 under the RSU Plan. However, none of these RSUs had vested during the year.

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 statutory auditors of the Company that both the plans have been implemented in accordance with SEBI (SBEB) Regulations, 2014 and are in accordance with the resolutions passed by the shareholders. As required under Regulation 14 of the above-mentioned regulations, the applicable disclosures as on 31st March, 2021 with respect to both the plans are available on the website of the Company at https://www.syngeneintl.com/investors/shareholder-services/

CORPORATE GOVERNANCE REPORT

Syngene's Corporate Governance report reflects a strong foundation of its values-led culture comprising professionalism, integrity and excellence. Fair, transparent and ethical governance, robust accounting policies, individual accountability and adherence to prevailing laws are integral to our business practices. This has provided sound foundations for building a sustainable business trusted by stakeholders and attracting and retaining financial and human capital. The Board remains the custodian of this trust and acknowledges its responsibilities towards the growing stakeholder fraternity for sustainable long-term wealth creation.

The Company's report on corporate governance for the Financial Year ended 31st March, 2021 as per regulation 34(3) read with Schedule V of the SEBI Listing Regulations forms part of the Annual Report.

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

As required under Schedule V(E) of SEBI Listing Regulations, the auditor's certificate on compliance with the requirement of corporate governance is enclosed as Annexure 5 to this Report. The auditor's certificate for FY 2020-21 does not contain any qualification, reservation or adverse remarks.

DIRECTORS

The shareholders, at the 27th Annual General Meeting of the Company held on 22nd July, 2020 regularised the appointment of Jonathan Hunt (DIN: 07774619) as the Managing Director and Chief Executive Officer with effect from 1st April, 2020. Kiran Mazumdar Shaw (DIN: 00347229), who was the Chairperson and Managing Director of the Company up to 31st March, 2020 transitioned into the position of Non-Executive Chairperson with effect from 1st April, 2020. Her appointment as Non-Executive Chairperson (liable to retire by rotation) was regularised by the shareholders at the 27th Annual General Meeting of the Company held on 22nd July, 2020.

Dr Bala S Manian (DIN: 01327667), Independent Director retired from Board w.e.f 15th July, 2020, on attaining the age of 75 years. The Board has placed on record its warm appreciation for the outstanding contribution made by him in the evolution and success of the Company during his tenure as Director on the Board of the Company.

Professor Catherine Rosenberg (DIN: 06422834), Non-Executive Director will retire by rotation at the ensuing Annual General Meeting and, being eligible, offers herself for re-appointment. The Board recommends her re-appointment as indicated in the Annual General Meeting Notice. The brief resume of Professor Catherine Rosenberg is annexed to the AGM Notice in pursuance of Regulation 36(3) of SEBI Listing Regulations.

During the year, the Board of Directors appointed Vinita Bali as the Lead Independent Director.

KEY MANAGERIAL PERSONNEL

As on 31st March 2021, 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 management personnel and other persons provides guidance to human resource management, thereby aligning plans for the strategic growth of the Company. The Company's policy on appointment of directors and remuneration, including the criteria for determining qualifications, positive attributes, independence and other matters, as provided under Section 178 (3) of the Companies Act, 2013 is formulated by the Board on the recommendation of the Nomination and Remuneration Committee (NRC). The Policy was reviewed and updated by the Board on NRC's recommendation at its meeting held on

27th April, 2021. The Policy has been uploaded on the website of the Company and is accessible at https://www.syngeneintl.com/investors/corporate-governance/governance-reports-policies/

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under section 149 (6) and (7) of the Companies Act, 2013 and the SEBI Listing Regulations. The Independent Directors of the Company have registered themselves with the Indian Institute of Corporate Affairs for the inclusion of their names in the data bank of Independent Directors within the due date.

BOARD DIVERSITY

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

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the annual performance of the Board as a whole, its Committees, Chairperson and Individual Directors including Independent Directors was evaluated by external consultants – Egon Zehnder, a leadership advisory firm on board matters, engaged by the Nomination and Remuneration Committee. The evaluation was conducted based on the criteria and framework agreed by the Committee.

In a separate meeting of independent directors, performance of non-independent directors, the Board as a whole and Chairperson of the Company was evaluated, taking into account the views of executive and non-executive directors. The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors, the Committees and the Board as a whole. The details of the evaluation process is provided in the Corporate Governance Report which forms part of this Annual Report.

NUMBER OF MEETINGS OF THE BOARD

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

AUDIT COMMITTEE

The Audit Committee has reviewed the accounts for the year ended 31st March, 2021. 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 laid down guidelines, policies, processes and structures to enable implementation of appropriate internal financial controls across the organisation, commensurate with its size and the nature of its operations. These control processes enable and ensure the orderly and efficient conduct of the Company's business, and provide reasonable assurance with regard to safeguarding of assets, prevention and detection of fraud and errors, the accuracy and completeness of the accounting records, timely preparation of reliable financial information, compliance with applicable statutes, executing transactions with proper authorization and ensuring compliance with corporate policies. 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.

Because of the inherent limitations of internal financial controls, including the possibility of collusion or improper management override of controls, material misstatements in financial reporting due to error or fraud may occur and not be detected. Also, evaluation of the internal financial controls is subject to the risk that the internal financial control may become inadequate because of changes in conditions, or that the compliance with the policies or procedures may deteriorate.

The Company has, in all material respects, a robust internal financial controls system. The internal financial controls operate effectively based on the criteria established by the Company, considering the essential components of internal control stated in the guidance note on audit of internal control over financial reporting issued by the Institute of Chartered Accountants of India. The Company has appointed Ernst & Young LLP to oversee and carry out internal audit of its activities. The audit is based on an internal audit plan, which is reviewed each year and approved by the Audit Committee. The conduct of internal audit is oriented towards the review of internal controls and risks in the Company's operations.

RISK MANAGEMENT POLICY

In compliance with Regulation 21 of the SEBI Listing Regulations, the Board of Directors has 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 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 31st March, 2021.

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

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with a proper explanation of material departures.

(b) The Directors have 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 have taken 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 have prepared the annual accounts on a going concern basis.

(e) The Directors have laid down internal financial controls to be followed by the Company which are adequate and operating effectively.

(f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS

STATUTORY AUDITORS

B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) who were appointed at the 23rd AGM held on 30th June, 2016 as statutory auditors of the Company to hold office for a term of five consecutive years, would be completing their first term of appointment upon conclusion of the ensuing Annual General Meeting of the Company and accordingly are eligible for re-appointment. The Audit Committee has proposed, and the Board of Directors of the Company has recommended the appointment of BSR & Co. LLP as the statutory auditors of the Company to hold office for a second term of five consecutive years from the conclusion of the ensuing Annual General Meeting scheduled on 21st July, 2021 until the conclusion of the Annual General Meeting to be held in the year 2026, subject to the approval of the shareholders.

The Company has also received letter from BSR & Co. LLP, Chartered Accountants to the effect that their appointment, if made, would be within the prescribed limits under Section 141 (3) of the Act and that they are not disqualified from appointment as Statutory Auditors of the Company.

The Auditors' Report on the Financial Statements of the Company for the year ended 31st March, 2021 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 22nd October, 2019, had re-appointed Ernst & Young LLP as the Company's Internal Auditors for a tenure of three years ending on 30th September, 2022.

SECRETARIAL AUDITORS

Pursuant to Section 204 of the Companies Act, 2013, the Board had appointed V. Sreedharan & Associates, Practicing Company Secretaries, as Secretarial Auditors to conduct the Secretarial Audit of the Company for FY 2020-21. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks and is annexed to this Report as Annexure 6.

Pursuant to the SEBI circular no. CIR/CFD/CMD/1/27/2019 dated 8th February, 2019, the Annual Secretarial Compliance Report for the financial year ended 31st March, 2021, issued by 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 as on 31st March, 2021 is available on the Company's website at https://www.syngeneintl.com/investors/share-holder-services/.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CORPORATE SOCIAL RESPONSIBILITY

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

The Company's CSR initiatives are based on the principle of making a long-term impact through programmes that promote education, science, social and economic inclusion and environmental sustainability. The Company is committed to innovation, science and access to affordable healthcare. In line with this commitment and as a socially responsible organisation, the Company has invested in CSR programmes aimed at making a difference to the lives of marginalised communities.

In view of the ongoing pandemic, the Company, recognising its responsibility towards the stakeholders, undertook COVID testing as part of its CSR activities to add to the Government's COVID testing capacity. The Company's CSR activities have been executed this year directly and through Biocon Foundation, which develops and implements programmes in the areas of healthcare, education, infrastructure projects, rural development, promotion of art and culture, gender equality and safety of the vulnerable sections of the society.

The Company's CSR Policy is available on its website at https://www.syngeneintl.com/investors/corporate-governance/governance-reports-policies/

The initiatives undertaken by the Company on CSR activities during the year are set out in Annexure 8 of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

BUSINESS RESPONSIBILITY REPORT

In compliance with Regulation 34(2)(f) of the SEBI Listing Regulations, the Business Responsibility Report ("BRR") forms part of this Annual Report. The BRR contains a detailed report describing the initiatives taken by the Company on business responsibilities *vis-à-vis* the nine principles of the National Voluntary Guidelines on social, environmental and economic responsibilities of business framed by the Ministry of Corporate Affairs.

COVID-19 PANDEMIC

The COVID-19 pandemic has emerged as a global challenge. As a science-based organization, the Company was quick to understand the complexity of the problems posed by the pandemic. The Company committed itself to protecting the workforce, minimizing business disruption, playing its part in improving human health, and contributing to the Government's initiatives to combat COVID-19. A three-pronged strategy was adopted to combat COVID-19 including: protecting employees and contractors; ensuring business continuity; and leveraging the Company's R&D capabilities. Several proactive initiatives were undertaken including providing information and awareness to educate and drive behavior changes, implementing physical distancing, zoning, introducing a shift system for onsite staff, implementing work from home wherever possible, provision of PPE and masks, thermometers for temperature monitoring, and intensive sanitisation of premises. The Company has also extended counselling and self-help services providing mental and emotional support to employees. The potential impact on business, the details of initiatives taken and the strategy to combat the pandemic have been separately provided in the Annual Report under the caption "Response that made a difference.

WHISTLEBLOWER POLICY/VIGIL MECHANISM

The Company's whistleblower policy allows employees, Directors and other stakeholders to report genuine grievances, corruption, fraud, misconduct, misappropriation of assets, and non-compliance with the code of conduct of the Company or any other unethical practices. The policy provides adequate safeguard against 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 2020-21, no individuals have been denied access to the Chairman of the Audit Committee.

The Whistlebower 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 handle all complaints of sexual harassment in the workplace. Employee awareness programmes on POSH were conducted during the year. In FY 2020-21, the Company received one complaint, which was closed within the stipulated timeline.

SIGNIFICANT AND MATERIAL ORDERS BY THE REGULATORS OR COURTS OR TRIBUNALS

During FY 2020-21 there were 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 the 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

The Company invites all shareholders to support the 'Green Initiative' of the Ministry of Corporate Affairs and Syngene's continued endeavors to reduce its environmental footprint by supporting the distribution of the Annual Report, AGM Notice and other documents electronically to the email address registered with the Depository Participant/ Registrar and Share Transfer Agent. The Company invites all the investors whose email ID is not registered to take necessary steps to register their email ID with the Depository Participant/ Registrar and Share Transfer Agent.

ACKNOWLEDGMENTS

We would like to place on record our deep appreciation to Syngene employees for their commitment and contribution during this exceptional year. 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 FY 2020-21 and look forward to their continued support in future.

For and on behalf of the Board

Kiran Mazumdar Shaw
Non-Executive Chairperson
DIN: 00347229

Place: Bangalore
Date: 27th April, 2021

Annexure-1

Form AOC-1

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

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

(Rs in Mn)

Sl. No	Particulars	
1.	Name of the subsidiary	Syngene USA Inc.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3.	Reporting currency	USD
4.	Exchange rate on 31st March, 2021	73.20
5.	Share capital	50,000
6.	Reserves & surplus	28.38
7.	Total assets	90.87
8.	Total liabilities	58.84
9.	Investments	-
10.	Turnover	220.81
11.	Profit before taxation	17.71
12.	Provision for taxation	5.31
13.	Profit after taxation	12.40
14.	Proposed dividend	-
15.	% of shareholding	100
16.	Country	USA

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

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

Annexure-2

Dividend Distribution Policy
INTRODUCTION

Syngene, being a listed Company, is obligated to comply with the requirements under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ('Listing Regulations') and any amendment thereof.

This Dividend Distribution Policy (''the Policy") is being made and adopted by the Board of Directors of the Company in compliance with the regulation 43A of Listing Regulations & applicable provisions of Companies Act, 2013.

"Dividend" here means the distribution of a portion of the Company's earnings, decided by the Board of Directors of the Company to its Equity Shareholders and also includes Interim Dividend.

OBJECTIVE

The Company has an objective of appropriately rewarding shareholders through dividends and long-term capital appreciation. As such, the Company would seek to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes.

The Board of Directors will refer this policy while declaring/ recommending dividend on behalf of the Company. Through this, the Company would endeavour to maintain a consistent approach to dividend pay-out plans.

GUIDELINES

The Board, pursuant to provisions of section 123 of the Companies Act, 2013 and rules made thereunder, may declare interim dividend or recommend final dividend, payable to the existing shareholders of the Company subject to shareholders' approval. The Board may consider the free cash flow position, profit earned during that year, capex requirements, applicable taxes, overall market situation and other things as per Company's state of profitability.

The Board as may deem fit, declare the interim dividend one or more times in a financial year in line with this policy. This would be in order to supplement the annual dividend or in exceptional situations.

Whereas, the final dividend is paid once for the financial year after the annual accounts are prepared. The Board of Directors of the Company has the power to recommend the payment of final dividend to the shareholders in an Annual General Meeting.

OTHER PROCEDURES

1. After satisfying the financial position of the Company, the Board shall declare interim dividend or recommend final dividend at its meetings.

2. The Company shall notify in advance to the stock exchange(s) where the securities of the Company are listed and also after the meeting of its Board of Directors at which the declaration of dividend is to be considered.

3. On declaration of the dividend, the Company shall notify stock exchange(s) for the record date or book closure date as the case may be and determine the shareholders eligible for the dividend.

4. The payment of declared dividend will be processed with the help of Registrar & Share Transfer Agents and the banks.

5. The final dividend needs the approval of shareholders at the Annual General Meeting.

6. In case of unpaid or unclaimed dividend, the Company shall prepare the statement of unclaimed dividend and the same shall be uploaded on Company's website at: www.syngeneintl.com as required under law.

7. According to applicable laws, the unpaid or unclaimed dividend amount shall be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government after the expiry of seven years from the date of transfer to "Unpaid Dividend Account" of the Company.

APPROACH

As the Company is in a growth and investment phase, the Board may consider the investment requirements, long term growth strategies, cash availability, debt commitments and other internal and external factors while determining whether or not to declare dividend or in determining the rate/amount of dividend to be declared for the shareholders.

FINANCIAL PARAMETERS THAT SHALL BE CONSIDERED WHILE DECLARING DIVIDEND

Subject to the provisions of the Companies Act, dividend shall be declared or paid only out of:

(i) Profit of current financial year;

a) After providing for depreciation in accordance with law;

b) After transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion.

(ii) The profits for any previous financial year(s):

a) After providing for depreciation in accordance with law;

b) Out of remaining undistributed amount; or

(iii) Out of (i) & (ii) both

In computing the above, the Board may, at its discretion, subject to provisions of the law, exclude any or all of (i) extraordinary charges (ii) exceptional charges (iii) one off charges on account of change in laws or rules or accounting policies or accounting standards (iv) provisions or write offs on account of impairment in investments (long term or short term) (v) non-cash charges pertaining to amortization or ESOP or resulting from change in accounting policies or accounting standards.

The Board may, at its discretion, declare a special dividend under certain circumstances such as extraordinary profits from sale of investments, changes in financial structure, such as debt ratio or any other situation.

POLICY AS TO HOW THE RETAINED EARNINGS SHALL BE UTILIZED

The profits earned by the Company can either be retained in business and used for expansion of the business, capital expenditure, working capital, acquisitions, diversifications, buy back of shares, general corporate purposes, including contingencies, etc. or it can be distributed to the shareholders as dividend.

INTERNAL AND EXTERNAL FACTORS THAT SHALL BE CONSIDERED FOR DECLARATION OF DIVIDEND

The Dividend pay-out decision of the Company, whether interim or final dividend shall be based upon external and internal factors as mentioned below-

EXTERNAL FACTORS:

- State of Economy;
- Global Market conditions;
- Business Cycle;
- Industry outlook;
- Capital Markets;
- Government policies;
- Change in laws;
- Statutory Restrictions;
- Tax laws; and
- Any other factors.

INTERNAL FACTORS:

- Profits earned during the year;
- Availability of Cash flow;
- Availability of undistributed profits;
- Earnings stability;
- Present & future capital requirements of the businesses;
- Brand/ Business Acquisitions;
- Expansion or modernization of existing businesses;
- Investments in subsidiaries/associates of the Company;
- Investments into external businesses;
- Debt obligations;
- Future cash flows; and
- Any other factor as deemed fit by the Board.

CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Equity Shareholders of the Company may expect dividend only if the Company is having surplus profits after providing for all expenses, depreciation and other necessary deductions and after complying with all other statutory provisions of the Companies Act, 2013 and other applicable laws. The internal and external factors specified above shall be crucial factors for taking a dividend declaration decision and determining the dividend distribution amount.

The equity shareholders of the Company may not expect dividend, if the Company does not have surplus funds after providing for all expenses, depreciation, or other necessary deductions and after complying all other statutory provisions of the Companies Act, 2013 and other applicable laws. Also, the equity shareholders of the Company may not expect dividend, if the internal and external factors specified above warrant full retention of the surplus profit.

CLASSES OF SHARES

The Company currently has only one class of shares i.e. equity shares.

DISCLOSURE

This Policy shall be uploaded on the Company's website for public information and the web link of the same shall be provided in the Annual Report of the Company.

AMENDMENTS AND UPDATIONS

The Key management personnel's (KMPs) or the person authorised by the Board may review this Policy from time to time. Any material changes to this Policy will need prior approval of the Board. In case of any inconsistency between the terms of this Policy, Listing Regulations & Companies Act, the provisions of the Listing Regulations & Companies Act shall prevail.

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 31st March, 2021)

Power and Fuel Consumption Details	FY 2021	FY 2020
1. Electricity		
a) Purchased		
Mn Unit	68.60	56.55
Total amount (Rs Mn)	493.87	458.10
Rate/Unit (Rs)	7.20	8.10
b) Captive generation		
HSD Quantity, KL	191.22	825.30
Mn Units	0.72	3.11
Units / Litre	3.74	3.77
Cost/Lit (Rs)	51.87	64.11
Generation cost, Rate / Unit (Rs)	13.04	17.00
2. Steam		
a) Furnace Oil		
HSD Quantity, KL	-	2.63
Total amount (Rs Mn)	-	0.18
Average rate (Rs)	-	68.26
b) LDO		
LDO Quantity, KL	71.6	-
Total amount (Rs Mn)	2.35	-
Average rate (Rs)	32.76	-
c) LPG		
LPG Quantity, Tons	153	-
Total amount (Rs Mn)	7.11	-
Average rate (Rs)	46.5	-

Technology absorption, adoption and innovation

No technology was imported by the Company during the year.

Energy Conservation details:

Sl. No.	Energy conservation measure	Investment	Energy saved per Annum	
		(Rs) Mn	Unit	(Rs) Mn
1	Replaced blower driven by induction motors with energy efficient electronically commutated motor in AHU	0.5	0.05	0.33
2	Replaced old design motors with energy efficient advanced design motors for chilled water and cooling tower pumps	1.4	0.5	3.2
3	Replaced CFL and metal halide lamps with energy efficient LED lamps	0.6	0.05	0.33

(Rs in Mn)

Foreign exchange earnings and outgo for the year*:	FY 2021	FY 2020
Foreign Exchange Earnings	20,215	18,476
Foreign Exchange Outgo	5,521	5,287

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

For and on behalf of the Board

Kiran Mazumdar Shaw
Non-Executive Chairperson
DIN: 00347229

Date: 27th April, 2021
Place: Bangalore

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

(1) Ratio of the remuneration of each Director/Key Managerial Personnel (KMP) to the median remuneration of all the employees of the Company for the Financial Year 2020-21:

Sl. No.	Name of Director/KMP and Designation	% increase in remuneration[1] in the Financial Year 2020-21	Ratio of the remuneration of each Director/KMP to the median remuneration of all the employees
Non-Executive Directors			
1.	Kiran Mazumdar Shaw, Non-Executive Chairperson	NA[(2)]	5.78
2.	Professor Catherine Rosenberg	(13.43)	4.60
3.	J M M Shaw	(8.56)	2.71
Independent Directors			
4.	Vinita Bali, Lead Independent Director	29.23	5.83
5.	Dr Carl Decicco	5.32[(3)]	3.14
6.	Paul Frederick Blackburn	(10.39)	5.48
7.	Sharmila Karve	48.96[(4)]	4.54
8.	Dr Vijay Kuchroo	13.50	4.27
Executive Director			
9.	Jonathan Hunt, CEO & MD	(1.73)[(5)]	94.45
Key Managerial Personnel			
10.	Sibaji Biswas, CFO	Nil	33.16
11.	Priyadarshini Mahapatra, CS	Nil	7.40

1) The remuneration paid to Non-Executive Directors (including Independent Directors) includes commission, overseas travel allowance and sitting fees and is based on the position they occupied in the various committees and meetings attended by them during the FY 2020-21. As the Directors participated in the Board and Committee meetings through video conference during FY 2020-21, no overseas travel allowance was paid during the year.

(2) Till March 31, 2020, Kiran Mazumdar Shaw was the Managing Director and Chairperson and drew no remuneration from the Company. She was appointed as Non-Executive Chairperson with effect from April 01,2020. Hence, figures of FY20 and FY21 are not comparable.

(3) Appointed as Director with effect from October 01,2019.

(4) Appointed as Director with effect from August 01,2019.

(5) Appointed as MD and CEO with effect from 1st April, 2020. Till 31st March, 2020 was the Executive Director and CEO.

The remuneration does not include perquisite value on account of stock options.

The above details are on accrual basis.

Notes:

(1) The ratio of remuneration to median remuneration is based on remuneration paid during the period 1st April, 2020 to 31st March, 2021.

The percentage increase in the median remuneration of employees in the Financial Year	(3.32)%
The number of permanent employees on the rolls of Company as on 31st March, 2021	5,437

(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:

There was no increase in salaries of employees during the last financial year. There was also no increase in managerial remuneration.

(3) Affirmation

It is hereby affirmed that remuneration paid for FY 2020-21 was as per the Company's Policy on Director's Appointment and Remuneration.

For and on behalf of the Board

Kiran Mazumdar Shaw
Non-Executive Chairperson
DIN: 00347229

Date: 27th April, 2021
Place: Bangalore

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 15 February 2019 and addendum to the engagement letter dated 14 April 2021.

2. We have examined the compliance of conditions of Corporate Governance by Syngene International Limited ("the Company"), for the year ended 31 March 2021, 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 2021.

6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on use

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

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W - 100022

S Sethuraman
Partner
Membership No: 203491
UDIN:21203491AAAABZ9153

Place: Chennai
Date: 27 April 2021

ANNEXURE -6

Form No. MR-3

SECRETARIAL AUDIT REPORT

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

For the Financial Year Ended 31st March, 2021

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

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on 31st March, 2021 (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) Regulations, 2014;

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(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, 2009 **(Not Applicable to the Company during the Audit Period)**;

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Company during the Audit Period);** and

i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

a. Drugs and Cosmetics Act 1940.

b. Bio Medical Waste (Management & Handling) Rules, 1998.

c. ICH Guidelines (this is the base on which US FDA / EU Guidelines etc. are created on).

d. UCPMP (Currently voluntary – however proposed to be made mandatory).

e. National Biodiversity Act 2002.

f. Drugs & Magical Remedies (Objectionable Advertisements) Rules, 1955.

g. Narcotic Drugs and Psychotropic substance Act.

h. Drugs (Control) Act, 1950.

i. Ethical Guidelines for Biomedical Research on Human Participants, 2006.

j. The Poisons Act, 1919.

k. Prevention of Cruelty to Animals Act, 1960 and the Breeding of and Experiments on Animals (Control and Supervision) Rules, 1998.

l. Atomic Energy Act, 1962 and Atomic Energy (Radiation Protection) Rules, 2004.

m. Radiation Protection Rules, 1971.

n. Radiation Surveillance Procedures for Medical Application of Radiation,1989.

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

a. Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.

b. Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

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

We further report that:

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

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

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

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

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

For **V SREEDHARAN & ASSOCIATES**

(Devika Sathyanarayana)
Partner
ACS: 16617; CP No.17024
UDIN: A016617C000136761

Place: Bengaluru
Date: April 20, 2021

This letter which is annexed herewith as Annexure 1 forms an integral part of the Secretarial Audit Report MR-3 and has to be read along with it.

'Annexure -1'

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

7. Due to the pandemic situation, we were not able to visit the office in person to peruse the original documents etc. that were required for our audit purpose. However, we have relied on the soft copy of the documents and the links provided by the Company.

For **V SREEDHARAN & ASSOCIATES**

(Devika Sathyanarayana)
Partner
ACS: 16617; CP No.17024
UDIN: A016617C000136761
Peer Review Certificate No.: 589/2019

Place: Bengaluru
Date: April 20, 2021

ANNEXURE -7

Secretarial compliance report of Syngene International Limited for the year ended 31st March, 2021

We have examined:

(a) all the documents and records made available to us and explanation provided by **Syngene International Limited** ("the listed entity");

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

(c) website of the listed entity;

(d) any other document / filing, as may be relevant, which has been relied upon to make this certification;

for the year ended 31st March, 2021 ("Review Period") in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

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

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

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Company during the review Periods);**

(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period);**

(g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013 **(Not Applicable to the Company during the Audit Period);**

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

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

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

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

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.

(c) There was no action taken against the listed entity / its promoters / directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts / Regulations and circulars / guidelines issued thereunder.

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

For **V SREEDHARAN & ASSOCIATES**
Company Secretaries

(Devika Sathyanarayana)
Partner
ACS: 16617; CP No.17024
UDIN: A016617C000136761

Place: Bengaluru
Date: April 20, 2021

ANNEXURE-8

Annual Report on CSR Activities for Financial Year ended 31st March, 2021

1.	Brief outline on CSR Policy of the Company.	Syngene's CSR initiatives are based on the principle of making enduring impact through programs that promote education, science, social and economic inclusion and environmental sustainability. The Company is committed to innovation, science, affordability and access to healthcare. In line with this commitment and as a socially responsible organization, the Company has always invested in CSR programs aimed at making a difference to the lives of marginalized communities. The Company's CSR activities have been executed this year directly and through Biocon Foundation. Biocon Foundation develops and implements healthcare, educational, infrastructure projects, promotes art and culture, gender equality and safety of vulnerable sections of the society. The details of our CSR Policy are available on our website www.syngeneintl.com.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Professor Catherine Rosenberg	Chairperson / Non-executive Director	3	3
2	Vinita Bali	Member / Independent Director	3	3
3	Vijay Kuchroo	Member / Independent Director	3	3
4	Dr Bala S Manian*	Member / Independent Director	3	1

* Upto 15th July, 2020

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 details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).	Not Applicable

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs Mn)	Amount required to be setoff for the financial year, if any (in Rs Mn)
		Not Applicable	
	Total		

6.	Average net profit of the Company as per section 135 (5).	Rs 432 Mn
7.	(a) Two percent of average net profit of the Company as per section 135(5)	Rs 86.48 Mn
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil
	(c) Amount required to be set off for the financial year, if any	Nil
	(d) Total CSR obligation for the financial year (7a+7b-7c).	Rs 86.48 Mn

8. **(a) 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 section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
65.61	20.87	To be transferred before 30th April, 2021	Not Applicable		

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs Mn)	Amount spent in the current financial Year (in Rs Mn)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs Mn)	Mode of Implementation – Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	**Community COVID 19 Testing & Vaccination program**	Promoting healthcare including preventive healthcare	Yes	Karnataka	Bangalore	2 Years	76.48	55.61	20.87	Yes	NA	NA
	Total						**76.48**	**55.61**	**20.87**			

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in Rs In Mn)	Mode of implementation – Direct (Yes/ No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	**Mass Rapid Transit - ***	Ensuring environmental sustainability, and maintaining quality of air	Yes	Karnataka	Bangalore	10.00	No	Biocon Foundation	CSR00002304
	Total					**10.00**			

**project being defined as ongoing project with effect from FY 2021-22*

(d)	Amount spent in Administrative Overheads:	Nil
(e)	Amount spent on Impact Assessment, if applicable	Not Applicable
(f)	Total amount spent for the Financial Year (8b+8c+8d+8e)	Rs.65.61 Mn

(g) Excess amount for set off, if any:

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

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs Mn)	Amount spent in the reporting Financial Year (in Rs Mn)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs Mn)
				Name of the Fund	Amount (in Rs Mn)	Date of transfer	
1	Not Applicable						
	TOTAL						

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

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

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

(a) Date of creation or acquisition of the capital asset(s).	Not applicable
(b) Amount of CSR spent for creation or acquisition of capital asset.	
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	
11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135 (5).	In view of the health impact of the pandemic, the Board decided to allocate Rs 76.48 Mn of the budget for FY 2020-21 towards COVID testing as well as vaccination activities. However, due to the absence of clarity on the vaccination guidelines and limited availability of the vaccines, the project was delayed. The COVID testing as well as vaccination activities have been classified as an ongoing project by the Board and the unspent amount of Rs 20.87 Mn will be transferred to a separate Unspent CSR account before 30th April, 2021, which will be utilised for the Covid Testing and Vaccination activities during FY 2021-22.

Jonathan Hunt	**Professor Catherine Rosenberg**
DIN: 07774619	DIN: 06422834
(Managing Director & Chief Executive Officer)	(Chairperson CSR Committee).

Place: Bangalore
Date: 27th April, 2021

CORPORATE GOVERANCE REPORT

GOVERNANCE PHILOSOPHY

Your Company believes that good corporate governance emerges from the application of sound management practices and adhering to the highest standards of governance, transparency and business ethics. Integrity, fairness, accountability and compliance with the relevant laws are embedded in the Company's business practices, ensuring ethical and responsible leadership at the Board as well as the management level.

The corporate governance framework of your Company is shaped by its core values of professionalism, integrity and excellence. Your Company has rigorously abided by and has remained committed to rigorously following and adopting the best corporate governance practices, which goes beyond adherence to regulatory and statutory requirements in some cases.

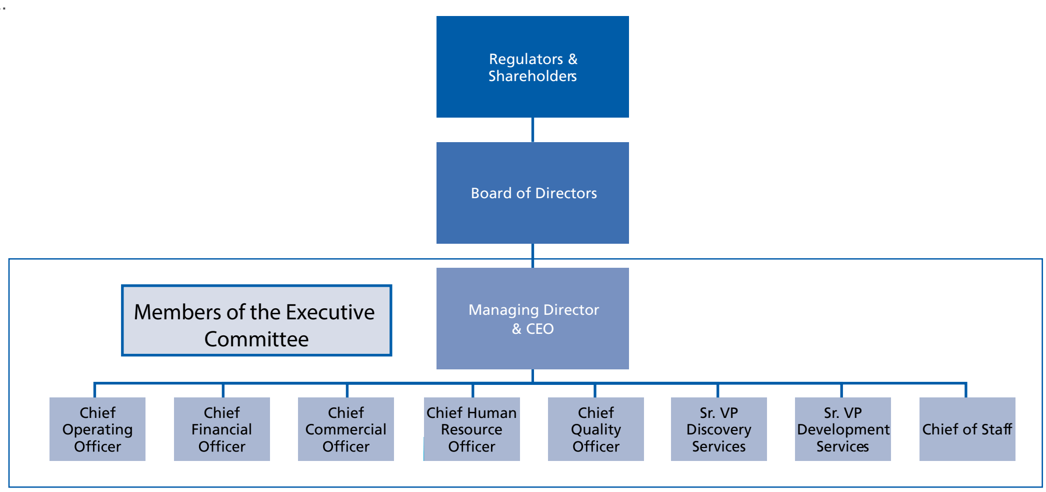
Your Company places great emphasis on governance practices derived from timely reporting, transparent accounting policies and a strong, independent Board that pursues its mission of representing shareholders' interests. Your Company's commitment to meet the aspirations of all stakeholders, is demonstrated in its shareholder returns, upgraded credit ratings, governance processes and a performance-driven work environment.

The detailed report on Corporate Governance for the financial year ended 31st March, 2021, 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. The processes, controls and limits within which the Company functions have been laid out in this report.

GOVERNANCE STRUCTURE

Syngene has put in place a professionally managed governance structure with well-defined roles and responsibilities for every constituent of the system. The Company functions under the overall supervision of the Board, which is the apex body constituted by shareholders. The governance structure is based on a framework that ensures the powers vested in the executive management are exercised with due care and responsibility so as to meet the expectation of all the stakeholders. In line with these principles, the Company has formed three tiers of Corporate Governance: the Board, the Managing Director & CEO and the Executive Committee. The Board provides strategic guidance, direction and independence to the Management to achieve the overall corporate objectives for value creation through sustainable, profitable growth. The Managing Director & Chief Executive Officer (MD & CEO) has overall operational control and is responsible for day-to-day activities and the performance and growth of the Company. He lays down policy guidelines and ensures implementation of the decisions of the Board of Directors and its various Committees. He is supported by the Executive Committee (EC).

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 operate company-wide processes and systems 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 in a month to review and monitor performance, check progress on strategic projects, and address challenges faced by the business. The EC keeps the Board informed about important developments in the Company.



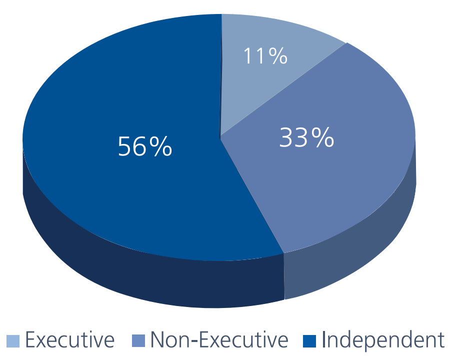
BOARD OF DIRECTORS

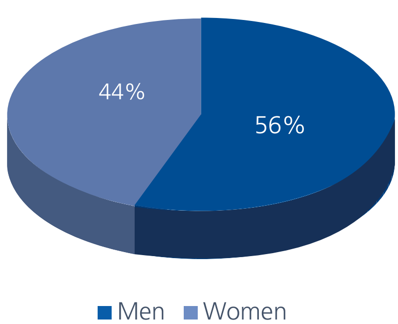
Board composition and category of directors

The Company has a balanced and diverse Board with an appropriate mix of Executive Directors, Non-Executive Directors and Independent Directors to maintain the Board's independence and allow it to fulfil its governance function. The detailed profiles of your directors are available on the Company's website at www.syngeneintl.com. The Non-Executive Directors including Independent Directors on the Board are highly qualified, experienced individuals from the fields of science, biotech, research, finance and taxation, commercial and manufacturing. The Board sets out the overall corporate objectives and provides direction and independence to the management to achieve these objectives. They actively participate at the Board and Committee Meetings and engage in intermittent interactions with the Management by providing expert advice to the Management on various aspects of business, strategic direction, governance, etc.

The Company has also devised a policy on board diversity.

Composition of the Board of Directors as on 31st March, 2021





As on 31st March, 2021, the Board comprised nine members, consisting of one Executive Director, three Non-Executive Directors and five Independent Directors. The Board periodically evaluates the need for change in its composition and size.

None of the Directors serves as a Director in more than seven listed companies. Furthermore, none of the Directors serves as an Independent Director in more than seven listed companies or three listed companies if he/she serves as an Executive Director in a listed company. None of the Directors on the Board is a member of more than ten committees or a chairperson of more than five committees, across all public limited companies in which he/she is a Director. None of the Independent Directors serves as Non-independent Director of a company on the board of which any of your Non-Independent Directors is an Independent Director. Vinita Bali and Sharmila Karve are Independent Woman Directors on the Board of Directors of the Company. The Board of Directors appointed Vinita Bali as the Lead Independent Director during the year.

Syngene's philosophy to have constructive separation of the management of the Company from the promoters is manifested through the separation of roles of Chairperson and Managing Director. Kiran Mazumdar Shaw, who was the Managing Director and Chairperson of the Company till 31st March, 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 John Shaw are Non-Executive, Non-Independent Directors on the Board.

During the financial year, Dr Bala S. Manian, Independent Director, stepped down from the Board on attaining the age of 75 years on 15th July, 2020. The Board expressed its sincere gratitude for his outstanding contribution in the evolution and success of the Company.

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 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. The Independent Directors have submitted their declarations of compliance with the provision of Rule 6(3) of Companies (Appointment and Qualification of Directors) Rules, 2014, which mandated the inclusion of Independent Director's name in the data bank of the Indian Institute of Corporate Affairs ("IICA") for a period of one year, five years or lifetime while they continue to hold the office of an Independent Director.

Role of Board of Directors

To ensure effective management before taking on record the Company's quarterly/annual financial results, the Board is 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 include:

- Regular business updates, strategic opportunities and diversification plans of the Company, if any
- Related party transactions and significant changes in accounting policies and internal controls
- Mergers or acquisitions or acquiring a controlling or substantial stake in another company
- Recruitment and remuneration of senior management who are just below the level of Board of Directors including appointment or removal of Chief Financial Officer and Company Secretary
- Annual operating plans, budget (including capital budget), major borrowings, investments and any updates thereof
- Quarterly and annual consolidated and standalone results of the Company
- Update on capital structure
- Update on Corporate Social Responsibility (CSR) activities, CSR budget, the annual action plan and any alterations thereto
- Update on investor relations
- Minutes of meetings of the Board and other Board level Committees and resolutions passed thereat
- Materially important show cause, demand, prosecution notices and penalty notices, if any
- Fatal or serious accidents, dangerous occurrences, material effluent or pollution problems, if any
- Any material default in financial obligations to and by the Company, or substantial non-payment for services rendered or 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 could 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, assets which 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
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend or delay in share transfer.

Board membership criteria and selection process

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

The candidate is screened based on the above attributes extending to professional experience, functional expertise, educational and professional background. At the time of induction of a Director, a formal invitation to join the Board is sent and a Directors handbook comprising a compendium of the role, powers and duties to be performed is handed over to the new Director. New Board members are encouraged to meet and interact with the management.

Board Procedure

The Board and its Committees meet at regular intervals to discuss the Company's business policies and strategies as well as 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 attendance of Directors and 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. Due to the exceptional circumstances caused by the COVID-19 pandemic and consequent relaxations granted by the Ministry of Corporate Affairs and the Securities and Exchange Board of India, all Board and Committee meetings in FY 2020-21 were held through video conferencing.

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 according to agreed timelines. 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 of 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 at the subsequent meeting. The certified true copy of the duly signed minutes is also circulated to the Board and Committee members within 15 days of signature. During the year, in accordance with the relaxations provided by the Ministry of Corporate Affairs due to the ongoing pandemic, the minutes were sent for signature of the Chairperson of the Board and Committees once the conditions were conducive.

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 relevant departments.

Apart from Board members and the Company Secretary, the Board and Committee meetings are also attended by the Executive Committee and the heads of various corporate functions when required.

Meetings of the Board

During the financial year, four meetings of the Board were held i.e. on 12th May, 2020; 21st July, 2020; 21st October, 2020 and 20th January, 2021. The gap between two Board meetings did not exceed 120 days. The necessary quorum was present for all the meetings.

The information on attendance of Directors at the Board meetings through audio visual mode during the financial year ended 31st March, 2021 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 22nd July, 2020
Kiran Mazumdar Shaw	Non-Executive Chairperson	4	4	Yes
Jonathan Hunt	Managing Director & CEO	4	4	Yes
Professor Catherine Rosenberg	Non - Executive Director	4	4	Yes
John Shaw	Non - Executive Director	4	3	Yes
Vinita Bali	Lead Independent Director	4	4	Yes
Dr Bala S. Manian*	Independent Director	1	1	NA
Dr Carl Peter Decicco	Independent Director	4	3	Yes
Paul Blackburn	Independent Director	4	4	Yes
Sharmila Abhay Karve	Independent Director	4	4	Yes
Dr Vijay Kuchroo	Independent Director	4	4	Yes

Note:

* up to 15th July, 2020

Names of the listed entities wherein Company directors hold directorships along with their category and membership/ chairmanship in various committee(s) as on 31st March, 2021:

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

Sl. No.	Name of Director	Name of Company	Designation / Category	Chairmanship/Membership in Committees of listed entities
		CRISIL Limited	Non-Executive Independent Director	**Chairperson:** • Nomination and Remuneration Committee • Corporate Social Responsibility Committee **Member:** • Audit Committee
6	Dr Carl Peter Decicco	Syngene International Limited	Non-Executive Independent Director	**Member:** • Nomination and Remuneration Committee
7	Paul Blackburn	Syngene International Limited	Non-Executive Independent Director	**Chairperson:** • Audit Committee • Risk Management Committee **Member:** • Stakeholders Relationship Committee
8	Sharmila Abhay Karve	Syngene International Limited	Non-Executive Independent Director	**Chairperson:** • Stakeholders Relationship Committee **Member:** • Audit Committee • Risk Management Committee
		EPL Limited	Non-Executive Independent Director	**Chairperson:** • Audit Committee **Member:** • Stakeholders Relationship Committee
		CSB Bank Limited	Additional Director Non-Executive Independent Director	**Chairperson:** • Audit Committee • Customer Service Committee **Member:** • Monitoring Large Value frauds • NPA Management Committee
9	Dr Vijay Kuchroo	Syngene International Limited	Non-Executive Independent Director	**Member:** • Corporate Social Responsibility Committee • Nomination and Remuneration Committee
		Biocon Limited	Non-Executive Independent Director	**Member:** • Corporate Social Responsibility Committee • Nomination and Remuneration Committee

Composition of the Board and details of directorship and committee membership/chairmanship held in other Companies as on 31st March, 2021:

Name of the Director	DIN	Designation	Directorship# Indian Public Companies	Committees Chairmanship	Committees Membership
Non-Executive Directors					
Kiran Mazumdar Shaw	00347229	Non-Executive Chairperson	9	1	1
Professor Catherine Rosenberg	06422834	Director	1	-	-
John Shaw	00347250	Director	5	-	1
Executive Director					
Jonathan Hunt	07774619	Managing Director & CEO	1	-	1
Independent Directors					
Vinita Bali	00032940	Director	2	-	2
Dr Carl Peter Decicco	08576667	Director	1	-	-
Paul Blackburn	06958360	Director	1	1	2
Sharmila Abhay Karve	05018751	Director	5	4	7
Dr Vijay Kuchroo	07071727	Director	2	-	-

Note:# Directorship in companies includes Syngene International Limited.

As per regulation 26 of SEBI Listing Regulations, 2015 membership/chairmanship of Audit Committee and Stakeholder Relationship Committee in all Indian Public Limited Companies, whether listed or not, have been considered and reported. 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 he/she holds Directorships.

Disclosure of relationships between directors inter-se

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

Shareholding of Non-Executive Directors

As on 31st March, 2021, the following Non-Executive Directors hold equity shares in the Company.

Name	Shareholding as on 31st March, 2021
Kiran Mazumdar Shaw	15,276
Professor Catherine Rosenberg	2,120
Paul Blackburn	50,000
Dr Vijay Kuchroo	50,000

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

Independent Directors

Independent Directors play a pivotal role in the governance processes of the Board. They contribute varied expertise, experience and unbiased views, thereby enriching the Board's governance competencies and preventing potential conflicts of interest that may arise during decision-making. All Independent Directors of the Company satisfy the criteria of independence as prescribed under the Companies Act, 2013 and SEBI Listing Regulations, 2015. 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. Confirmation with respect to their independence has been obtained from them and taken on record by the Board. The Board of Directors has appointed Vinita Bali as the Lead Independent Director with effect from 20th January, 2021.

Upon appointment, 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 https://www.syngeneintl.com/investors/corporate-governance/governance-reports-policies/

Independent Directors' Meeting

Companies Act, 2013 and Rules thereunder mandate at least one meeting in a year for the Independent Directors of the Company, without the presence of Non-Independent Directors and members of Management. The Independent Directors met twice during FY 2020-21 on 11th May, 2020 and 20th January, 2021 to review the performance criteria and the evaluation methodology for carrying out the evaluation of the performance of the Board, Committees, Chairperson and the individual directors, as well as to consider the outcome of the evaluation.

The attendance of the members in the Independent Directors Meetings held in FY 2020-21 is given below:

Name	No. of meetings which the member was entitled to attend	Meetings attended
Paul Blackburn ©	2	2
Vinita Bali	2	2
Dr Carl Peter Decicco	2	2
Sharmila Karve	2	2
Dr Vijay Kuchroo	2	2

©: Chairperson

Details of familiarisation programmes arranged for Independent Directors

A formal induction programme for new Directors and an ongoing familiarisation process with respect to the Company operations is designed to familiarize the directors with the dynamics of the industry. This ensure that they are able to engage in meaningful deliberations and take informed decisions. Complying with Regulations 25(7) of SEBI Listing Regulations 2015, familiarisation programs to empower Independent Directors with the knowledge of Syngene's business and operations were conducted during the financial year. Under the Director's Education Programme, the latest developments affecting the Company and the Contract Research Organisation (CRO) industry and functions of various operating units were presented to the Directors by the management team. In addition, Board Members are regularly informed about significant developments in the industry, regulatory changes and other developments, which impact the Company. A Board development session on cyber security was conducted during the year by external subject matter experts, giving the Board an insight on the latest cyber attacks and threats to the healthcare and pharma sector.

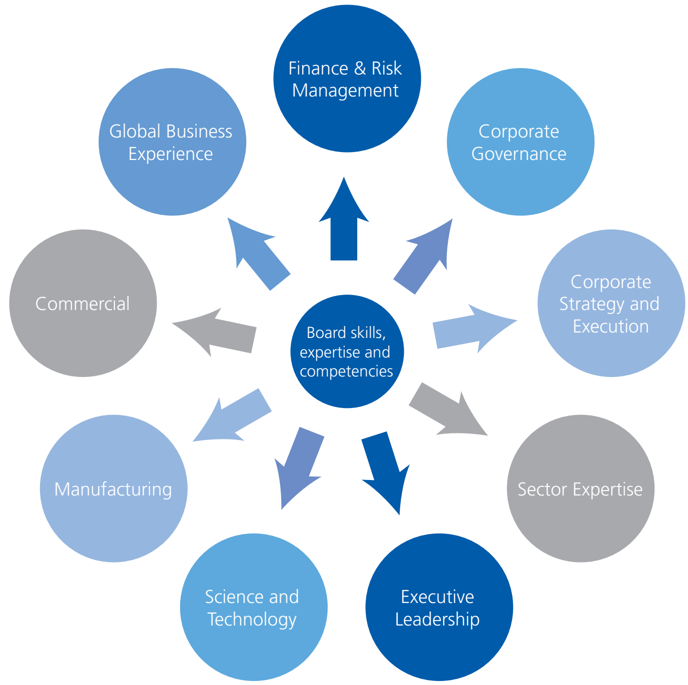
The details of such programmes are available at https://www.syngeneintl.com/investor-relations/corporate-governance.

Confirmation on Independent Directors

Based on the disclosures received from all Independent Directors, the Board confirms that all Independent Directors fulfil the criteria of independence as specified in the SEBI Listing Regulations, 2015 and are independent of the management of the Company for the year ended 31st March, 2021.

Skills, expertise and competencies of the Board

The Syngene Board comprises highly qualified members who bring with them the specialized skills and relevant expertise and competencies, enabling them to offer valuable contributions and play an instrumental role in the progress and growth of the Company. The Board has identified the following skills, expertise and competencies to be essential for the effective functioning of the Company:



Board skills, expertise and competencies

The table below summarises the key skills, expertise and competencies of the Board Members:

	Kiran Mazumdar Shaw	Jonathan Hunt	Professor Catherine Rosenberg	John Shaw	Vinita Bali	Dr Carl Decicco	Paul Blackburn	Sharmila A Karve	Dr Vijay Kuchroo
Corporate Strategy & Execution	✓	✓			✓	✓			
Sector expertise • Life science • Healthcare • Research	✓	✓	✓	✓		✓			✓
Executive Leadership	✓	✓			✓	✓	✓	✓	
Finance and Risk management	✓			✓			✓	✓	
Science & Technology • R&D • Biotech • Digital	✓		✓			✓			✓
Commercial • Sales • Marketing • Public Relations • Brand		✓			✓				
Manufacturing	✓	✓		✓	✓				
Corporate Governance • Regulatory & compliance • ESG	✓	✓		✓	✓		✓	✓	
Global business experience	✓	✓		✓	✓	✓	✓		

Board evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the annual performance evaluation of the Board as a whole, its Committees, Chairperson and individual Directors including Independent Directors for FY 2020-21 was conducted by external consultants, Egon Zehnder, a leadership advisory firm on board matters, engaged by the Nomination and Remuneration Committee. The evaluation was conducted based on the criteria and framework agreed by the Committee. The process of evaluation involved circulation of a comprehensive questionnaire to the Board members, independent discussions with individual Board members and key members of the management, discussion with Chairperson on the findings, sharing of summary findings and recommendations with the Board, and individual feedback sessions with the Board members. The Board evaluation process was completed during the year under review.

In a separate meeting of independent directors, performance of non-independent directors, the Board as a whole and Chairperson of the Company was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors, the Committees and the Board as a whole.

A 360-degree assessment of individual Directors, the Board and its Committees was discussed by the Board for the year under review and collective action points for improvement were put in place, based on the recommendations of Egon Zehnder.

COMMITTEES OF THE BOARD

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

AUDIT COMMITTEE

On October 19, 2011, the Board constituted the Audit and Risk Committee in accordance with Section 177 of the Companies Act, 2013 and SEBI Regulations 2015. The Audit Committee comprises three Independent Directors as of 31st March, 2021 namely Paul Blackburn as Chairman and Vinita Bali and Sharmila Karve as members.

The attendance of members at the meetings of the Audit Committee held in FY 2020-21 is given below:

Name	Category	No. of meetings which the member was entitled to attend	Meeting attended
Paul Blackburn ©	ID	5	5
Vinita Bali	ID	5	5
Sharmila A Karve	ID	5	5

ID: Independent Director; ©: Chairperson

Terms of Reference:

The Audit Committee directs the audit function and monitors the quality of internal and statutory audits to move towards a regime of unqualified financial statements. The Committee functions according to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015. The role and responsibilities of the Committee include:

Finance & Accounts

- Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, complete and credible
- Review with the management, the quarterly, half yearly and annual financial statements before submission to the Board for approval
- 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
    - Major accounting entries involving estimates based on the exercise of judgment by management
    - Significant adjustments made in the financial statements arising out of audit findings
    - Compliance with listing and other legal requirements relating to financial statements
    - Compliance with the applicable accounting standard issued by ICAI or other appropriate authority
    - Disclosure of any related party transactions and review subsequent modification in the related party transactions with related parties of the Company
    - Modified opinion(s) in draft audit report
- Scrutiny of inter-corporate loans and investments
- Valuation of undertakings or assets of the company
- Approval of related party transactions (i.e. prior) with related parties or any subsequent modification thereof
- Review the management discussion and analysis of financial condition and results of operations
- Review the statement of significant related party transactions (as defined by the Audit Committee) submitted by the management
- Review with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter
- Make recommendations to the Board on any matter relating to financial management including the audit report. To record the reasons, if the Board does not accept the recommendations and communicate such reasons to the shareholders
- Review the utilization of loan and/ or advances from / investment by the holding company in the subsidiary exceeding Rs 100 Crores or 10% of the assets size of the subsidiary, whichever is lower

Audit Management

- Review and monitor with the management, the auditor's independence, effectiveness of audit process and performance of statutory audits
- 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
- 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 thereto
- Review the adequacy of the internal audit function, 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 thereto
- 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
- Review internal audit reports relating to internal control weaknesses
- Establish a vigil mechanism for directors and employees to report their genuine concerns or grievances
- Review the implementation and functioning of the vigil / whistleblower mechanism in the Company

Others

- Review the financial statements, in particular the investments made by the unlisted subsidiary company
- Approve the appointment of 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) after assessing the qualification, experience and background, etc. of the candidate to be appointed
- Review the statement of deviations, if any, in the:

  (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) for public issue, rights issue, preferential issue etc.

  (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) for public issue or rights issue

- Review and evaluate the internal financial controls and risk management systems
- To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Periodically review the report under the insider trading code of the Company
- 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

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

During the Financial Year, five meetings of the Committee were held i.e. on 11th May, 2020; 21st July, 2020; 18th September, 2020, 21st October, 2020 and 20th January, 2021.

The Statutory Auditors and Internal Auditors attended all quarterly meetings of the Audit Committee, in which the financial results were approved. The Committee, after each quarterly meeting, separately met the Statutory Auditors and Internal Auditors of the Company in the absence of management to understand if they had any concern with the management team and ascertain whether they had received full co-operation from the team during the audit process. The Statutory and Internal Auditors did not raise any issues or concerns during the year.

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 22nd July, 2020.

RISK MANAGEMENT COMMITTEE

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

The Risk Management Committee comprises the following directors as of 31st March, 2021:

Paul Blackburn – Independent Director and Chairman

Vinita Bali – Independent Director

Jonathan Hunt – Executive Director

Professor Catherine Rosenberg – Non-Executive Director

Sharmila Karve – Independent Director

The attendance of the members at the Risk Management Committee meetings held in FY 2020-21 is given below:

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

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

©: Chairman

Terms of Reference:

- Review the Company's risk exposures, risk appetite and tolerance limit
- Identify and review the critical risk exposures of the Company and assess management actions to mitigate the exposures in a timely manner
- Review the risk management processes and practices of the Company and ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities
- Review the overall risk management framework annually with respect to risk assessment and management and ensure proper systems of control are in place for risk management
- Review and assess the effectiveness of the company-wide risk assessment processes and the risk policy
- Coordinate with the Audit Committee and understand how the company's internal audit plan is aligned with the risks that have been identified
- Review key risks including strategic, financial, operational, cyber security and other risks and the respective mitigation strategies
- Perform such functions as may be delegated by the Board and/or are prescribed under Companies Act, 2013, SEBI Listing Regulations, 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. The Committee in addition to reviewing the update on the status of the key enterprise risks, also conducts a detailed review into each such risk at its quarterly meetings. The Audit Committee has additional oversight in the area of financial risks and controls.

During the Financial Year, four meetings of the Committee were held i.e. on 11th May, 2020; 21st July, 2020; 21st October , 2020 and 20st January, 2021.

STAKEHOLDERS RELATIONSHIP COMMITTEE

On July 23, 2014, the Board constituted the Stakeholders Relationship Committee in accordance with Section 178 (5) of the Companies Act, 2013 and SEBI Listing Regulations. The Stakeholders Relationship Committee comprises two Independent directors and one Executive Director as of 31st March, 2021 namely Sharmila Abhay Karve, Independent Director as the Chairperson, Paul Blackburn, Independent Director and Jonathan Hunt, executive director as members.

The attendance of members at the Stakeholders Relationship Committee meetings held in FY 2020-21 is given below:

Name	Category	No. of meetings which the member was entitled to attend	Meeting attended
Sharmila A Karve©	ID	4	4
Jonathan Hunt	Executive Director	4	4
Paul Blackburn	ID	4	4

ID: Independent Director
©: Chairperson

Terms of Reference

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

- Address all grievances pertaining to equity shareholders / any other security holders.
- 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.
- Deal with all matters relating to the transfer, transmission of shares and other associated matters. However, the Company Secretary is authorised to approve the transfer and transmission up to two thousand equity shares.
- Deal with all matters relating to the issuance of 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.
- Maintain and promote the corporate image of the Company among stakeholders including potential stakeholders.
- Review movement in key shareholdings and ownership structure
- Review expectations and concerns of shareholders and analysts about the Company emerging during face-to-face

interactions, analyst briefings or surveys of shareholders. The Committee also reviews the engagement with, or reports made, on the Company by external stakeholders including credit rating agencies, Environment, Social and Governance rating agencies and ensures that the views of the stakeholders are brought to the attention of 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 the SEBI Circular dated April 20, 2018 together with the audit observations and report of action taken

- Perform other functions as may be required under the relevant provisions of the Companies Act, 2013, the Rules made there under, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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;

During the Financial Year, four meetings of the Committee were held i.e. on 11th May, 2020; 21nd July, 2020; 21st October, 2020 and 20th January, 2021.

Sharmila Karve, Chairperson of the Stakeholders Relationship Committee as on the date of last AGM held on 22nd July, 2020, was present. There were no shareholder complaints received during the financial year ended 31st March, 2021. The Company/RTA, however received 61 requests regarding copies of Annual Report, renewal of IPO Refund Order, renewal of the dividend warrant, amongst others. All the requests were closed within the stipulated time.

Compliance Officer

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

Role of Company Secretary

The Company Secretary plays a crucial role in ensuring that effective Board procedures are followed and reviewed periodically. She is responsible for ensuring compliance with all the provisions of the Companies Act. These include 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 management team for effective decision making at the respective meetings. She also assists and advises the Board in following good corporate governance practices. By virtue of her role as the Compliance Officer she also oversees the Compliance Management System in the Company. During the year, a digitised comprehensive compliance management framework has been deployed across various jurisdictions, divisions, and functional areas that facilitates management of compliance obligations with applicable laws and regulations including any changes thereto. Periodic statutory and regulatory compliance certification is provided to the Board, which has helped embed the culture of self-governance and compliance across the organization.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In terms of Section 135 of the Companies Act, 2013, the Board, on 23rd October, 2013, constituted a Corporate Social Responsibility (CSR) Committee. The CSR Committee comprises two Independent Directors and one non-executive Director as of 31st March, 2021 namely Prof. Catherine Rosenberg, non-executive Director, as Chairperson and Dr Vijay Kuchroo, independent director, and Vinita Bali, independent director, as members.

The attendance of the members at the meetings of the CSR Committee during the FY 2020-21 are given below:

Name	Category	No. of meetings which the member was entitled to attend	Meeting attended
Dr Bala S. Manian ©1	ID	1	1
Professor Catherine Rosenberg ©2	NED	3	3
Vinita Bali	ID	3	3
Dr Vijay Kuchroo	ID	3	3

©: Chairperson

ID: Independent Director, NED: Non-Executive Director

1. *Chairperson Upto July 15, 2020*
2. *Chairperson w.e.f. July 16, 2020*

Terms of reference:

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

  (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;

  (b) the manner of execution of such projects or programmes as specified in rule 4(1) of the CSR Rules;

  (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;

  (d) monitoring and reporting mechanism for the projects or programmes; and

  (e) details of need and impact assessment, if any, for the projects undertaken by the company:

- Recommend to the Board alteration, if any, to the annual action plan at any time during the financial year based on reasonable justification

Syngene believes and acknowledges its responsibility towards the environment, its consumers, employees and other stakeholders. The CSR initiatives of Syngene are based on the principle of making an enduring impact on the society through programmes that promote social and economic inclusion. The Company's contributions and initiatives towards social welfare, promoting education in the fields of science and medicine, and environment sustainability have been integral to its business. CSR has been a commitment and business behaviour at the Company. The Company has been making concerted efforts to protect and improve the welfare of society as it demonstrates sustainable practices.

In view of the ongoing pandemic, the Company recognises its responsibility towards the stakeholders and has directly undertaken Covid testing(RT-PCR tests) and Vaccination as part of its CSR activities to support the government's Covid testing and Vaccination capacity.

The other CSR activities supported by the Company 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, three meetings of the Committee were held i.e. on 11th May, 2020, 21st July, 2020 and 20th January, 2021. The CSR Report as required under the Companies Act, 2013 for the year ended 31st March, 2021 is annexed as Annexure 8 to the Board's Report.

NOMINATION AND REMUNERATION COMMITTEE

On April 23, 2014, the Board constituted the Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations, 2015.

The Nomination and Remuneration Committee comprises three Independent Directors and one Non-Executive Director as on 31st March, 2021 namely Vinita Bali, Independent Director as the Chairperson and Dr Vijay Kuchroo, Dr Carl Decicco, Independent Directors and Prof. Catherine Rosenberg, Non-Executive Director as members.

The attendance of the members at the meetings of the Nomination and Remuneration Committee during FY 2020-21 are given below:

Name	Category	No. of meetings which the member was entitled to attend	Meeting attended
Dr Bala S. Manian ©1	ID	1	1
Vinita Bali ©2	ID	4	4
Professor Catherine Rosenberg	NED	4	4
Dr Carl Peter Decicco	ID	4	3
Dr Vijay Kuchroo	ID	4	4

ID: Independent Director
NED: Non-Executive Director
©: Chairperson
1. *Chairperson Upto July 15, 2020*
2. *Chairperson w.e.f. July 16, 2020*

Terms of Reference:

- Review the Board structure, size and composition and make recommendations to the Board where necessary
- Identify persons who are qualified to become Directors, or who may be appointed to the management team, in accordance with the criteria laid down and recommend to the Board their appointment and removal
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director
- Review the Board and management succession plans and leadership development plan to maintain an appropriate balance of skill, experience and expertise on the Board and in the management team
- Evaluate the balance of skills, knowledge and experience on the Board and prepare a description and specification of the role and capabilities required for a particular appointment or re-appointment
- Identify and nominate candidates for the approval of the Board for any new appointments whether of Executive or Non-Executive Directors. The Committee may use an external search consultancy and/or any other means to assist in such a recruitment process
- Recommend to the Board, suitable candidates for the role of an independent Director
- Review and provide to the Board a recommendation, as appropriate, on any extension of non-executive Director's terms of appointment on expiry
- Recommend to the Board the appointment and removal of a Director, key managerial personnel or management
- Evaluate the performance of the Board members, key managerial personnel and management in the context of Company's performance, industry benchmark and to meet the compliance requirement
- Review and approve the compensation strategy from time to time in the context of the prevailing global market conditions, in accordance with the applicable laws
- Recommend to the Board a policy relating to the remuneration of the Directors, key managerial personnel and other employees
- Analyze, monitor and review human resource and compensation matters
- Recommend to the Board, all remuneration, in whatever form, payable to the management and Directors;
- Specify the manner of effective evaluation of performance of the Board, its Committees and Individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliances

- Formulation of criteria for evaluation of 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 periodically
- Uphold a policy on the diversity of Board of Directors
- Determine whether to extend the term of appointment of the independent Director based on a report of performance evaluation of Independent Directors
- Perform such necessary functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Share-based employee benefits) Regulations, 2014;
- 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.

The Committee also works with the Board on the leadership succession plan and prepares contingency plans for succession in case of any unexpected circumstances.

During the financial year, four meetings of the Committee were held i.e. on 11th May, 2020; 21st July, 2020; 21st October, 2020 and 20th January, 2021.

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
- Ensure the relationship of remuneration with the employee's performance is clear and meets performance benchmarks
- Ensure remuneration of Directors/management/key managerial personnel involves a balance between fixed pay, variable pay and stock options reflecting short and long-term objectives designed 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

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 a potential conflict with the organization's interests.

Criteria for making payments to Non-Executive Directors

The roles of Non-Executive and Independent Directors are not just restricted to corporate governance or outlook of the Company, they also bring with them professional expertise and rich experience across a wide spectrum of functional areas in the fields of corporate strategy, life sciences, healthcare, research, finance and risk management, technology, manufacturing, commercial, governance, and other corporate functions. 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 were 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.

Sl. No	Particulars	Amount in USD
1	Chairperson fee – Board Meeting	10,000
2	Board meeting fee	5,000
3	Chairperson fee – Audit committee	4,000
4	Member fee – Audit committee	2,000
5	Chairperson fee – NRC and CSR committee each	2,000
6	Member fee – NRC and CSR committee each	1,000

In addition, Directors based outside India are eligible for a travel allowance of USD 4,000 for travel from the United States and USD 3,000 for travel from any other country to attend Board meetings. The Directors are entitled to reimbursement of all expenses for participation in the Board and Committee meetings. As the directors participated in the Board and Committee meetings through video conference this year, no travel allowances were paid. All the Non-Executive Directors are paid a consolidated sitting fee of Rs 1 Lac for attending Board and Committee meetings on each occasion. The Directors are also entitled for a commission of USD 2000 each for attending the Strategy meeting of the Board as well as the Annual General Meeting of the Company.

Compensation to Executive Director

Jonathan Hunt held the position of Managing Director and CEO as of 31st March, 2021. All other directors were Non-Executive. Jonathan Hunt was appointed as the Managing Director and Chief Executive Officer of the Company effective April 1, 2020 for a period of five years, with remuneration approved by the shareholders at the 27th Annual General Meeting. As the Managing Director & CEO, his remuneration is subject to the maximum limit as prescribed under Section 197 of the Companies Act, 2013 i.e. not exceeding 5% of the company's net profit. The remuneration includes annual base pay subject to a performance-linked increment, variable pay linked to Company's performance, long-term incentives, including stock options and restricted stock units, and perquisites, as well as other allowances as per the Company's policy and as approved by the Board. Any annual pay, variable pay or incentives payable to Jonathan Hunt are determined by his performance on financial and non-financial parameters approved by the Board based on the recommendation from the Nomination and Remuneration Committee.

During the financial year, 614,628 Restricted Stock Units(RSU) were granted to Jonathan Hunt at an exercise price of Rs 10 per RSU under the Syngene International Limited Restricted Stock Unit (RSU) Long Term Incentive Plan – FY 2020. The actual number of RSUs to be vested during the vesting schedule from August 1, 2021 up to August 1, 2024 would be up to 25% of the grant value each year subject to fulfilment of the key parameters including growth in revenue and profits, delivering key business initiatives, shareholder value creation and such other criteria as may be determined by the Nomination and Remuneration Committee. The RSUs to be vested may be exercised within July 31, 2027.

The details of remuneration and sitting fees paid or provided to all the Directors during the year ended 31st March, 2021 are as under:

(Rs in Mn)

Name of the Director	Salary & Perquisites			Others		Total
	Fixed Pay + Bonus	Perquisites**	Retiral Benefits*	Commission	Sitting Fees	
Kiran Mazumdar Shaw	-	-	-	3.25	0.40	**3.65**
Jonathan Hunt	65.17		-	-	-	**65.17**
Professor Catherine Rosenberg	-	-	-	2.50	0.40	**2.90**
John Shaw	-	-	-	1.41	0.30	**1.71**
Vinita Bali	-	-	-	3.17	0.50	**3.67**
Dr Carl Decicco	-	-	-	1.48	0.30	**1.78**
Paul F Blackburn	-	-	-	2.95	0.50	**3.45**
Sharmila Abhay Karve	-	-	-	2.36	0.50	**2.86**
Dr Vijay Kuchroo	-	-	-	2.29	0.40	**2.69**

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.*

***Perquisites valued as per Income Tax Act, 1961.*

During the year, 614,628 Restricted Stock Units under Syngene International Limited Restricted Stock Unit (RSU) Long Term Incentive Plan – FY 2020 were granted to Jonathan Hunt, MD&CEO during the financial year. The RSUs will vest over a period of 4 years subject to performance evaluation and other key parameters, as applicable and exercisable as per the Plan.

Service contracts, notice period and severance fees

As on 31st March, 2021, the Board comprised nine members, including one Executive Director and eight Non-Executive Directors, of which five are Independent Directors. As an employee Jonathan Hunt is eligible for severance fees equivalent to three months' notice, as laid out in his terms of employment. Other Directors are not subject to any notice period and severance fees.

GENERAL BODY MEETINGS

Location, dates and time of the last three AGMs

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

Sl. No	Financial Year	Date and Time	Location	Special Resolution Passed
1	2017-18	25th July, 2018 2:30 PM	Tyler Jacks Auditorium, Biocon Park SEZ, Bommasandra Industrial Area, Phase IV, Jigani Link Road, Bengaluru, 560 099	Re-appointment of Suresh Talwar as an Independent Director for a period of five years, i.e. till the conclusion of 30th AGM
2	2018-19	24th July, 2019 4:30 P.M.	Tyler Jacks Auditorium, Biocon Park SEZ, Bommasandra Industrial Area, Phase IV, Jigani Link Road, Bengaluru, 560 099	1. To re-appoint Paul Blackburn (DIN:06958360) as an Independent Director of the Company. 2. To approve Syngene Restricted Stock Unit Long Term Incentive Plan FY 2020 and grant of Restricted Stock Units to eligible employees of the Company. 3. To approve grant of Restricted Stock Units to the employees of present and future subsidiary company (ies) under Syngene Restricted Stock Unit Long Term Incentive Plan FY 2020. 4. To approve the provision of money by the Company for purchase of its own shares by the Syngene Employees Welfare Trust for the benefit of employees under Syngene Restricted Stock Unit Long Term Incentive Plan FY 2020.
3	2019-20	22nd July, 2020 4:00 P.M.	Held through video conference ("VC")/ other audio-visual means ("OAVM") deemed to be held at Biocon campus, 20th K.M. Hosur road, Hebbagodi Bengaluru, 561229	1. To re-appoint Dr Vijay Kumar Kuchroo (DIN: 07071727) as an Independent Director of the Company for a second term of five years. 2. To re-appoint Vinita Bali (DIN: 00032940) as an Independent Director of the Company for a second term of five years.

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

During the financial year, the Company sought the approval of shareholders through postal ballot to amend the Syngene Restricted Stock Unit long term incentive plan FY 2020. 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 (ACS 16617; CP 17024), as the scrutinizer to ensure that the postal ballot process was conducted in a fair and transparent manner. The details of the postal ballot are as follows:

Name of the Resolution	Type of Resolution	No. of Votes Polled	Votes cast in favour		Votes cast against	
			No. of Votes	%	No. of votes	%
To approve amendments to the Syngene Restricted Stock Unit long term incentive plan FY 2020	Special Resolution	360,639,469	352,335,175	90.16	8,304,294	2.30

Date of Postal Ballot Notice: 21st July, 2020

Voting Period: 1st August, 2020 to 30th August, 2020

Date of Approval: 30th August, 2020

Date of Declaration of Result: 31st August, 2020

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. They are also displayed on Company's website www.syngeneintl.com

II. News releases

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

III. Presentations to institutional investors or analysts

Presentations are made to institutional investors and financial analysts on the quarterly financial results of the Company. These presentations are published on the Company's website www.syngeneintl.com and are sent to Stock Exchanges. The schedule of meetings with institutional investors and financial analysts are notified in advance to the Stock Exchanges and disclosed on Company's website.

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 financials pertaining to the subsidiary company, stock exchange disclosures and additional information such as the shareholding pattern, corporate governance report, press releases, Notice of the Board and General Meetings, details of Registrar and Share Transfer Agents, details of unclaimed dividend and IEPF-related information. The Company's Annual Report along with supporting documents is also available on the website in a user-friendly and downloadable form.

IV. NSE electronic application processing system (NEAPS) and BSE listing centre

NEAPS and BSE listing centre are web-based applications designed by NSE and BSE respectively for companies to facilitate smooth filing of information with the stock exchanges. All periodical compliance filings like shareholding pattern, corporate governance report, media releases are electronically filed on NEAPS and BSE Listing Centre.

V. SEBI complaints redress system ("SCORES")

Investor complaints are processed through a centralized web-based complaints redressal system. Centralised database of all complaints received, online upload of the Action Taken Reports (ATRs) by the Company, online viewing by investors of actions taken on the complaint 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 21, 2021
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, 561229
Financial year	1st day of April to 31st day of March in the next calendar year
Date of Book Closure / Record Date / Cut off	14th July, 2021
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 2021-22 (tentative dates)	
For the quarter ending June 2021	July 20, 2021
For the quarter ending September 2021	October 20, 2021
For the quarter ending December 2021	January 19, 2022
For the quarter ending March 2022	April 27, 2022

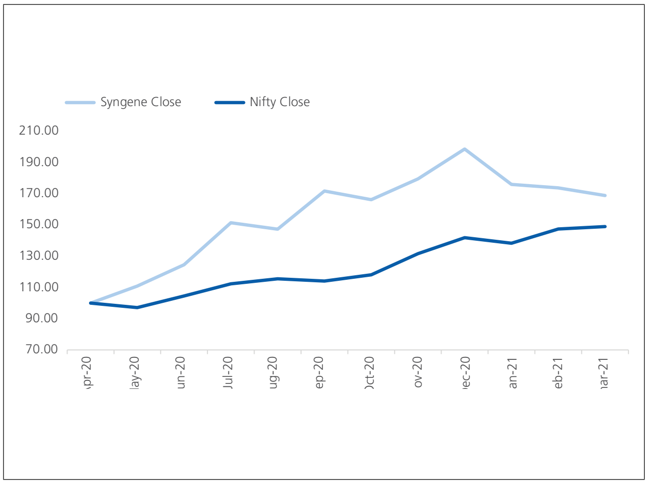
Market price data for FY 2020-21

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, 2020 to 31st March, 2021 is given below:

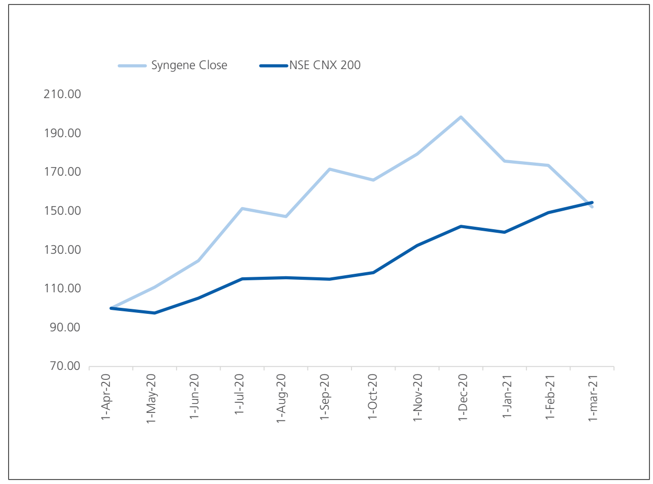
Months	NSE			BSE		
	High Price (Rs)	Low Price (Rs)	Volume of Equity Shares	High Price (Rs)	Low Price (Rs)	Volume of Equity Shares
Apr/20	332.95	233.35	7,405,740	332.95	230.00	284,646
May/20	382.00	308.95	8,446,967	381.80	310.00	312,144
Jun/20	424.00	346.40	10,055,028	423.00	349.85	514,175
Jul/20	492.00	401.70	20,904,378	491.50	402.00	736,310
Aug/20	512.95	457.30	14,352,737	522.00	455.00	642,312
Sep/20	596.70	443.00	32,663,115	596.85	425.00	1,736,391
Oct/20	579.50	514.30	15,047,456	580.80	514.10	974,364
Nov/20	587.80	522.00	9,820,111	586.95	522.35	523,594
Dec/20	644.55	555.15	16,382,806	644.65	555.00	1,057,517
Jan/21	639.90	563.70	9,694,339	642.00	563.80	802,271
Feb/21	603.75	552.60	7,662,979	603.40	551.00	668,261
Mar/21	569.00	490.50	10,360,220	569.10	490.35	1,294,416

Relative share price movement chart

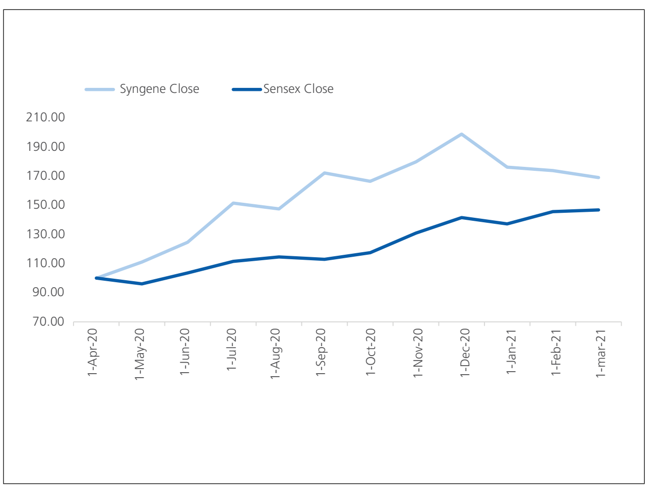
Syngene and S & P Nifty share price movement from 1st April, 2020 to 31st March, 2021



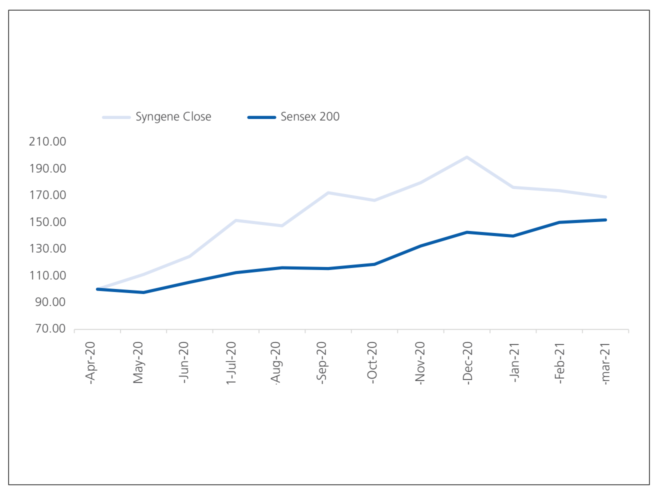
Syngene and S & P CNX 200 share price movement from 1st April, 2020 to 31st March, 2021



Syngene and BSE Sensex share price movement from April 1, 2020 to 31st March, 2021



Syngene and BSE S & P 200 share price movement from April 1, 2020 to 31st March, 2021



As on 31st March, 2021 the securities of the Company are not suspended from trading.

Registrar to an issue and share transfer agents

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

KFin Technologies Private 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 436 shares that were in physical form as on 31st March, 2021. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition and relodged transfers of securities. Further, SEBI vide its circular no. EBI/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. The Stakeholders Relationship Committee approves the cases for transmission or transposition of shares in the physical form, if any are received according to the time limits and procedure specified in Regulation 40 of SEBI Listing Regulations, 2015. There are no shares in the dematerialised suspense account and unclaimed suspense account as on 31st March, 2021.

Distribution of shareholding by number of shares:

Sl. No	Category	Number of Shares	% to paid up Capital
1	Promoters	282,320,601	70.58
2	Foreign Institutional Investors	56,993,816	14.25
3	NRI & Foreign Nationals	2,044,494	0.51
4	Mutual Funds, Banks, FIs	16,075,721	4.02
5	Directors	100,000	0.03
6	Body Corporates	2,268,488	0.57
7	Indian Public & Others	37,353,680	9.34
8	Non-Promoter Non-Public	2,843,200	0.71
	TOTAL	**400,000,000**	**100.00**

List of shareholders holding more than 1% of the paid-up share capital as on 31st March, 2021

Sl. No.	Name	Shareholding	% to paid up Capital
1	Biocon Limited	280,974,772	70.24
2	UTI-Unit Linked Insurance Plan	4,321,451	1.08
	Total	**285,296,223**	**71.32**

Distribution of shareholding by number of shares as on 31st March, 2021

Sl. No	Category	No of shareholders	Total shares	% to shareholders	% to Paid up share capital
1	up to 1 - 5,000	107,092	104,566,740	90.03	2.61
2	5001 - 10,000	6,415	46,160,380	5.39	1.15
3	10001 - 20,000	3,077	43,105,190	2.59	1.08
4	20,001 - 30,000	769	19,237,350	0.65	0.48
5	30,001 - 40,000	341	12,161,400	0.29	0.30
6	40,001 - 50,000	237	10,902,500	0.20	0.27
7	50,001 - 100,000	447	32,416,750	0.38	0.81
8	100,001 & Above	573	3,731,449,690	0.48	93.29
	Total	**118,951**	**4,000,000,000**	**100.00**	**100.00**

Dematerialisation of shares and liquidity

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

Other outstanding instruments

There are no outstanding GDR/ADR/warrants or any convertible instruments as on 31st March, 2021.

Commodity price risk or foreign exchange risk and hedging activities

The Company has a foreign exchange risk management policy. Accordingly, during the financial year, the Company has managed the foreign exchange risk and hedged to the extent considered necessary. The details of foreign currency exposure and hedging are disclosed in notes to the financial statements.

Statement showing un-claimed dividend/IPO refund as of 31st March, 2021

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, dividends which remain unpaid or unclaimed for a period of seven years from the date of its transfer to the unpaid dividend account, is required 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 Companies Act, 2013. The Company has sent the reminder letters to all stakeholders to claim the below mentioned unclaimed amount. The unclaimed dividend/IPO refund amounts, along with their due dates for transfer to IEPF, are mentioned below:

Sl. No.	Year	Nature	Dividend amount per share (in Rs)	Amount of unclaimed dividend/IPO refund as at 31st March, 2021 (in Rs)	Due date for transfer of unclaimed dividend amount to IEPF (IEPF rule 3(1))
1	2015-16	IPO refund	NA	10,93,800	August 5, 2022
2	2015-16	Interim Dividend	1.00	59,685	April 16, 2023
3	2016-17	Final Dividend	1.00	53,573	September 1, 2024
4	2017-18	Final Dividend	1.00	55,865	September 28, 2025
5	2018-19	Final Dividend	0.50	42,022	August 29, 2026

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

Financial Disclosure Sibaji Biswas Chief Financial Officer Tel: 91 80 – 6891 9807 E-mail id: sibaji.biswas@syngeneintl.com	**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
Media Sandeep Nair Corporate Communications Tel: 91 80 - 6891 8775 E-mail id: sandeep.nair@syngeneintl.com	**Investor Relations (Investors & Research Analysts)** Krishnan G Investor Relations Tel: 91 80 – 6891 9807 E-mail id: Krishnan.G@syngeneintl.com
Regd. Office Address Syngene International Limited Biocon Park SEZ, Bommasandra Industrial Area, Phase IV, Jigani Link Road, Bangalore 560 099 Tel: 91 80 – 6891 5000 E-mail id: investor@syngeneintl.com	**Registrar and Share Transfer Agents** KFin Technologies Private Limited (Unit: Syngene International Limited), Plot 31-32, Selenium, Tower B, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Tel: 91 040 – 6716 1518 E-mail id: einward.ris@kfintech.com

CREDIT RATING

CRISIL has upgraded its 'ÇRISIL AA/Positive' rating to 'ÇRISIL AA+/Stable' rating on the banking facilities availed by Syngene from various banking/financial institutions. The rating on the short-term facilities was reaffirmed at 'ÇRISIL A1+'. Additionally, ICRA upgraded its rating to 'ICRA AA+ /stable' outlook from 'ICRA AA/positive' outlook on the long-term rating. The rating on the short-term facilities was reaffirmed at 'ICRA A1+'.

OTHER DISCLOSURES

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

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

All transactions involving 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. They did not attract provisions of Section 188 of the Companies Act, 2013, relating to approval of shareholders. However, prior approval from the Audit Committee was obtained for transactions which were repetitive and in the normal course of business. Reports on the transactions entered into are 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. 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 whistleblower/vigil mechanism and affirmation that no personnel have been denied access to the Audit Committee

The Company's whistleblower policy allows employees, directors and other stakeholders to report genuine grievances, corruption, fraud, misconduct, misappropriation of assets, non-compliance with the code of conduct of the Company or any other unethical practices. The policy provides adequate safeguard against victimization to the whistleblower and enables them to raise concerns to the Integrity Committee and also provides an option of direct access to the Chairperson of the Audit Committee. The Company has also mandated an online training on the Business Ethics and Code of Conduct as well as the whistleblower policy for all employees to increase the awareness of the policy and the reporting mechanism. The Company has published the e-mail ID to send e-mails directly to the Audit Committee Chairman in the whistleblower policy. Syngene has engaged "Navex Global" to provide an online platform to raise complaints by whistleblowers. During the year, none of the employees has 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/

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. 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 31st March, 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, 31st March, 2021. These financial statements were authorised for issuance by the Board on 27th April, 2021.

VII. Policy for determining material subsidiary

The Company has no material subsidiary.

VIII. Policy for determining Related Party transactions

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

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

The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) during the FY 2020-21.

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

BSR & Co. LLP (BSR) are the Statutory Auditors of the Company. BSR also audits the financial statements of Syngene USA Inc., a wholly owned subsidiary of the Company. The details of payment made to BSR on a consolidated basis are available in note 25 to the consolidated financial statements.

XI. Disclosures in relation to Sexual Harassment of women in the workplace (Prevention, Prohibition and Redressal) Act, 2013

Sl. No.	Particulars	Number of complaints
1	Number of complaints filed during the financial year	1
2	Number of complaints disposed of during the financial year	1
3	Number of complaints pending as at the end of the financial year	Nil

XII. CEO and CFO certification

As required under Regulation 17(8) of the SEBI Listing Regulations, 2015, the CEO and CFO have jointly provided annual certification on financial reporting and internal controls to the Board of Directors of the Company. The 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.

XIII. Certificate from Company Secretary in practice

As required under the SEBI Listing (Amendment) Regulations, 2018, Schedule V Part C (10) (i), the certificate from a Company Secretary in practice that none of the directors on the Board of the company have been debarred or disqualified from being appointed, or to continue as, directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. This document is annexed to the report as Annexure 1 to this Report.

XIV. 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. 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 management have affirmed compliance to the Code as on 31st March, 2021.

XVI. 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 31st March, 2021.

For Syngene International Limited

Date: 27th April, 2021
Place: Bangalore

Kiran Mazumdar Shaw
Non-Executive Chairperson
DIN: 00347229

Annexure 1

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 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.	Mr. John McCallum Marshall Shaw	00347250	24/03/2000
3.	Ms. Vinita Bali	00032940	31/07/2017
4.	Ms. Sharmila Abhay Karve	05018751	01/08/2019
5.	Ms. Catherine Patricia Rosenberg	06422834	08/08/2000
6.	Mr. Paul Fredrick Blackburn	06958360	26/08/2014
7.	Mr. Vijay Kumar Kuchroo	07071727	01/03/2017
8.	Mr. Jonathan Brittan Hunt	07774619	01/05/2017
9.	Mr. Carl Peter Decicco	08576667	01/10/2019

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

For **V Sreedharan and Associates**
(Devika Sathyanarayana)
Partner
ACS: 16617; CP No.17024
UDIN: A016617C000136715

Place: Bengaluru
Date: 20th April, 2021

Business Responsibility Report for FY 2020-21

Syngene International Limited ("Syngene") offers customised end-to-end solutions to fulfil the R&D and manufacturing requirements of clients, underpinned by an established safety framework, track record of quality and compliance, robust supply chain and skilled scientists. Syngene also takes pride in its commitments to protecting the environment, delivering on its social responsibilities and good governance. The Company has always believed in the power of partnerships to unlock long-term value for its stakeholders, in a responsible manner. The Business Responsibility Report ("BRR") illustrates the Company's efforts towards creation of value, in an accountable manner, for all its stakeholders. This report covers information on Syngene's operations, aligned with National Voluntary Guidelines ("NVGs") on social, environmental and economic responsibilities of business released by the Ministry of Corporate Affairs and is in accordance with Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The nine guiding principles of the BRR cover all aspects which are of significance to business operations and the environment-friendly practices undertaken by the organization.

Section A: General Information about the Company

1.	Corporate Identity Number:	L85110KA1993PLC014937
2.	Name of the Company:	Syngene International Limited
3.	Registered address:	Biocon SEZ, Biocon Park, Bommasandra Industrial Area, Phase IV, Jigani Link Road, Bangalore – 560 099
4.	Website:	www.syngeneintl.com
5.	Email-id:	investor@syngeneintl.com
6.	Financial year reported:	1st April, 2020 to 31st March, 2021
7.	Sector(s) that the Company is engaged in (Industrial activity code-wise):	Scientific Research & Development (NIC code 72)
8.	Three key products/services that the Company manufactures/provides (as in B/s):	• Discovery Services • Development Services • Dedicate Centres and Manufacturing.
9.	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations	Nil
	(b) Number of National Locations	Six operational units (Four in Bangalore, one in Mangalore and one in Hyderabad)
10.	Markets served by the Company	Syngene provides its services to a global clientele spread across 35+ countries.

Section B: Financial Details of the Company:

Sl. No.	Particulars	Details as on 31st March, 2021
1	Paid up capital	Rs 4,000 Mn
2	Total turnover (Revenue from operations)	Rs 21,794 Mn
3	Total profit after tax	Rs 4,037 Mn
4	Total spending on Corporate Social Responsibility (CSR) by the Company	Rs 65.61 Mn. Rs 20.87 Mn, part of an ongoing project, will be transferred to a separate Unspent CSR account before 30th April, 2021, which will be utilised for the COVID testing and vaccination activities during the next financial year. Refer Annexure 8 of the Board Report.
5	List of activities in which expenditure in 4 above has been incurred.	Please refer Annexure 8 of the Board Report.

Section C: Other Details

Sl. No.	Particulars	
1	Does the Company have any subsidiary Company/ Companies?	Yes, the Company has one subsidiary company: Syngene USA, Inc.
2	Do the subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary. company(s)	No
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Other entities do not directly participate in the Business Responsibility ("BR") initiatives of the Company.

Section D: BR Information

1. Details of Director/Directors responsible for BR:

a)	Details of the Directors responsible for implementation of the BR policy:	DIN:07774619 Name: Jonathan Hunt Designation: Managing Director & Chief Executive officer
b)	Details of the BR Head:	Jonathan Hunt, Managing Director & Chief Executive officer (DIN:07774619), along with the Executive Committee, oversees the implementation of business responsibility initiatives. The Company currently does not have a separate BR Head to lead this function. (Tel No: 080 6891 5000; email id: investor@syngeneintl.com)

Principles covered under the Business Responsibility Report

Sl. No.	Description	Reference of Syngene Policies
1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	Code of ethics and business conduct, Integrity and whistle blower policy, Anti-bribery and anti-corruption policy, Supplier code of conduct
2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	Environment, Health, Safety and Sustainability ("EHSS") policy, Quality policy and Sustainable procurement policy and Procurement SOP
3	Businesses should promote the well-being of all employees	HR Policies including Employment policy and Prevention of Sexual Harassment policy
4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised	Corporate Social Responsibility Policy
5	Businesses should respect and promote human rights	Code of ethics and business conduct, HR policies, Supplier code of conduct, Sustainable procurement policy
6	Business should respect, protect and make efforts to restore the environment	Environment, Health, Safety and Sustainability ("EHSS") policy, Sustainable procurement policy.
7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	_
8	Businesses should support inclusive growth and equitable development	Corporate Social Responsibility Policy
9	Businesses should engage with and provide value to their customers and consumers in a responsible manner	IT policies, Quality policy and Data integrity policy

1. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N):

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7*	P8	P9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	N	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	N	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ Owner/ CEO/ appropriate Board Director	Y	Y	Y	Y	Y	Y	N	Y	Y
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Jonathan Hunt, Managing Director & Chief Executive officer, along with the Executive Committee is authorised to oversee policy implementation.								
6	Indicate the link for the policy to be viewed online? (** refer note)	Y	Y	Y	Y	Y	Y	N	Y	Y
7	Has the policy been formally communicated to all relevant internal and external stakeholders? (** refer note)	Y	Y	Y	Y	Y	Y	N	Y	Y
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	N	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	N	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	N	Y	Y	N	N	Y

Note: ** Syngene, through regular engagement with specific external stakeholders, regulatory authorities and industrial associations, plays an active role in influencing public policies.*

*** All the Company policies are available on intranet for internal stakeholders. However, wherever external stakeholders are involved, relevant policies are also available on the Company's website at https://www.syngeneintl.com/investors/corporate-governance/governance-reports-policies/*

1. Governance related to Business Responsibility:

The governance related to Business Responsibility is reviewed periodically by the Executive Committee. The Company has published its Report on its website www.syngeneintl.com

Section E: Principle wise performance

Principle 1 – Business should conduct and govern themselves with Ethics, Transparency and Accountability

P. No.	Description	Response
1.1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs / Others?	Syngene is committed to conducting its business with the highest standards of business ethics. It has adopted the Code of Ethics and Business Conduct, which is applicable to all employees (including contractual employees and Directors in employment) of the Company, its subsidiaries and controlled affiliates to ensure they conduct business in an ethical, responsible and transparent manner. This code is intended to provide guidance and help in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability. The Company also has in place a separate Anti-Bribery and Anti- Corruption Policy reinforcing the Company's responsibilities, and the responsibilities of those working for, or with, the Company in observing and upholding the Company's position on bribery and corruption. The Supplier Code of Conduct extends to all suppliers, vendors and service providers and sets out guidelines on inter-alia ethics, labour and human rights, anti-bribery and anti-corruption.

P. No.	Description	Response
1.2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	The Company's Whistle Blower policy allows employees, contractors, contractor's employees, clients, vendors, exchange students, internal or external auditors, directors or other third parties to report genuine grievances, instances of corruption, fraud, misconduct, misappropriation of assets, and noncompliance of code of conduct of the Company or any other unethical practices. The policy provides adequate safeguard against victimisation of the Whistle Blowers and enables them to raise concerns to the Integrity Committee. It also provides an option of direct access to the Chairperson of the Audit Committee. Syngene has engaged "Navex Global Inc" to provide an online platform to raise complaints. For details pertaining to shareholders complaints, refer to the 'Shareholders Complaints' section in the Corporate Governance report of the Annual Report. For other grievances, refer to principle 3.7 of this report. The Company did not receive any external stakeholder complaints during the last financial year. For details of customer complaints refer to principle 9.1.

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their Life Cycle

P. No.	Description	Response
2.1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	Syngene offers a range of integrated services across the drug discovery and development value chain. Due to the integrated nature of the Company's services, it is not possible to define the concerns, risks and opportunities for each service individually. However, it considers EHSS as a top priority in all its processes and is committed to delivering business results while minimising its environmental footprint.
2.2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):	The performance indicators are different in each of the Company's operational units, most common being the laboratory footprint and equipment occupancy. The Company has set standards to monitor and control the consumption of resources at various stages of its operations. During the year, the consumption of electricity and water has increased owing to the addition of new facilities. Per unit processed, water and steam consumption has been drastically reduced with different initiatives and new technology adoption. The consumption details are shown in the table below:
	(a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?	**Equipment Occupancy**

Particulars	FY 2019-20	FY 2020-21
Electrical Units/KL of reactor occupancy	569 Units /KL/Month of reactor occupancy	629 Units /KL/Month of reactor occupancy

	(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	**Rest all Laboratory and Plants footprint:** **Particulars** | **FY 2019-20** | **FY 2020-21** Electrical Units Consumed | 41.58 Units/sq. ft. | 34.08 Units/sq. ft. Water | Raw Water: 0.030 KL /Sq. ft. Processed Water: 0.048 KL/sq. ft. | Raw Water: 0.031 KL /sq. ft. Processed Water: 0.039 KL/sq. ft. Steam | 0.009 Ton /sq. ft. | 0.007 Ton/sq.ft We offer services to clients who, in turn, serve consumers. Hence, there are no established monitoring mechanisms to ascertain reduction in energy and water usage by consumers.
2.3	Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs were sourced sustainably? Also, provide details thereof, in about 50 words or so.	Syngene has in place a Sustainable procurement policy and a comprehensive sourcing procedure. In accordance with its commitment to operational excellence, the Company also expects its suppliers to aspire to the same standards in their business operations, including the quality of products and operations, environmental practices, business ethics, labour and human rights and community development. The Supplier code of conduct is part of the purchase order terms and conditions. Various procurement and commercial policies define the parameters based on which vendors are evaluated and selected for supplying goods and services. Periodic vendor audits are conducted to ensure compliance with the Company's sourcing policies.
2.4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	As part of the Company's community development philosophy, it procures services such as catering, employee transportation services, housekeeping, landscaping and others. These services are outsourced to local vendors in the vicinity of its operations with the objective of developing them as well as supporting economic growth.
2.5	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	Syngene is accredited with ISO 14001: 2015 and ISO 45001: 2018 certification from TUV Nord. It has successfully implemented measures aimed at optimising, recycling, recovering and reusing resources and is working towards achieving zero liquid discharge at its plant site. The waste generated in its research laboratories and manufacturing facilities is transferred to its tertiary effluent treatment plant and the treated water is recycled for use in utilities and landscaping as per prescribed norms. During the year, Paritrana, a dedicated 4,000 sq. ft waste yard, was inaugurated. The yard manages non-hazardous waste, hazardous waste, and biomedical waste generated from our operations. The Company has also put in place systems and processes to actively recover solvents used in the manufacturing process and reuse them in the best possible manner in line with regulatory guidelines. During the financial year, about 70% solvents were recycled and reused. Syngene continued to actively campaign for phasing out of single use plastic such as waste bags and water bottles. The plastic bags were replaced with bio-degradable starch-based bags.

Principle 3 - Businesses should promote the wellbeing of all employees.

The employee policies at Syngene are designed to provide an environment that engages all employees and inspires them to grow. The Company's workforce is a valuable resource and employee morale, engagement, productivity, knowledge and skills enable the Company to harness the power of science and serve its clients. Alongside its responsibility to provide a safe and hazard-free work environment for its employees, the Company also recognises the importance of employee wellbeing. Helping employees to achieve work-life balance, creating comfortable efficient workplaces, offering performance-based remuneration and driving engagement through frequent communication are practices that we embrace as a responsible employer. The Company also invests extensively in staff training and development programmes across all levels of the organisation to ensure that the workforce is aligned to the corporate goals, ethos and culture while matching the pace of change and scale of expanding operations.

P. No.	Description	Response
3.1	Please indicate the total number of employees	5437
3.2	Please indicate the total number of employees hired on contractual/ casual basis	Partners: 18 BBRC Client Partners: 18 Associates: 235 Trainees: 21 Contract workmen: 1127 Interns: 12
3.3	Please indicate the total Number of permanent women employees	1345
3.4	Please indicate the number of permanent employees with disabilities	1
3.5	Do you have an employee association that is recognised by management?	No
3.6	What percentage of your permanent employees are members of this recognised employee association?	Nil
3.7	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	During FY 2020-21, there were no instances of any child labour, forced/involuntary labour or discriminatory employment. The Company has a Prevention of Sexual Harassment policy in accordance with the statutory requirements of Sexual Harassment of Women at Workplace (prevention, prohibition and redressal) Act, 2013. All sexual harassment complaints are diligently reviewed and investigated by an internal complaints committee constituted under the Prevention of Sexual Harassment policy. The summary of such complaints received and resolved during the financial year is given below:

No.	Category	No. of Complaints filed during the financial year	No. of complaints pending as at the end of the financial year
1	Child labour/ forced labour / involuntary labour	0	0
2	Sexual harassment	1	0
3	Discriminatory employment	0	0

3.8	What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?	Being a leading Clinical Research Organization ("CRO"), it is imperative for Syngene employees to keep abreast with the latest developments within their domain as well as stay updated on industry trends and technologies, quality and regulatory updates and other applicable developments that impact its business. While the Company focuses on in-house soft-skill and behavioural learning interventions through contemporary learning methodologies such as simulation, team building, case study or theatre-based delivery, it also participates in certification or external technical upgradation seminars, conferences and symposiums to build capabilities in a holistic way. 21590 total man hours of safety training was imparted under the flagship safety program, Kavach.

Category	Skill-Upgradation Trainings	Safety Trainings
Permanent employees	98.5%	96.1%
Permanent women employees	98.1%	92.4%
Casual/temporary employees and workers	NA	90%
Employees with disabilities	100%	100%

Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

P. No.	Description	Response
4.1	Has the company mapped its internal and external stakeholders? Yes/No	The Company has identified its stakeholders, both internal and external, who directly or indirectly influence its business. Key stakeholders include employees, contract workers, clients, consultants, investors and shareholders, vendors, contractors, suppliers and distributors, Government, regulators and local communities.
4.2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders?	Yes, the Company has identified the disadvantaged, vulnerable and marginalised stakeholders and through Biocon Foundation, it undertakes various initiatives for their well-being. For more details, please visit http://www.bioconfoundation.org/.
4.3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.	Being socially responsible is integral to Syngene's corporate spirit. The Company engages with disadvantaged, vulnerable and marginalised stakeholders through various programmes at the national and state levels. Primary healthcare, environmental sustainability and rural development programmes have been supported by the Company through Biocon Foundation. Through its in-house team, Syngene has focused its efforts to fight COVID-19 by redirecting its scientific and technical capabilities to set up a COVID-19 testing laboratory at its Bangalore campus and conducting COVID-19 testing for hospitals in the city free of charge.

Principle 5 - Businesses should respect and promote human rights.

P. No.	Description	Response
5.1	Does the policy of the company on Human Rights cover only the company or extend to the Group/Joint Ventures/ Suppliers / Contractors / NGOs/ Others?	The policy covers the Company including its subsidiary. Furthermore, the Supplier Code of Conduct extends to all suppliers, vendors and service providers and sets out guidelines on ethics and labour and human rights. The Sustainable Procurement Policy which also focuses on labour and human rights and non-discrimination extends to the supply chain network of suppliers, manufacturers and logistics service providers.
5.2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	For details pertaining to shareholder complaints, please refer to our "Shareholders Complaints" section in the Corporate Governance report of the Annual Report. For other grievances, please refer to Principle 3.7 of this report. For details of customer complaints refer to principle 9.1

Principle 6 - Business should respect, protect, and make efforts to restore the environment

P. No.	Description	Response
6.1	Does the policy relate to Principle 6 cover only the company or extends to the Group/Joint Ventures /Suppliers /Contractors / NGOs/ others?	Syngene supports environmental protection through its EHSS policy. The policy is applicable to the Company, its employees and subsidiary units. This policy and principles are also communicated to all stakeholders of the organisation. The Sustainable Procurement Policy, which also focuses on environmental protection including green products and processes, reduction, reuse and recycling of waste and adoption of green initiatives and practices, extends to the network of suppliers, manufacturers and logistics service providers in the supply chain.
6.2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Syngene is committed to maintaining its environmental standards and complying with applicable laws and regulations. The Company's EHSS policy is available on www. syngeneintl.com. Sustaining an equitable balance between economic growth and environment preservation has always been a key focus area for the company. The environment management approach has led to efficient and optimum utilization of available resources as well as minimization of waste as a result of adoption of the latest technologies. Syngene has a strategy to improve energy efficiency and optimization and reduce Scope-2 emissions (Scope 2 emission accounts for GHG emissions from the generation of purchased electricity consumed by a company and occurs at the facility where electricity is generated). Some of our key environment management programs in FY 2020-21 include: • Continuing to pursue the aim of 'Zero liquid discharge' (Reusing treated effluent for gardening and utilities) • Kavach program – A safety initiative for sustainable cultural change across the organization. • Implementation of online IT returns submission – Reduction in paper usage. • Quenching station for safe disposal of expired and discarded hazardous chemicals. • Chemical sweep program for cold rooms to minimize the waste and fire risk. This is an ongoing activity to minimize inventory and ensure that the FIFO principle is applied to all materials. • Use of metal beads instead of oil for the reaction heating to reduce the waste oil generation. • Use of alternate chemicals in place of highly hazardous chemicals (Replacing resources for better environment) • Use of LED lights in the office areas and laboratories wherever feasible (energy conservation) • Use of trapping flasks (Reduction of solvent exposure) • Use of reusable lids (Reduction of hazardous waste)

P. No.	Description	Response
		• More high-pressure water jet pumps were installed to reduce water usage • Opening of a sustainable waste management centre for efficient management of waste generated from our operations. • Introduction of a specialist emergency response vehicle with advanced emergency management equipment on site • Commissioning of the manufacturing plant at Mangalore including the latest EHSS management. • Contaminated firewater retention and treatment concept. • Zero liquid discharge facility for effluent treatment. • Safety by Design concept to ensure a safe working environment. • Development of Green Belt in and around the Company's operations. The weblink for the EHSS approach and initiatives is https://www.syngeneintl.com/environment-health-safety/
6.3	Does the company identify and assess potential environmental risks? Y/N	Yes. All risks associated with environment are checked through Aspect Impact Analysis and necessary mitigation plans are put in place. Syngene follows a systematic approach for hazard identification and risk assessment for all activities in the laboratories and manufacturing areas before the commencement of any project. The Company has in place an Environmental Health Risk Management Plan. An integrated process hazard Identification and risk assessment checklist has been implemented to evaluate various risks like fire/explosion risks, high temperature exposure risk, and chemical exposure risk.
6.4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?	Syngene is a participant in the Carbon Disclosure Project ("CDP") and Ecovadis for FY 2020-21. This year company has undertaken carbon reporting through CDP. The Company received a 'C' rating which is in the 'Awareness band' in the CDP range which is higher than the Asia regional average. Syngene has secured a score of 50 in its Ecovadis sustainability assessment.
6.5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Yes. Please refer para 6.2 above.
6.6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Syngene lays great emphasis on adopting best practices to reduce waste generation. Waste generated at our research facilities and manufacturing plants are within the norms prescribed by the Central and State Pollution Control boards and are disposed/ treated as per regulatory norms and guidelines.
6.7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	None

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P. No.	Description	Response
7.1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Syngene is committed to contributing to the development of the CRO industry by partnering with regulatory authorities and industry associations in framing appropriate policies and guidelines. It is a member of the Association of Biotechnology Led Enterprises ("ABLE") and Basic Chemicals, Cosmetics and Dyes Export Promotion Council ("Chemexcil").
7.2	Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Syngene works closely with multiple national and international industry and trade associations, through active participation across these platforms. It tries to advance and promote its views on new standards or regulatory developments pertaining to the contract research industry. The Company also uses its industry domain knowledge and experience to advocate for sound policy decisions to drive change in public policies that are beneficial to the industry in India and globally.

Principle 8 – Businesses should support Inclusive Growth and Equitable Development

P. No.	Description	Response
8.1	Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	In the year under review, our CSR initiatives were focused on key issues such as primary healthcare, environmental sustainability and rural development programmes. Syngene has also contributed to the fight against COVID-19 by using its scientific and technical capabilities in COVID-19 related areas to help the Indian authorities combat the spread of the pandemic. Through its in-house team, Syngene has set up a COVID-19 testing laboratory at its Bangalore campus and has been conducting COVID-19 testing for the local hospitals free of charge.
8.2	Are the programmes/ projects undertaken through in-house team/ own foundation/external NGO/government structures/any other organisation?	The Company's CSR activities have been executed this year directly and through Biocon Foundation. The Foundation implements projects / programs in following modes: I. Direct execution II. Partnerships - meaningful collaborations with like-minded organisations through memorandum of understandings III. Grant making – provision of grants to NGOs for innovative and impactful social projects
8.3	Have you done any impact assessment of your initiative?	Syngene has undertaken a data-driven approach towards CSR. There is a strong emphasis on impact assessments in the program designs for the programs funded by Syngene whether in the current year or past years. The programs have monitoring and evaluation frameworks to measure the impact. Knowledge, Attitude and Practice ("KAP") surveys are conducted to assess the barriers and effectiveness of health and education programs. In order to establish the baseline and measure the change, pre-and post-testing methods are used. Population-based surveys have helped in understanding the prevalence of Non-Communicable Diseases ("NCDs") and associated risk factors. The rigorous data collection using eHealth technology and interactive data visualisation in real-time by dashboard improve monitoring and evaluation.

P. No.	Description	Response
		• About 36,000 patients availed health services at eLAJ Smart Clinics, more than 61,000 patient visits recorded. • Above 1,400 consultations provided through 19 NCD camps. • 10 Geriatric camps recorded about 650 consultations. In the face of school closures resulting from the pandemic, the education program pivoted to an online teaching-learning format to prevent learning losses. The Explore, Play & Learn ("EPL") program leveraged eLearning platforms to encourage students to self-learn and self-explore through their household materials and daily life situations. • The EPL program benefitted more than 1,600 students of 14 government schools and provided more than 416,000 virtual exposures and above 6,000 face-to-face exposures (each exposure of 1-1.5 hours in duration). A combination of pre- and post-test assessment design and in-depth focused group discussions exhibited key behavioural shifts towards hands-on and experiential learning; 16% improvement in awareness and curiosity, and 21% improvement in confidence. Though impact assessment is crucial to measure the change brought about by a program, it is also important to consider the time horizons on which actual change can be recorded. Therefore, mid-term and long-term impact studies are planned.
8.4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	During FY 2020-21, Syngene contributed Rs 65.61 Mn towards its CSR initiatives. For more details, please refer Annexure 8 of Board's Report.
8.5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	All programs are based on strong community engagement in ways that allow collective decision-making, planning, implementation and sustainability. The expectations and priorities of community is evaluated to design the initiatives and feedback is collected to improve services. Long-term relationships have been developed with varied stakeholders to promote continuous dialogue throughout the phases of the project lifecycle.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

P. No.	Description	Response
9.1	What percentage of customer complaints/ consumer cases are pending as on the end of financial year?	A customer complaints redressal system has been set up to effectively document and address any customer compliant in an efficient and timely manner. During the financial year, 17 customer complaints were received, out of which 4 (23.5%) were pending (within due date) as on 31st March, 2021.
9.2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes /No /N.A. /Remarks (additional information)	In the FY 2020-21 Syngene launched the remdesivir formulation under the brand name RemWin for distribution to patients in India. The packaging of the drug product displays detailed information as mandated by the Drugs and Cosmetics Act.

P. No.	Description	Response
9.3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	None
9.4	Did your company carry out any consumer survey/ consumer satisfaction trends?	Syngene provides scientific solutions to a global customer base of over 400 companies across various industry segments, including pharmaceuticals, biotechnology, nutrition, animal health, agri chemicals, consumer products and others. During FY 2019-20, the Company conducted a survey on customer satisfaction using the services of an external vendor to measure customers' experiences with the Company, understand their expectations, gauge the business opportunities and get actionable inputs and recommendations to improve customer service. The results of the survey were analysed and shared with the leadership team of each of the Operating Units. During FY 2020-21, the survey inputs were further cascaded into the operating units to drive actions to enhance the customer support. Syngene has initiated Quality-to-Quality calls with the clients, as a part of continuous endeavour to improve the customer satisfaction.

Management Discussion and Analysis

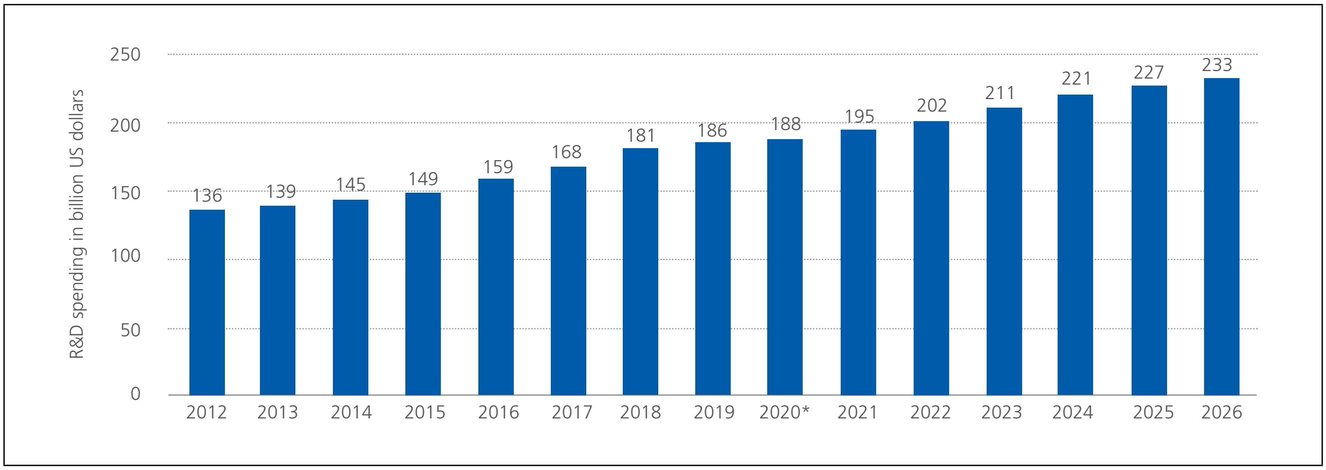
Research & Development

Recognizing the importance of research and development (R&D) in driving pharmaceutical innovation and competitiveness, governments and industries globally continue to make robust R&D investments in pharmaceuticals. To put this into context, global R&D expenditures have increased more than three-fold since 2000 - from USD USD 676 Bn to USD USD 2.0 Tn in 2018.[1]

The pharmaceutical and biotechnology industry, propelled by the imperative to bring breakthrough drugs in the market, is among the leading R&D spenders as a percentage of revenue.[2] In 2020, estimated R&D spend by the pharmaceutical industry stood at USD 188 bn, and by 2026, R&D spend by the pharmaceutical industry is estimated to reach over USD 230 bn. Around 17,700 prescription drugs were in the 2020 R&D pipeline, a number that has been growing year-on-year.[3]

Beyond the life sciences sector, companies in the segments of specialty chemicals, agrochemicals, animal nutrition, personal care and nutrition are also investing in R&D to keep their innovation pipelines flowing.

Global pharmaceutical R&D spending



While R&D spending is increasing, innovator companies continue to be challenged by the declining rate of investments in R&D. In the pharmaceutical industry, a considerable proportion of drug candidates fail during the regulatory process. This increases the average cost to develop and secure marketing approval for a new drug. The declining returns are encouraging many drug developers to outsource large parts of their R&D activities, along with leveraging new technologies, to make drug discovery and development cost-efficient and faster.

The economic downturn following the coronavirus (COVID-19) outbreak has strained financial resources for countries and corporations. At the same time, the pandemic is a powerful reminder that health-related R&D investments are critical for humanity. Besides the challenge of global economic volatility and an uncertain operating environment, the pharmaceutical and biopharmaceutical industry has also had to contend with suspended trials for drugs other than those for COVID-19, delayed product launches, a decline in in-person visits for healthcare professionals (HCP) and salesforce-HCP interactions, and delays in drug commercialization. Despite these hurdles, analysis from the Global Innovation Index (GII) 2020 Report suggests that R&D spending by the pharmaceutical and biotechnology sector will experience resilient growth in the post-pandemic world.[4]

[1] *https://fas.org/sgp/crs/misc/R44283.pdf*

[2] *https://www.statista.com/statistics/270233/percentage-of-global-rundd-spending-by-industry/*

[3] *https://www.statista.com/statistics/309471/randd-spending-share-of-top-pharmaceutical-companies/*

[4] *https://www.strategy-business.com/article/How-COVID-19-will-affect-investment-in-global-innovation?gko=276ed*

Contract Research Services Market

Contract Research Organizations (CROs) provide research services on a contractual basis to R&D-focused companies across multiple sectors such as pharmaceutical, biotechnology, nutraceuticals, animal health, medical devices, and speciality chemicals. CROs also provide support to academic institutes and government research organizations. In 2019, the pharmaceutical and biopharmaceutical companies segment accounted for the largest share of the global CRO services market.[5]

In the biopharmaceutical industry, activities that are typically outsourced span from basic research to late-stage development, encompassing genetic engineering, target validation, assay development, hit exploration and lead optimisation, safety and efficacy tests in animal models, and clinical trials involving humans. The biopharmaceutical sector's growing dependence on CROs can be inferred from the fact that the latter were involved in 50% of drug development work in 2018, up from 18% in 2006.[6] There is ample scope for growing the CRO services market as industry experts believe that 70-75% of R&D spend by the global pharmaceutical industry can potentially be outsourced.[7]

The global CRO services market is projected to reach USD73.77 bn by 2025 from USD 47.77 bn in 2020, at a CAGR of 9.1% over the five years.[8] Growing R&D expenditure, increased outsourcing of R&D activities and the increased number of clinical trials are the major factors propelling the market growth. The CRO market for early phase development services which includes chemistry, manufacturing and control (CMC) services, and preclinical services is also poised to register a robust growth rate as pharmaceutical firms outsource to counter the complexity of the drug development processes and meet stringent regulatory requirements. Among therapeutic areas, oncology accounts for the largest share of the global CRO services market and this segment is expected to maintain a strong growth as increasing incidence of cancer drives demand for development of new drugs.

Growth Drivers

Over the years, R&D outsourcing has gradually transitioned from being largely a cost arbitrage strategy to one of enhancing R&D productivity and speed-to-market and strategic choices being made by innovator companies to focus on their core competencies. The interplay of several factors, as explained below, positions the CRO industry to grow steadily in the coming years.

Expertise to manage complexities: With their extensive scientific expertise and regulatory knowledge, CROs help client companies to efficiently navigate the complexities of the drug development process. CROs are also increasingly adopting and integrating advanced technologies, such as high-throughput screening, bioinformatics and cheminformatics, to accelerate the discovery and development of a compound and improve R&D efficiency. According to research by Frost & Sullivan, the development duration for a new drug can be reduced by one-quarter to one-third with the help of CROs.

Partnering innovation in newer areas: The emergence of novel biological targets and therapeutic modalities offers promising opportunities for breakthrough drugs. The rising demand for personalised medicines also calls for innovation. However, biopharmaceutical companies, especially start-ups, do not always have the necessary expertise in-house to make the most of these developments. Entering into strategic collaborations with specialised CROs and leveraging their broad spectrum of services increases the possibility for client companies to discover and develop advanced therapies.

Driving flexibility in costs: Under the outsourced model, the client's need to invest in in-house facilities, equipment, technology and manpower has significantly reduced. This enables them to convert their traditional fixed costs into variable costs, thereby minimising their investment risk. Small and mid-sized firms also find externalization of R&D attractive as they can access high-quality services without committing to longer-term investments.

Pharmaceutical Contract Manufacturing Services Market

Partnering with a contract manufacturing organization (CMO) is a strategic choice by many pharmaceutical companies – from big players to smaller speciality entities. The capital-intensive nature of the business and complexity of the manufacturing requirements are among the primary reasons driving pharmaceutical companies to outsource commercial manufacturing. Additional factors providing a solid foundation for the growth of the CMO services market include growing demand for generic medicines and biologics or large molecules.

5 https://www.marketsandmarkets.com/Market-Reports/contract-research-organization-service-market-167410116.html#:~:text=%5B272%20Pages%20Report%5D%20The%20global,9.1%25%20during%20the%20forecast%20period

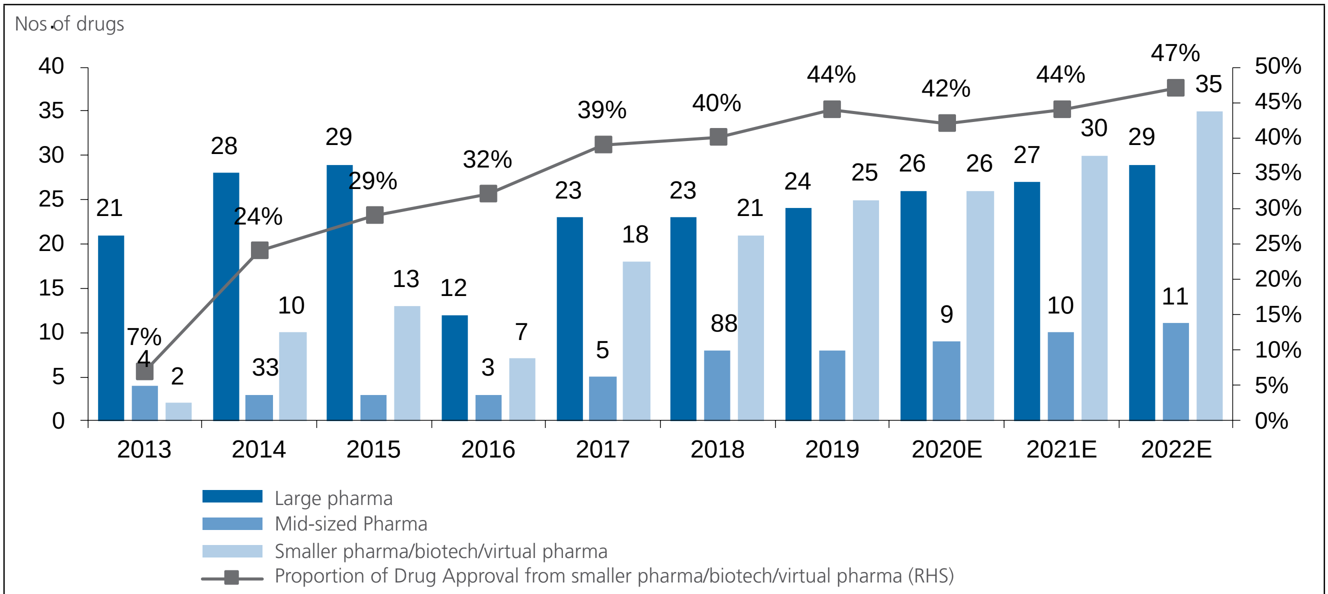
6 The Prize – India Pharma CRAMS/API: Stronger for longer, Macquarie Research

7 The Prize – India Pharma CRAMS/API: Stronger for longer, Macquarie Research

8 https://www.marketsandmarkets.com/Market-Reports/contract-research-organization-service-market-167410116.html#:~:text=%5B272%20Pages%20Report%5D%20The%20global,9.1%25%20during%20the%20forecast%20period.

The manufacture of biologics entails a far higher degree of expenditure and technical capabilities in comparison to small molecules. While a small molecule manufacturing facility calls for an investment of USD 30-100 million, the cost of building of a large biotechnological facility can be USD 200-500 million.[9] The influx of small and virtual biotech players who lack the expertise or the infrastructure to manufacture their products in-house is also augmenting the global pharmaceutical CMO market. As stated in a recent report from Frost &Sullivan, over 40% of innovative molecules are being developed by emerging biotech companies without later-stage manufacturing capabilities.[10]

Contribution by small pharma/biotech to new drug development globally



Source: Frost & Sullivan, Macquarie Research, October 2020

The combination of these factors contributes to a CAGR of 6.4% over the period 2020-2025, resulting in global pharmaceutical CMO market valued at USD 162.1 bn by 2025 from USD 109.67 bn in 2019.[11]

An important trend being witnessed in the CMO market for biologics is that innovators prefer to enter into a strategic alliance with a one-stop-shop service provider who has been involved in the discovery and development process because it helps to make the transition into commercial manufacturing more efficient and faster.

Company Overview

Established in 1993, Syngene International Limited (henceforth referred to as 'Syngene' or 'the Company') is an integrated research, development and manufacturing organization providing scientific services. Syngene's end-to-end services span a wide spectrum of modalities including small and large molecules, antibody-drug conjugates (ADCs), and oligonucleotides. The scientific services are largely accessed by the global pharmaceutical, biotechnology industry, nutrition, animal health, consumer goods, and speciality chemicals are among the other sectors being served by the Company. During the past year, the Company worked with more than 400 clients from multiple industry sectors.

Syngene's greatest strength is its highly qualified research team comprising over 4,000 scientists. Its state-of-the-art facilities, encompassing 1.9 Mn. sq. ft. is spread across three locations in India – Bangalore, Hyderabad and Mangalore. These facilities regularly clear regulatory inspections by the world's leading regulators including the USFDA, EMA and PMDA. Sustained investments in world-class technology and systems underpin the Company's ability to meet global compliance and quality standards, accelerate R&D activities, and respond with agility to evolving client needs.

[9] *Global Biologics Drug Discovery Market Analysis and Forecast, (2017-2025), BIS Research*

[10] *The Prize – India Pharma CRAMS/API: Stronger for longer, Macquarie Research*

[11] *https://www.reportlinker.com/p05778451/Pharmaceutical-Contract-Manufacturing-CMO-Market-Growth-Trends-and-Forecast.html?utm_source=GNW*

Throughout its 25-year-long journey, Syngene has maintained an excellent track record of data integrity, data security and client's intellectual property (IP) rights protection. As an end-to-end solutions provider, the Company has built deep trust-based relationships with its clients which drives longevity and sustained project engagement.

Business Divisions

Syngene has four business divisions: Dedicated R&D Centres; Discovery Services; Development Services; and Manufacturing Services.

Business Division	Dedicated R&D Centres	Discovery Services	Development Services	Manufacturing Services
Particulars	Dedicated R&D facilities for strategic clients providing exclusive access to research teams, infrastructure, and project management to support the client's R&D requirements.	Engaged in early-stage research from target identification to delivery of drug candidates for further development. Capabilities includes Chemistry, Biology, Safety Assessment, and Research Informatics for small molecules; recombinant DNA engineering, cell line development, Next Generation Sequencing, and protein sciences for large molecules.	Engaged in activities from pre-clinical to clinical trials, including drug substance and drug product development, and associated services to demonstrate the safety, tolerability, and efficacy of the selected drug candidate, cGMP compliant manufacturing of clinical supplies, and registration batches for small molecules.	Engaged in the manufacturing of small and large molecules for commercial supplies through cGMP compliant facilities, a state-of-theart API manufacturing campus and a biologics manufacturing facility.

Collaboration Models

Syngene operates a range of collaboration models: from long-term relationships in the dedicated R&D centres to Full-Time Equivalent (FTE) contract, Fee-for-Service (FFS) contract and Risk-Reward sharing arrangements. Clients can select any one or a combination of the above models to deliver their R&D programs.

In the dedicated centre model,clients are provided with customized and ringfenced infrastructure. Dedicated scientific and support teams work exclusively on the client's project. These are Long-term strategic alliances that last usually five years or more. In the FTE model, a defined number of scientific personnel from pre-determined disciplines are identified to work full-time on client projects. These agreements are typically renewed annually. The scope of services and deliverables evolves as the project advances. Under the FFS model, client collaboration is done to deliver agreed services within a defined scope. Flexible, on demand personnel and research infrastructure are deployed to achieve the project objectives. The engagements may be short or long-term. In the risk-reward sharing model,across a portfolio of stage gate-driven research projects,the clients are benefitted from reduced upfront payments in exchange for significant success-based milestone payments against preagreed criteria. While client collaboration in Discovery Services are usually FTE-based, engagements in the Development and Manufacturing Services divisions are primarily based on the FFS model.

Operational Performance

DEDICATED R&D CENTRES

Syngene operates Dedicated R&D Centers for four clients: Bristol-Myers Squibb (BMS), Baxter Inc., Amgen Inc., and Herbalife. These collaborations have been in place for between five to fifteen years and represent the Company's ability to build longstanding relationships with its clients.

During the year, the dedicated R&D Centers witnessed healthy performance, primarily driven by business growth in the BMS and Baxter accounts. For both these Dedicated Centers, the scope of engagement as well as scientific team strength were expanded, and new infrastructure facilities were established. The Company also crossed a significant milestone with the extension of the collaboration with BMS until 2030 and expanding the scientists working by 40%.

The Company, in close collaboration with the clients, continued to invest in enhancing scientific expertise and operational performance to realize the shared goal of delivering cutting edge science and development of drugs across multiple disease areas and in the most efficient manner, to help serve millions of patients across the globe. For all the Dedicated Centers, R&D projects continued to be run as per expectations, including those that involved generation of crucial data for regulatory filing within strict target timelines, despite the COVID-19 pandemic. This was delivered as a result of meticulous planning by the teams, while keeping the health and safety of the scientists and enabling staff as the topmost priority.

The Company continued to engage with the Dedicated Center clients to discuss new technology, capability/capacity enhancements and ways to further expand the scope of partnership in research, development and manufacturing in the coming years.

DISCOVERY SERVICES

The Discovery Services division continues to be a core driver of revenue growth. Despite a temporary suspension of activities in the first quarter due to the COVID-19 pandemic, a robust performance was achieved for the full year by returning to near-normal operations promptly once sufficient protective measures were in place to ensure employee safety. Most of the planned objectives in terms of project deliverables, project timelines, new partnerships, team expansion, and capability enhancements were also achieved.

The Company entered into new FTE collaborations while expanding the team strength and scope of activity for several existing FTE contracts. Many FFS contracts were converted into FTE engagements, reflecting the Company's success in building strategic relations with its clients. The Company's integrated drug discovery approach facilitated the successful transition of projects into the Development Services Division. During the year, existing and new clients have been inspired by the pandemic to more aggressively diversify their global operations as part of their risk mitigation strategy, and Syngene's Discovery Services division has benefited from this trend.

The key collaborations for the year include an agreement signed with Deerfield Discovery and Development Corporation (3DC). As part of this five-year collaboration, Syngene will provide end-to-end discovery and preclinical development solutions, spanning multiple therapeutic areas and modalities. As part of this collaboration, 3DC has awarded Syngene four antibody integrated drug discovery (IDD) projects in the oncology and autoimmune segments to be executed during FY 2021-22.

For the past three years, the Company has conducted several research projects for C4 Therapeutics, seeking to discover innovative treatments for cancer and neurodegenerative conditions. Two new programs were added to this collaboration during the year.

Key scientific accomplishments include the successful delivery of two drug candidates for clinical development. Another project delivered a library of 600 compounds with a success rate of >95%.

One of Discovery Services' differentiators is the ability to provide most of the research capabilities of a major pharmaceutical company. Strengthening this position, developing the integrated drug discovery platform remained a core focus area to drive research programmes end-to-end through one service provider. Aligned with this objective, the Company launched SynVent, a platform for fully integrated therapeutic discovery and development across large and small molecules. SynVent IDD services are designed to provide the most effective and efficient means to conduct target validation, translational interrogation, therapeutic discovery, and preclinical development for clients.

Proteolysis-targeting chimeric molecules (PROTACs) represents an emerging technology for the discovery of novel targeted therapeutics. During the past year, the Company enhanced its expertise as an end-to-end service provider. The Experimental Polar Surface Area (EPSA) assay, which uses a critical fluid chromatography (SFC) technique, was initiated to improve design effectiveness with respect to membrane permeability for PROTAC targets in a high-throughput environment. The Company also built is expertise in the synthesis and purification of multigram quantities of PROTACs.

The Research Informatics unit was restructured into a solution-oriented business that is both client-centric and an enabler of data science adoption. This ability to integrate computational methods and data science into operations benefits both Syngene and client scientists and leaders in faster, better informed decision making, which will accelerate programs on the track from the earliest stages of discovery and candidate selection to preclinical evaluation, as well as during clinical trials.

The Company continues to enter into strategic alliances with other research institutions and companies to enhance the breadth and depth of integrated solutions available to clients.

The Phase I unit of the newly established research facility at Genome Valley, Hyderabad is operating close to full capacity. Genome Valley is India's first purpose-built cluster for life sciences R&D activities, thereby providing an enabling environment to drive scientific innovation and seamless delivery. Phase II construction was completed during the year while Phase III work is currently underway to support business expansion. At the Bangalore site, the analytical laboratory was expanded and equipped with new infrastructure.

Several other technical and digital capabilities were also added across the different disciplines of Discovery Services. These capability enhancements will further pave the way for greater integration among the various functions, to foster innovation at increased speed and lower costs.

DEVELOPMENT SERVICES

The Development Services Division reported a steady performance for the year. New clients were added across the various scientific disciplines while existing clients established broader relationships by accessing more services. Post the temporary suspension of operations following the COVID-19 disruption, business continuity in critical development services and clinical supplies manufacturing was quickly restored by realigning operations and implementing comprehensive safety-related measures.

The scientific highlights for the year include critical contribution in the development and progress of a drug to clinical trials for biopharmaceutical client Albireo Pharma. The drug will help to treat a particular genetic liver disease primarily in children. Syngene was involved in several campaigns of the drug substance - starting from registration batches to phase-III trials. The Company continues to work with the client as it makes its regulatory filings.

GMP clinical and registration batches were delivered for several clients. The notable among them include the successful delivery of GMP clinical supplies of an animal healthcare product for a pharmaceutical major. This complex project was executed through fast-track development and involved overcoming the challenge of limited API availability. Syngene also delivered GMP supplies for another leading pharmaceutical company to support its pilot bioequivalence studies in humans. These products, too, were delivered within aggressive timelines. Another US-based client filed an NDA for immediate-release tablets to the USFDA, the registration batches of which were manufactured at Syngene's GMP facility. In the current fiscal, the Company will be manufacturing and supplying clinical trial batches of monepantel to support Phase 1 and 2 clinical trials in humans, as part of its strategic collaboration with PharmAust. In addition, Syngene received a voluntary license for manufacturing and distributing of Remdesivir, the only drug approved to treat Covid-19. We released the first batch of RemWin® together with our partners from Biocon and Biocon Biologics in November 2020.

In the previous year, the Company had commenced the realignment of the different units of the Development Services and its overall integration with the Discovery Services Division, with the objective to emerge as a solution-provider across the drug delivery continuum. During the year under review, considerable headway was made in this direction, strengthening the Division's capability to work on integrated projects. An important highlight in this regard was the setting up of an Analytical Development function, making the Division's structure similar to that of large pharmaceutical companies.

In terms of capability enhancement, a noteworthy milestone was the setting up and commissioning of the High Potent Active Pharmaceutical Ingredient (HPAPI) laboratory at the Bengaluru site. This facility will be used to develop chemical processes for high potent molecules in a laboratory scale and then transferred to another internal facility for scale-up. The qualification process was completed towards the end of the year under review, while revenues from this enhanced value proposition are expected to be generated in the current fiscal.

Clinical Development was material in establishing Syngene's Covid-19 RT-PCR testing capabilities. Close to 180,000 samples have been tested to support Covid fighting in the local community as well as on Biocon campus. Clinical Development supported the development of a Covid antibody test which later has been marketed together with HiMedia.

MANUFACTURING SERVICES

API Manufacturing

The Mangalore (MSEZ) commercial API manufacturing facility completed the qualification process and is now a GMP-certified facility. Production has commenced in the intermediate areas where equipment has already been qualified. The facility is on track to take on larger volume production in FY 2021-22. The focus remains on ensuring 100% compliance with global manufacturing practices and integrating sustainability into plant operations.

Biologics Development & Manufacturing

The Biologics Development and Manufacturing unit improved its performance from the previous year. However, as client diligence of manufacturing facilities was impeded due to travel restrictions for COVID-19, contract finalisation was delayed, resulting in sub-optimal performance. Several first-time clients have been signed for the Biologics operating unit, many of whom offer prospects of significant future business opportunities. Contracts were also signed for antiviral testing of consumer products.

The Company continues to add scientific capabilities to drive continued innovation. The highlights for the year included completion of construction of the new microbial manufacturing facility, the addition of mRNA technology as a new line of process development and clinical manufacturing service; increase in the capacity of the microbial testing laboratory; a new 5,000 sq. ft. process development laboratory; and a new Quality Control laboratory with the latest biologics infrastructure.

The biologics manufacturing facility can cater to multi-product production campaigns simultaneously based on single-use technology platform. Investments continue to be made to strengthen this capability in alignment with the growing demand for outsourced biologics manufacturing. Since its commissioning in the biologic mammalian manufacturing plant capacity has increased from one 2000L bioreactor to three 2000L bioreactors.

COVID-19 RESEARCH AND PROJECTS

Since the outbreak of the coronavirus pandemic, Syngene has been actively contributing its scientific expertise and resources in the fight against the virus. It has developed high-quality, mammalian derived viral proteins such as S1, RBD, and N protein meant for diagnostic testing and assays. The Company has also developed proprietary antibodies (monoclonal and polyclonal) with high affinity and specificity for use in viral antigen detection and other such tests.

The Company repurposed one of its laboratories in Bangalore to conduct COVID-19 testing using RT-PCR technology. Approved by the Indian Council of Medical Research (ICMR), this centre is one of the largest RT-PCR testing private laboratories in Karnataka. During the year, it has conducted close to 1,85,000 tests and has tied up with over 50 organizations for testing their employees.

The Company developed an IgG based ELISA test kit for COVID-19, ELISafe 19TM, at its research facility in Bangalore. The Company partnered with bioscience firm HiMedia Laboratories for manufacturing and distribution of these kits. Approved by ICMR and the Central Drugs Standard Control Organization (CDSCO), the ELISA test is intended for the qualitative detection of IgG SARS-CoV-2 antibodies in blood samples. It delivers higher throughput and generates faster results than other similar tests.

Syngene collaborated with the Centre for Cellular & Molecular Biology (CCMB) to deliver a high throughput Next Generation Sequencing (NGS) based genomic screening assay that can test 5,000-10,000 samples simultaneously. It has also tied-up with Mylab Discovery Services to manufacture and supply oligonucleotides (primers and probes) for use in their diagnostic kit.

In collaboration with the National Centre for Biological Sciences (NCBS), Syngene is to develop a novel human ACE2 transgenic mouse that is anticipated to phenocopy the full spectrum of human COVID-19. This will be a valuable animal model for in vivo screening of potential COVID-19 therapies and furthering the understanding of SARS-CoV-2 pathogenesis. The project is being funded by the Biotechnology Industry Research Assistance Council (BIRAC). Financial and legal due diligence by BIRAC is in progress.

Syngene has entered into a partnership with the Foundation for Neglected Disease Research (FNDR) to facilitate SARS-CoV-2 in vitro and in vivo research for clients. The Company's multidisciplinary skills in integrated drug discovery and development and FNDR's capabilities in conducting biosafety level 3 (BSL-3) infectious disease research are being combined in a strategic alliance to provide state-of-the-art support for academia and industry involved in COVID-19 research. A project evaluating the in vitro cytotoxic effects of a peptide based anti-SARS-CoV-2 therapeutic has been completed in collaboration with FNDR.

Syngene has collaborated with Sosei Heptares on a program focused on the design and development of compounds for the treatment of infection from SARS-CoV-2 and related corona viruses. The research has made significant progress and the lead compound, suitable for further optimisation as an oral drug, has been identified.

Neutralising mAbs against SARS-CoV-2 is considered a promising candidate for COVID-19 treatment and prevention. Syngene is partnering with IAVI (International AIDS Vaccine Initiative), a non-profit scientific research organization, to develop mAbs against COVID-19. A large sero-surveillance study in which Syngene will play a major role in assessing antibody and T-cell responses to SARS-CoV2 is also underway with the University of Chicago.

Pursuant to the voluntary license agreement signed with Gilead Sciences Inc. and the subsequent technology transfer for manufacturing and sale of its antiviral drug Remdesivir, the Company has successfully completed the process validation and received Market Authorization Approval (MAA) and Manufacturing License under the brand name RemWin. Syngene commenced the manufacturing of this drug from November 2020.

With the broad range of scientific expertise in relevant disciplines, the Company is also working on research projects related to vaccine development.

Syngene has joined a global consortium of 19 organizations from the healthcare industry, led by Bristol Myers Squibb, to help inform, improve and accelerate various aspects of COVID-19 testing, ranging from research to clinical diagnostic applications.

Review of Enabling Functions

The Quality function maintained its focus on driving service delivery through digital transformation. Multiple initiatives such as the Electronic Quality Management System (EQMS), Electronic Document Management System (EDMS) and Laboratory Information Management System (LIMS) have helped to improve compliance, accountability, traceability and better document management .The Quality Control facility for small molecules is slated to become paperless by July 2021, marking another step forward in the Company's digital transformation journey.

The National GLP Compliance Monitoring Authority (NGCMA), India certified the Safety Assessment laboratory for biocompatibility testing in compliance with GLP regulations. Another key highlight was that the Company's COVID-19 testing centre, which uses RT-PCR technology, received the NABL accreditation. With the testing laboratory being set up in less than six weeks, the certification is a validation of the Company's expertise across various scientific disciplines and adherence to best practices.

The company has been quick to respond to the transformed operating environment in wake of the pandemic The IT infrastructure was upgraded to support real-time virtual audits by clients and regulatory authorities. Several virtual audits by clients were successfully carried out and cleared during the year. An integrated, proactive approach for the organization to be 'anytime audit ready' has also been initiated through the combined efforts of the Quality and Operational Excellence teams. To realize this objective, improvement of standard operating procedures (SOPs), recurring internal audits, and a culture of being always prepared for audit are being emphasised.

Significant progress was made in moving the Company's supply chain processes to digitized forms. This has helped to improve transparency, efficiency and traceability in the procurement life cycle. Automation of repetitive manual work in the procurement process has also helped to improve productivity of the procurement function. Another important highlight was the development of a standardised purchase manual that will act as the guide on all procurement-related activities. The manual will be reviewed periodically so that the procurement operation stays agile while delivering strategic services like planning, forecasting and improved inventory management.

As the shift towards digitalization accelerates, it has also increased the need to have a secure IT framework to protect digital assets. Adherence to best practices and the use of latest technology enable the Company to build robust IT systems that are fully geared to overcome cyber threats and ensure data and IP protection. Multiple cyber security levels are in force and the Company is securing not just its physical servers but also securing the connectivity to other devices, especially mobile phones. To enhance cyber security further, next-generation security platforms based on Artificial intelligence/machine learning are being integrated to detect activities that could bring to light a security lapse or system compromise.

In line with the Company's commitment to ensure full compliance with National and International data privacy laws and to build a robust and well-established information security mechanism, the Data Privacy Office (DPO) was set up during the year. The DPO is responsible for: implementing risk identification and mitigation strategies; planning for data breach response and remediation; developing training and awareness programs; and implementing best global data privacy practices. Syngene's Data Privacy Policy was also updated for adherence to global data privacy laws like the General Data Protection Regulation (GDPR).

The Company is committed to delivering scientific services to its clients as efficiently as possible. In line with this commitment, several new initiatives were rolled out and existing measures continued to gain traction under the operational excellence program LEAP (Leveraging Excellence to Ascend and Perform). The SQDECC (focus on Safety, Quality, Delivery, Efficiency, Compliance and Cost) concept was extended beyond operating units to include enabling functions. While SQDECC has been facilitating problem identification, an analysis tool known as, 'Why-Why Analysis', was implemented to foster a culture of problem-solving. To strengthen the GEMBA Walk initiative (shop-floor walk by managers to drive operational efficiency), the Gemba Academy was created. The Academy strives to improve Lean Management awareness among managers and supervisors through formalised training and certification modules on the Gemba approach. A Gemba walk mobile app was launched during the year to facilitate real-time recording of detailed interactions and observations in the laboratories and on the shop floor.

Awards and Recognition

During the year, the Company received the following awards:

- Bioprocessing Excellence Award 2020 at the 7th Annual Biologics Manufacturing Asia Conference.

- ASSOCHAM CSR and NGO Awards 2020 for 'Excellence in Leveraging Corporate Key Strengths in Fight against COVID-19'.

- 'Dream Companies to Work for Award' at the 29th Edition of the World HRD Congress Awards

- Awarded at the 4th Annual Asia-Pacific Bioprocessing Excellence Awards 2020, Singapore in the 'South Asia-Viral Clearance and Safety Testing' category.

Human Resources

The year under review created a new set of challenges for leaders and managers supported by the HR professionals. From ensuring the safety of employees to receiving the Great Place to Work (GPTW) certification; and from making sure that learning continued while working from home to driving greater engagement, it was an unusual year from a people management perspective

Within 48 hours of the nationwide lockdown, Work from Home (WFH) was successfully implemented for all employees in non-site-dependent roles. These employees, around 40% of the workforce, were supported with the necessary IT infrastructure to make a seamless transition to WFH. Recognizing the toll the pandemic could have on employee well-being, the Company also took steps to address emotional anxieties and boost morale. This included organising wellness webinars and extending counselling support.

Even after lifting of the lockdown and return to near-normal level business operations, employees who could discharge their roles from home continued to do so. This has delivered the dual benefit of ensuring their safety as well as reducing the onsite density of employees. With the WFH model showing good results in all relevant areas - work productivity, employee safety and work-life balance, the Company is assessing the possibility of making WFH a continuing part of its work culture.

For the safety of onsite employees, multiple protection measures have been adopted, such as the creation of 12 zones in the campus to restrict the number of contacts between people, the introduction of multiple shifts to reduce density in laboratories, modified seating to ensure physical distancing, monitoring and recording of temperature twice daily, and proactive COVID testing of employees.

A major highlight for the year was receiving the Great Place to Work certification. Continuing efforts to strengthen people practices and engagement have resulted in a significant jump in the employee trust index and employee connection with the Company from 2014, the year when Syngene first partnered with the GPTW company to baseline the employee experience.

The Company's business performance is derived from the expertise and calibre of its people. To build on this strength further, innovative learning interventions were rolled out by the Learning & Development team which encompassed self-learning webinars, and instructor-led sessions on leading online platforms. Early identification of a 'Learn from Home' (LFH) employee population (almost 2500 employees) helped in designing and delivering relevant programs, resulting in better learning outcomes.

The Company is committed to developing employees to become strong leaders who can drive organizational growth and change. In line with this, leadership and managerial development initiatives were launched for senior leaders. In addition, the 'Leadership Next' program was rolled out for a second wave of senior leaders. This program includes in-depth leadership assessments for participants which for the basis for individual development planning.

The Syngene Training Academy (STA) facilitates a smooth transition for the new campus hires and equips them with essential skills. To meet changing needs, the onboarding process was revamped with a blended approach of training on soft skills, functional skills and Syngene values. In FY 2020-21, campus hiring more than trebled over the previous year. The increased hiring of freshers ensures a flow of young talent to fuel the project pipeline.

The Company is making conscious efforts to promote diversity in the workplace. During FY 2020-21, 31% of employees onboarded were female employees. SHE (Speak, Hear, Empower) Talks – a focused group discussion for women employees - and the launch of a women's committee in the Biologics Division were among the initiatives undertaken to gain insights as the basis for an enabling workplace, encourage women to take up leadership roles and improving retention.

Other key accomplishments for the year include: the launch of 'Botzie', an AI-based 24x7 human resource and administration assistant; revamping of the recognition program to make it more empowering for managers ensure that the Syngene values of excellence, integrity and professionalism lie at the heart of every award; and reinforcement of the safety culture (Kavach) by training 144 subject matter experts (SMEs) across the organization on facilitation skills, to enable them to deliver training programs on safety, effectively.

By continuing to provide opportunities for personal and professional development, engaging with top performers to chart their growth path in Syngene, and fostering a great work environment, the Company reaffirmed its commitment to being a world-class employer. for FY 2020-21 from the previous year. As of 31st March 2021, the Company had ~ 5400 employees.

Financial Performance

(in Rs Mn)

Particulars	FY 2020-21	FY 2019-20	Change (%)
Total Revenue	22,489	20,935	7%
Expenses			
Cost of chemicals, reagents and consumables consumed	5,265	5,194	1%
Employee benefits expense	6,602	5,804	14%
Foreign exchange fluctuation	(171)	(144)	19%
Other expenses	3,429	3,086	11%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**7,364**	**6,995**	5%
Depreciation and amortisation expense	2,745	2,193	25%
Finance costs	277	346	-20%
Profit before tax and exceptional item	**4,342**	**4,456**	-3%
Exceptional item	350	713	
Profit before tax	**4,692**	**5,169**	-9%
Tax expense	643	1,048	-39%
Profit for the year	**4,049**	**4,121**	-2%
Other comprehensive income	1,906	(1,916)	
Total comprehensive income for the year	**5,955**	**2,205**	170%
Revenue from operations excluding EBITDA Export Incentives	**21,802**	**19,465**	12%
EBITDA from operations (EBITDA excluding Export Incentives, Other Income, Depreciation, Finance Costs, Exceptional items and Tax Expense)	**6,677**	**5,524**	21%
Profit for the year excluding exceptional gains (net of tax)	**3,821**	**3,662**	4%

Revenue

During FY 2020-21, the Company saw a 7% growth in revenue from Rs 20,935 Mn in FY20 to Rs 22,489 Mn. Revenue from operations, before factoring the export incentives is up 12% from Rs 19,465 Mn in FY 20 to Rs 21,802 Mn against last year. Growth was driven by steady performance across all divisions.

Cost of chemicals, reagents and consumables consumed

The cost of materials consumed in FY 2020-21 increased by 1% to Rs 5,265 Mn, accounting for 23.4% of overall expenses. Material costs as a percent of overall revenue decreased by 140 basis points, driven by the change in revenue mix in favour of Discovery Services and Dedicated Services.

Employee benefits expense

The employee costs for the year increased by 14% to Rs 6,602 Mn. The increase in headcount in our existing and new facilities that went live in the last twelve months has driven 10% increase and the rest of the increase came from amortisation impact from the rollout of the new Restricted Stock Option plan. The total employees in the company increased from over 4,900 as of 31st March, 2020 to over 5,400 as of 31st March, 2021.

Foreign exchange fluctuation

The Company earned an exchange gain of Rs 171 Mn during FY 2020-21 as against an exchange gain of Rs 144 Mn in the previous year. The gain in FY 2020-21 was largely on account of the hedge rates being above the prevailing market rates similar to previous year.

Other expenses

The Company's other expenses comprise power and fuel costs, professional fees, selling expenses such as freight outwards, provision for doubtful debts and other general overheads. The Company recorded Rs 3,429 Mn of other expenses in FY 2020-21 reflecting an increase of 11%. The increase in other expenses were mainly due to new ways of doing business during the COVID-19 times and increase in costs associated with maintaining necessary health and safety protocols and additional costs incurred in the new facilities in Mangalore, Hyderabad and Bangalore. Other expenses as a percentage of revenue increased from 14.7% to 15.2% in FY 2020-21.

Depreciation and amortisation expense

Depreciation and amortisation increased to Rs 2,745 Mn from Rs 2,193 Mn in FY 2019-20. This reflects the additional depreciation on the new investments in the Hyderabad facility, expansion at our main Bangalore facility and commencement of the Mangalore commercial API plant.

Finance costs

The Finance costs decreased by 20% to Rs 277 Mn in FY 2020-21 compared to Rs 346 Mn in FY 2019-20, with the average cost of debt being maintained at 2% p.a. The decrease in finance costs is due to low cost borrowing in form external commercial borrowing and foreign currency term loans. Interest coverage is adequate at 17 times during the FY 2020-21.

Tax expenses

Tax expenses for the year stood at Rs 643 Mn in FY 2020-21 in comparison to Rs 1,048 Mn in FY 2019-20. The decrease in effective tax rate in FY 2020-21 is predominantly due to the incremental depreciation impact in the tax books coming from the new units that have gone live, operating losses in the newly set up commercial API plant at Mangalore and decline in the interest income.

Exceptional gain

Pursuant to a fire incident on 12 December 2016, certain fixed assets, inventory and other contents in one of the buildings were damaged. The Company lodged an estimate of loss with the insurance company and the survey is currently ongoing. The Company has recorded a loss of Rs 1,057 Mn arising from such incident and received disbursement approval of Rs 2,120 Mn from the insurance company till 31st March, 2021. The Company has recorded a gain of Rs 350 Mn and Rs 713 Mn on the basis of disbursement approvals in the consolidated financial statements for the year ended 31st March, 2021 and 31st March, 2020 respectively post the recovery on loss of Rs 1,057 Mn. Consequential tax on the exceptional gain is Rs 122 Mn and Rs 254 Mn is included within tax expense in consolidated financial statements for the year ended 31st March, 2021 and 31st March, 2020 respectively.

Profitability

The Company's EBITDA from operations in FY 2020-21 grew by 21% to Rs 6,677 Mn compared to Rs 5,524 Mn in FY 2019-20. EBITDA from operations as a percent of Revenue from operations excluding export incentives increased by 220 basis points from 28.4% in FY 2019-20 to 30.6% in FY 2020-21 reflecting a strong underlying growth.

The Company's reported Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) in FY 2020-21 grew by 5% to Rs 7,364 Mn compared to Rs 6,995 Mn in FY 2019-20.

Profit After Tax before exceptional gain increased by 4% from Rs 3,662 Mn to Rs 3,821 Mn driven by underlying operating performance partially offset by increase in depreciation arising from investments made towards expansion. Profit After Tax before exceptional gain as % of revenue declined by 0.5% as a percent of revenue to 17.0%.

Profit After Tax (PAT) declined by 2% to Rs 4,049 Mn, as against Rs 4,121 Mn in FY 2019-20 mainly due to higher exceptional gain in FY 2019-20. PAT as a percent of revenue declined by 170 basis points to 18.0%.

The Company's diluted earnings per share decreased to Rs 10.11 in FY 2020-21 as against Rs 10.35 in FY 2019-20.

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 is primarily due to lower gains on hedging instruments in FY 2019-20 compared to the previous year.

Analysis of the Consolidated Balance Sheet The following table exhibits the Company's balance sheet as on 31st March,2021 (FY 2020-21) and 31st March,2020 (FY 2019-20):

In Rs Mn

Particulars	FY 2020-21	FY 2019-20	Change (%)
Assets			
Non-current assets			
Tangible, Right-of-use and intangible assets	24,382	22,538	8%
Financial assets	4,448	783	468%
Deferred tax assets (net)	891	1,227	-27%
Income tax assets (net)	867	760	14%
Other non-current assets	177	195	-9%
Total non-current assets	30,765	25,503	21%
Current assets			
Inventories	596	252	137%
Financial assets	16,468	15,058	9%
Other current assets	1003	816	23%
Total current assets	18067	16,126	12%
Total Assets	48,832	41,629	17%
Equity and Liabilities			
Equity			
Equity share capital	4,000	4,000	-
Other Equity	24,214	17,758	36%
Total Equity	28,214	21,758	30%
Non-current liabilities			
Financial Liabilities	6,400	2,190	192%
Provisions	520	409	27%
Other non-current liabilities	2,368	1,880	26%
Total non-current liabilities	9,288	4,479	107%
Liabilities			
Current liabilities			
Financial Liabilities	6,124	10,864	-44%
Provisions	465	415	12%
Income tax liabilities (net)	134	117	15%
Other Current Liabilities	4,607	3,996	15%
Total current liabilities	11,330	15,392	-26%
Total	48,832	41,629	17%

Non-current assets

Non-current assets grew by 21% primarily due to:

- investments in tangible assets primarily in Mangalore facility and newly set up research labs at Hyderabad and Bangalore benefiting Discovery services, Dedicated Centers, Development services and Manufacturing divisions.
- Minimum Alternate Tax (MAT) entitlement credits arising on account of tax holiday benefits enjoyed by the Company and other deferred tax items that reverse in subsequent years.

Working Capital (Current assets, less current liabilities)

Working capital increased to Rs 6,737 Mn in FY 2020-21 from Rs 734 Mn in FY 2019-20. The movement is on account of:

- increase in cash and bank balances arising from improvement in customer collections and cash generated from operating activities,
- repayment of USD 50 Mn External Commercial Borrowing (ECB) loan repayment in March 2021 that was classified under other financial liabilities in FY 2019-20, and
- recovery of Mark-to-Market losses accounted in FY 2019-20 improving the position of derivative assets in FY 2020-21;

Other current liabilities primarily include advance from customers that are expected to be recognised as revenue within the next twelve months through delivery of remaining obligations.

Debtors collection significantly improved in FY 2020-21 to 58 days compared with FY 2019-20 at 76 days.

Equity share capital

The Company's equity share capital comprises 4,000 Mn equity shares of Rs 10 /- each.

Other equity

Other equity mainly comprises the share premium, retained earnings, cash flow hedging reserves and other reserves. The total reserves and surplus of the Company increased by 36% in FY 2020-21 as a result of accumulation of profits earned during the year and movement in items of other comprehensive income.

The Company's average return on net worth as on 31st March, 2021, stood at 20% as compared to 21% as on 31st March, 2020.

Non-current liabilities:

Non-current liabilities mainly include:

- Long-term borrowings are 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 at the Bangalore, Hyderabad and Mangalore premises of the Company. The borrowings are repayable at the instalments of 15%, 25% and 60% from the end of 3 years, 4 years and 5 years respectively from the date of origination.
- 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 31st March, 2021, improved to 0.27 as compared to 0.31 as on 31st March, 2020.

It may be noted that taking account of investments in inter-corporate deposits with financial institutions, deposits with banks, cash and cash equivalents and investments in overnight mutual funds the Company is net cash positive as of 31 March 2021.

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 4,297 Mn as at 31st March, 2021 in comparison with Rs 4,245 Mn as at 31st March, 2020. Of the above, proceedings under income tax matters comprise Rs 4,273 Mn particularly disputing the Company's claim of tax benefits under 10B and 10AA relating to the financial year 2002-03 to 2016-17 pending before various appellate authorities. Income tax matters include Rs 660 Mn that have been settled in favour of the Company from the Honourable High Court of Karnataka against the matters appealed by the tax authorities with respect to financial year 2002-03 to 2008-09. 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. Also refer note 31 on Contingent liabilities and commitments in the consolidated financial statements

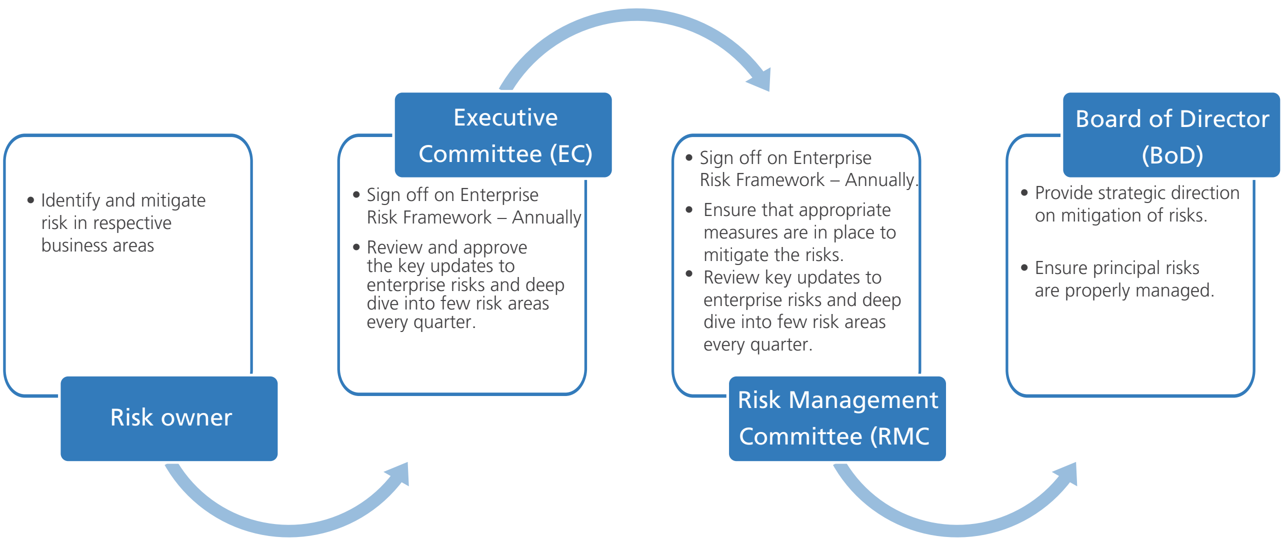
Risks and Concerns

Syngene recognizes that risk is integral to the business. The risk management process is focused on ensuring that risks are identified and addressed through an effective risk management process and that there is a timely process for identifying and dealing with emerging risks. The Company strives to achieve a balance between risk and reward with the aim of ensuring long-term business sustainability, while operating within an approved risk framework. Any emerging risk is immediately brought to Management's attention and necessary actions are taken The Company has formulated business continuity plans for each of the operating units and enabling functions and is in the process of establishing the recovery strategies defined in the business continuity plans.

Process, roles and responsibilities

Syngene has a risk management framework to identify, monitor, report and manage risk across the business. The risk owners monitor and manage risks relevant to the business. These risks are aggregated and documented in the risk register by the Company risk manager to provide the Board and Executive Committee with a comprehensive overview of the Company's risk profile.

Enterprise risks have been categorized into strategic, financial and other risks and detailed analysis of these risks has been carried out to identify the potential impact on the business and the probability of occurrence. These risks are then addressed with appropriate mitigation measures to either eliminate or reduce the risk. The Company's Executive Risk Committee reviews the risks and the mitigation plans quarterly, and annually signs off on the Enterprise Risk Framework. The Risk Committee undertakes a detailed review of one or two risks every quarter. The risk manager is responsible for supporting business leaders to identify, assess, prioritize and mitigate risks, maintaining the risk registers and ensuring that the reporting process is working effectively.



Risk management process

Risk profiling

Risks	Risk Mitigation strategy
Strategic Risks	
Customer concentration risk leading to rapid / large loss of revenue in the event of the loss of a key customer	Our Risk mitigation strategy consists of • retention of key customers through contract renewals and long term contracts. • increasing customer stickiness by cross-selling additional Syngene services • expanding our customer base by adding new clients and widening the revenue base;
Technology risk arising from failure to keep pace with emerging client technology requirements	Our Risk mitigation strategy consists of • Formation of Syngene wide Scientific Advisory Board to support development and execution of emerging platforms, outside-in view independent of key actions. • Setting up of a Technology Committee that consists of internal members regularly updating the technology trends in the Industry • Ensuring all Syngene employees remain up to speed on new technologies through series of events like quarterly Speaker connect series, Endow a scientific chair at a prestigious institution, Sponsor a Postdoctoral fellowship programme, Exchange visitor program (at a client/ renowned scientist lab)
Commercial manufacturing strategy risk associated with failure of Commercial Manufacturing strategy and execution leading to impairment	Our Risk mitigation strategy consists of • Creating a pathway to obtain regulatory approvals to make the Mangalore SEZ facility attractive for clients who want to get high value molecules manufactured: • Building commercial business pipeline leveraging development stage clients for pursuing commercial manufacturing opportunities at the facility coupled with aggressive pricing strategy. In the interim continue with manufacturing opportunities (non-regulatory) in the generic space.
Potential loss of business opportunities due to failed execution of the Integrated Drug Discovery (IDD) strategy	Our Risk mitigation strategy consists of • Deepening scientific expertise through recruitment of experienced drug discovery leaders responsible for oversight of IDD programs, program governance, client engagement, and coaching/mentoring the IDD team • Enhance sales capability by onboarding experience business development staff • Developing new business / commercialisation models including risk-share and asset development models to augment our current FTE and FFS models to meet the needs of a broader range of customers
Biologics Manufacturing strategy risk associated with inability to make progress in large molecule market leading to potential loss of business opportunities and insufficient Return on Investment	Our Risk mitigation strategy consists of • Delivering robust operating performance through automation, digitization and compliance initiatives to provide world class services. • investing in technology and experience of staff to deliver improved yields, lower COGS, faster cell to clinic timelines, more consistent delivery to time, quality and cost. • Building enhanced sales team capability

Risks	Risk Mitigation strategy
Growth strategy risk due to inability to establish a world class, global sales/ marketing/ commercial operation.	Our Risk mitigation strategy consists of • Establishing a sales team that is experienced and close to customers and highly regarded for customer responsiveness and ability to deliver solutions • Implementing fast, high quality RFI/RFP sales processes • Building positive perception of Syngene brand through brand and communication strategy • Creating effective key account management processes to deliver differentiated customer experience to clients and enable effective cross-selling / upselling and profitability optimization • Regular customer feedback and satisfaction process to gain actionable insights into customer needs earlier and more often
Disruption in operations caused by a) natural calamities especially shortage of water in our locations of operations b) impact of pandemic (both in operations and sales activity)	Our Risk mitigation strategy for (a) consists of (i) 3 campus strategy: Bangalore, Hyderabad and Mangalore to reduce over dependence on one location. (ii) Zero water waste discharge facility: All process, utility and domestic discharges are channelized to the respective collection tanks for further treatment in all Syngene locations by default in design. (iii) Rainwater harvesting approaches are actively deployed in all Syngene locations and is part of the design in all projects. By recycling and rainwater harvesting we reduced freshwater demand by 8% in FY 2019-20 and 21% in FY 2020-21. We targeting to meet 25% of our total water requirement in the next financial year through recycling and water harvesting. (iv) Single-use/disposable technology is already in place and being followed in Biologics Manufacturing facilities (v) Facility expansion where operations are highly water and natural resource dependent in locations that can guarantee supply (vi) Recycling of waste-water where we collect clean utilities from Biologics manufacturing facility to reuse water and reduce fresh water requirement

Risks	Risk Mitigation strategy
	Our Risk mitigation strategy for (b) is as follows: (i) Pandemic Management Strategy is built on the following elements of focus: • As demonstrated from good management of Wave 1: addressing Campus security, Personnel security, Business continuity and Scientific solutions for testing, tracing and treatment • Preparation for the second wave with continued personnel and campus safety protocols, broad and speedy vaccination effort • Provide therapeutic solutions through API manufacturing (ii) Pandemic Management Strategy also addresses the disruption in sales execution through: • Leveraging digital platforms to increase Syngene brand awareness; drive familiarity especially for new customers (prospects) and for services we are not well known for (e.g. Biologics) • Strengthening sales teams by hiring senior and experienced sales staff closer to customers • Tracking of key customer contacts as they move from one company to another; • Science led campaigns; going beyond India advantage for specific problem solving e.g. PROTACS
Infrastructure risk arising due to inadequate infrastructure planning and delayed execution	Our Risk mitigation strategy consists of: • Addressing the infrastructure planning and requirements through Infrastructure Committee with long term planning horizon (5 year on buildings, 10 year on land) where we look to - Integrate building and land demand into operational plans - Create infrastructure Project Management team to ensure timely project delivery - Integrate building demand into Procurement vendor management plan - Create rolling 5 year renovation and/or replacement plan for aging buildings - Explore novel delivery approaches; Build, Operate, Transfer - Create Project Delivery team and Syngene 2.O infrastructure design framework to ensure future infrastructure meets required quality and cost to build requirements
Financial risks	
Tax risk Adverse outcome relating to tax positions (Section 10AA) leading to material financial losses	Our Risk mitigation strategy consists of: • Having an effective appeal / litigation process through good quality documentation to ensure we have justifications for our tax positions • Having high quality legal representation to present our views and facts with conviction before the appellate authorities and court (High Court, Supreme Court) • Continuous monitoring of the situation and respond quickly when there is any development

Risks	Risk Mitigation strategy
Foreign exchange risk due to forex rate fluctuations leading to losses from hedge book and outstanding foreign currency borrowings	Our Risk mitigation strategy consists of: • Having a Forex policy approved by the Audit Committee • Strict adherence to the policy, regular audit to ensure compliance • Review of Forex position in every audit committee
Risk relating to non-compliance to laws due to inadequate governance framework for regulatory compliance management and reporting (domestic & overseas)	Our Risk mitigation strategy consists of: • Identifying all compliance requirements and mapping accountability to ensure compliance • Digital platform to track and record compliance • To ensure continued adherence and real time alignment with laws and regulations, on an ongoing basis • Regular audit for as a part of compliance governance
Contract assurance risk Risk of liabilities, obligations and penalties coming out of failure to manage / mitigate legacy contractual provisions.	Our Risk mitigation strategy consists of: Modernizing, simplifying and standardizing terms across all contracts for onerous provisions and move to market "norm" risk
Business risks	
Data Integrity risk arising by failure to adhere to Standard Operating Procedures / quality requirements leading to data integrity/ confidentiality breaches and regulatory non-compliance, leading to loss of trust and business.	Our Risk mitigation strategy consists of: • Governance mechanism to have a regular confirmation on SOPs being followed in all relevant operations • Reviewing all QMS SOPs vs applicable regulatory guidelines and update as needed. • Reviewing all SOPs to check for compliance to OEM recommendations and industry best practices • To review all SOPs for required language competency and ensure user appropriate.
Project management risk Risk of operational failure to deliver to the desired quality, quantity in a timely manner due to inadequate project management	Our Risk mitigation strategy consists of: • Establish vision and roadmap to become world-class in project management (Syngene way of execution) • Creating a robust and scalable framework for project management across Syngene (SynPro) • Aligning organizational design and upgrade people capabilities to the new framework (PM Academy) • Designing core processes and integrate them into a seamless flow (PM Manual) • Providing appropriate supporting infrastructure to support these world-class (Project Online +)

Risks	Risk Mitigation strategy
People risk arising due to Excess attrition and Potential challenges in sourcing right talent, labour cost inflation	Our Risk mitigation strategy consists of: • Benchmarking total rewards / remuneration to market. Ensure we deliver "fair' pay for each role. • Implementing effective career planning to allow all staff the opportunity for appropriate career advancement • Implementing an effective Learning and Development process to allow all staff the opportunity to enhance their work-related skills to the best of their ability • Implementing an effective Leadership and Management development strategy to equip the company with competent, effective leaders and managers. • Implementing an effective reward and recognition process to ensure all staff have the opportunity to be appropriately recognized for their contribution • Implementing action items identified through Great Place To Work survey for continuous improvement • Reassessing skillset and candidate profile for key roles across the company; can simplification and/or specialisation in role design open roles to need "pools" of candidates • Increasing breadth of recruitment search by adding additional search partners and sourcing from broader range of institutions • Improving recruiting tools and systems • Adopting new technologies to speed up and broaden recruitment search (virtual and AI driven search) • Conduct structural and workload analysis and implementation thereof
Adverse clinical events risk arising out of events resulting in risk to patient safety and consequential financial and reputational consequences	Risk to patient safety and consequent Financial and reputation damage due to adverse clinical events is mitigated using following multi pronged approach. • Identifying risk possibility at protocol/study design stage • Due diligence during volunteer/patient recruitment to ensure protocol compliance • Thorough medical review of adverse clinical events when they occur • Meeting reporting compliances to regulatory authorities/ ethics committee • Providing immediate medical attention to health of patient who suffered such event • Covering financial risk by carrying adequate clinical trial insurance coverage • Monitoring all adverse events to detect possibility of reputational risk.
Environmental/ Health/ Safety regulations compliances risk Risk of non-compliance to Environmental/ Health/ Safety regulations leading to loss of license to operate / reputational damage	Risk mitigation of regulatory non-compliances involves a strategy that involves identification, resolution and escalation: - Implementing Software/tool based approach for tracking compliance to all Environment, health and safety regulations - Working with regulatory authorities to ensure all approvals completed

Risks	Risk Mitigation strategy
Safety risk Risk of safety hazards in operations due to fire and/or due to chemical, biological nature of work performed	Our Risk mitigation strategy consists of: • Infrastructure preventive maintenance and upgradation, audits, alarms and sensors • Improving training and awareness (KAVACH risks reduction programme) • Mindset and behavior improvement • Conduct internal audits and external audits • Continuous upgradation and training through the Emergency Response Team structure • Meet threshold storage limit of flammable chemicals at laboratories across Syngene operations • High risk activity control (Confined space/Hotwork/height work/LOTOTO) through permit to work system
Business Integrity risk Adverse events relating to Business Integrity and Ethics jeopardizing own governance model and putting client relations at risk. a) Failure to comply with regulatory requirements of anti-bribery/complete assessment of vendors before onboarding/complete internal assessment/create awareness on anti-bribery anti-corruption within the organization b) Failure to comply with data privacy requirements /execute data processing agreements with vendors /complete risk assessment of data processing activities/create awareness on data privacy within the organization/prevent and mitigate data breaches	Our Risk mitigation strategy consists of: • Rolling out Anti bribery policy (ABAC) and Code of Conduct for all employees and partners of Syngene • Communicating and creating awareness amongst all employees, especially those in Procurement function, Commercial and all employees dealing with Government departments • Rolling out training module for all employees • ABAC due diligence of all vendors/partners and ensure all vendors and partners sign of Code of Conduct to stay as partners of Syngene • ABAC audit and assessment to ensure compliance • Rolling out Data Privacy policy • Communicating and enforcing the policy across all areas of Syngene • Training and awareness program, formal consent before storing and using of personal data • Risk Assessment to be rolled out for regular assessment of risk areas
Cyber security risk Potential loss of data leading to reputational damage caused by adverse cyber security event	Our Risk mitigation strategy consists of: • Capability building to handle cyber security threats • Pro-active situation management • Stress testing through ethical hacking exercises and taking corrective actions to fix vulnerabilities

Management Outlook

The fundamentals of Global Biopharma industry remain strong. There is good momentum of new chemical entity and new biological entity approvals by regulators underpinned by a strong pipeline of drugs under early stage discovery and development. The continuing drive to reduce the cost of drug discovery and increase productivity is expected to increase outsourcing further, with significant interest in the integrated drug discovery and development model. On the manufacturing side, growing demand for biologics, the capital-intensive nature of the business, and the complexity involved in pharmaceutical manufacturing is further driving demand for outsourcing. We believe Syngene is well positioned to capture many of these market opportunities.

The Company has extended and expanded the Dedicated R&D Centres through the collaboration with BMS where we expect to increase R&D scientists. The Company has laid a strong foundation by expanding our laboratory footprint beyond Bangalore with the ongoing capacity additions in Hyderabad. The Phase 3 of our expansion in Hyderabad will allow us to build additional capacity for another 300 scientists.

In Biologics manufacturing the Company has added capacity to under mammalian capabilities with additional two 2000 L reactors. The construction of another 500 Litre microbial facility has been completed which gets added as a new technology platform to our suite of offerings. This will help the Company cater to the production of a wide variety of biologics drugs ranging from anti-cancer to hormonal disorder therapies and many others. The Company is also planning to invest in a viral vector manufacturing facility and is being supported by BIRAC i.e. the Biotechnology Industry Research Assistance Council in the process. BIRAC has provided a grant to the Company to part fund this project to support the Company's endeavor to be at the cutting edge of cell and gene therapy manufacturing and provide India with landmark scientific capabilities. The plant is expected to be ready for operations in 2 years.

The API manufacturing facility in Mangalore is now a GMP1 certified facility and the Company is working on a multi-pronged approach to obtain regulatory approvals for the plant while adding clients and projects to monetize the asset.

The Company is in the process of strengthening the on-ground sales presence in certain key markets like the US and UK. The Company believes this will lay a foundation for being closer to our clients, driving stronger client relationships and helping us gain market share.

The Company sees growing opportunities in the areas of animal health; virology and vaccine-related services; and cell and gene therapy. Investments are being made to capture these prospects by building relevant capabilities. Syngene is already a leading research provider in animal health. The development of new services that reflect evolving client needs will be a key area to further consolidate the Company's position in this domain. In the context of virology and vaccine-related services, the impetus will be on providing a wide array of solutions that cater to the demands of biotech firms. Finally, with cell and gene therapies being important new modalities in drug development, the Company remains focused on scaling-up its services and entering into strategic partnerships to build its expertise.

Subject to the fact that the Covid-19 pandemic does not cause any further business disruption either through a lockdown, supply chain challenges or through large employee absence from the workplace, the Company sees growth opportunities in the ensuing financial period.

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, authorisations 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 AUDITORS' 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"), which comprise the standalone balance sheet as at 31 March 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion 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 Rs (INR). Foreign exchange risks also arise from foreign currency borrowings. The interest rate risks arises from the variable rate of interest on its foreign currency borrowings.

The Company designates a significant portion of its derivatives as cash flow hedges of highly probable forecasted transactions. Derivative financial instruments are recognized at their fair value as of the balance sheet date on the basis of valuation report obtained from third party specialists. Basis such valuations, effective portion of derivative movements are recognized within equity.

These matters are of importance to our audit due to complexity in the valuation of derivative contracts and complex accounting and documentation requirements under Ind AS 109: "Financial Instruments". COVID-19 had an impact on its operations and thereby impacted Company's estimates relating to occurrence of the highly probable forecasted transactions. A hedging relationship can no longer be continued if the Company concludes forecasted transactions are not likely to occur. Given the uncertainties relating to COVID-19, judgments and estimates relating to hedge accounting were inherently complex.

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 our internal valuation specialists to assess the fair value of the derivatives by testing sample contracts;
- We analyzed critical terms (such as nominal amount, maturity and underlying) of the hedging instrument and the hedged item to assess they are closely aligned;
- We analysed the revised estimate of highly probable forecasted transactions and tested the impact of ineffective hedges; and
- We challenged Company's assertion relating to its ability to meet its forecasts on account of COVID-19, to be able to assert that hedge accounting can be continued by analysing various scenarios to conclude there was no significant impact on the year-end financial statements.

Taxation

[Refer Note 2(m), 30 and 31 to the standalone financial statements]

The Key Audit Matter

The Company's operations are majorly based out of units registered as Special Economic Zone (SEZ) and Export Oriented Unit (EOU). Accordingly, the Company enjoys certain deductions/benefits with respect to payment of income-tax and other indirect taxes, some of which are subject matters of dispute with tax authorities. The Company periodically assesses its tax positions, which include examination by the external tax consultant and tax counsels appointed by the Company.

Judgment is required in assessing the range of possible outcomes for some of these tax matters. These judgements could change over time as each of the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents.

The Company makes an assessment to determine the outcome of these uncertain tax positions and decides to make an accrual or consider it to be a possible contingent liability. Where the amount of tax liabilities are uncertain, the Company recognises accruals which reflect its best estimate of the outcome based on the facts known as at the reporting date. Accordingly, we focused on this area.

The Company has significant deferred tax assets primarily comprising of Minimum Alternate Tax ('MAT') entitlement credits on account of tax holiday benefits, which would expire over a period of 15 years. Assessment of recoverability of such MAT credits require the Company to prepare forecasts for future profitability and potential tax liabilities, which involves significant judgment and accordingly this was an area of focus for us.

How the matter was addressed in our audit

Our audit procedures in relation to taxation include the following, amongst others:

- Tested the design and operating effectiveness of the Company's controls around the tax computation and tax matters;
- We obtained an understanding of the key uncertain tax positions based on list of ongoing litigations and tax computations for the current year;
- We analysed select key correspondences with the tax authorities to identify any additional uncertain tax positions;
- We analysed Company's judgment regarding the eventual resolution of matters with various tax authorities. In this regard, we understood how Company has considered past experience, where available, with the tax authorities in the respective jurisdictions;

- We also considered external legal opinions and consultations made by the Company for key matters during current and past periods;
- We used our own tax specialists' expertise to assess the key assumptions made by Company; and
- With respect to our assessment of recoverability of MAT, our audit procedures included:
  - Assessing the revenue and profit forecast against the historical performance and assessing the Company's plans with respect to new undertakings being setup having tax holiday benefits; and
  - Assessing the sensitivity of key assumptions including the growth rate and tax holiday benefit for future years on the Company's ability to utilize MAT credits.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises of Management Reports such as Board's Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report (but does not include the standalone financial statements and our Auditors' Report thereon), which we obtained prior to the date of this Auditors' Report, and the remaining sections of Annual Report, which are expected to be made available to us after that date.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and other information that we obtained prior to the date of this Auditors' Report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections of Annual Report (other than those mentioned above), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Management's and Board of Directors' Responsibility 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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 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 Management and Board of Directors are responsible for assessing the Company's ability 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 either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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 auditors' 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 in the standalone financial statements 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 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 Auditors' 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:

i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 31 to the standalone financial statements.

ii. 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.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

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) which are required to be commented upon by us.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

S Sethuraman
Partner
Membership Number: 203491
UDIN: 21203491AAAACE5072

Chennai
27 April 2021

Annexure A to the Independent Auditors' Report

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2021, we report the following:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) 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 our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment were verified during the year and 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 included in property, plant and equipment are held in the name of Company. In respect of immovable properties taken on lease and disclosed as right-of-use-assets in the standalone financial statements, the lease agreements are in the name of the Company.

(ii) Inventories apart from goods in transit and stock lying with third parties, have been physically verified by the Management at reasonable intervals during the year and the discrepancies noticed on such verification between the physical stock and book records were not material.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Companies (Auditor's Report) Order, 2016 ("the Order") are not applicable to the Company and hence not commented upon.

(iv) According to the information and explanations given to us, there are no loans, guarantees, and securities granted in respect of which provisions of Section 185 and 186 of the Act are applicable. However, the Company has complied with the provisions of Section 186 of the Act, with respect to investments made.

(v) According to information and explanations given to us, the Company has not accepted any deposits. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended, prescribed by the Central Government under Section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such records.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, and other material statutory dues have been regularly deposited during the year with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, value added tax, duty of excise and cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs and other material statutory dues were in arrears as at 31 March 2021, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income-tax, sales tax, value added tax, service tax, duty of customs, duty of excise, goods and services tax which have not been deposited with the appropriate authorities on account of any disputes, other than mentioned below:

Name of the statute	Nature of dues	Amount disputed (INR in million)	Amount paid under protest (INR in million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	292	273	2009 – 10 to 2010 – 11	Income Tax Appellant Tribunal (ITAT)
Income Tax Act, 1961	Income Tax	3,321	394	2008 – 09, 2011 – 12 to 2018 – 19	Commissioner of Income Tax (Appeals)
Finance Act, 1994	Service Tax (including interest)	22	-	2004 – 05, 2006 – 07, 2015 – 16, 2016 – 17	Customs, Excise and Service Tax Appellate Tribunals

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions and banks during the year. The Company did not have any outstanding loans or borrowings from Government and there are no dues to debentureholders during the year.

(ix) According to the information and explanations given to us and based on examination of the records of the Company, the term loans obtained during the year were applied for the purpose for which they were obtained. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on 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, paragraph 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

S Sethuraman
Partner
Membership Number: 203491
UDIN: 21203491AAAACE5072

Chennai
27 April 2021

Annexure B to the Independent Auditors' Report on the standalone financial statements of Syngene International Limited for the year ended 31 March 2021

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Syngene International Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone Financial Statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone Financial Statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone Financial Statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements 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 standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

S Sethuraman
Partner
Membership Number: 203491
UDIN: 21203491AAAACE5072

Place: Chennai
Date: 27 April 2021

STANDALONE BALANCE SHEET

as at March 31, 2021

(All amounts are in Indian Rs Million, except share data and per share data, unless otherwise stated)

	Note	31 March 2021	31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3 (a)	20,322	18,766
Capital work-in-progress	3 (a)	2,372	2,341
Right-of-use assets	3 (b)	1,121	864
Investment property	3 (c)	376	360
Intangible assets	4	191	207
Financial assets			
(i) Investments	5(a)	2,790	383
(ii) Derivative assets		623	257
(iii) Other financial assets	6(a)	1,038	146
Deferred tax assets (net)	7	887	1,227
Income tax assets (net)		868	760
Other non-current assets	8(a)	177	195
Total non-current assets		**30,765**	**25,506**
Current assets			
Inventories	9	596	252
Financial assets			
(i) Investments	5(b)	4,233	7,384
(ii) Trade receivables	10	3,390	3,982
(iii) Cash and cash equivalents	11(a)	3,189	1,918
(iv) Bank balances other than (iii) above	11(b)	3,193	885
(v) Derivative assets		713	191
(vi) Other financial assets	6(b)	1,693	686
Other current assets	8(b)	1,003	816
Total current assets		**18,010**	**16,114**
Total assets		**48,775**	**41,620**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12 (a)	4,000	4,000
Other equity	12 (b)	24,183	17,741
Total equity		**28,183**	**21,741**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13(a)	5,124	-
(ii) Lease liabilities	34	1,052	812
(iii) Derivative liabilities		224	1,378
Provisions	14(a)	520	409
Other non-current liabilities	15(a)	2,368	1,880
Total non-current liabilities		**9,288**	**4,479**
Current liabilities			
Financial liabilities			
(i) Borrowings	13(b)	2,599	3,089
(ii) Lease liabilities	34	154	61
(iii) Trade payables	16		
Total outstanding dues of micro and small enterprises		109	207
Total outstanding dues of creditors other than micro and small enterprises		2,282	2,021
(iv) Derivative liabilities		18	546
(v) Other financial liabilities	17	937	4,948
Provisions	14(b)	465	415
Income tax liabilities (net)		133	117
Other current liabilities	15(b)	4,607	3,996
Total current liabilities		**11,304**	**15,400**
Total equity and liabilities		**48,775**	**41,620**

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

for and on behalf of the **Board of Directors of Syngene International Limited**

S Sethuraman
Partner
Membership number: 203491

Kiran Mazumdar Shaw
Chairperson
DIN: 00347229

Jonathan Hunt
Managing Director and Chief Executive Officer
DIN: 07774619

Sibaji Biswas
Chief Financial Officer

Priyadarshini Mahapatra
Company Secretary
ACS Number: F8786

Chennai
27 April 2021

Bengaluru
27 April 2021

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

(All amounts are in Indian Rs Million, except share data and per share data, unless otherwise stated)

	Note	Year ended 31 March 2021	Year ended 31 March 2020
Income			
Revenue from operations	18	21,794	20,119
Other income	19	646	816
Total income		**22,440**	**20,935**
Expenses			
Cost of chemicals, reagents and consumables consumed	20	5,517	5,186
Changes in inventories of finished goods and work-in-progress	21	(252)	8
Employee benefits expense	22	6,415	5,722
Finance costs	23	277	346
Depreciation and amortisation expense	24	2,745	2,193
Other expenses	25	3,585	3,180
Foreign exchange fluctuation (gain)/loss, net		(171)	(144)
Total expenses		**18,116**	**16,491**
Profit before tax and exceptional item		4,324	4,444
Exceptional item	35	350	713
Profit before tax		**4,674**	**5,157**
Tax expense	30		
Current tax		736	893
Deferred tax			
MAT credit entitlement		(268)	(381)
Other deferred tax		169	530
Total tax expense		**637**	**1,042**
Profit for the year		4,037	4,115
Other comprehensive income			
(i) Items that will not be reclassified subsequently to profit or loss			
Re-measurement on defined benefit plans		(30)	23
Income tax effect		5	(5)
(ii) Items that will be reclassified subsequently to profit or loss			
Effective portion of gains/(losses) on hedging instrument in cash flow hedges		2,375	(2,388)
Income tax effect		(444)	454
Other comprehensive income for the year, net of taxes		**1,906**	**(1,916)**
Total comprehensive income for the year		**5,943**	**2,199**
Earnings per equity share	38		
Basic (in Rs)		10.15	10.36
Diluted (in Rs)		10.08	10.33

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

for and on behalf of the **Board of Directors of Syngene International Limited**

S Sethuraman
Partner
Membership number: 203491

Kiran Mazumdar Shaw
Chairperson
DIN: 00347229

Jonathan Hunt
Managing Director and Chief Executive Officer
DIN: 07774619

Sibaji Biswas
Chief Financial Officer

Priyadarshini Mahapatra
Company Secretary
ACS Number: F8786

Chennai
27 April 2021

Bengaluru
27 April 2021

Standalone Statement of Changes in Equity

for the year ended 31 March 2021

(All amounts are in Indian Rs Million, except share data and per share data, unless otherwise stated)

(A) Equity share capital

	31 March 2021	31 March 2020
Opening balance	4,000	2,000
Issue of bonus shares [refer note 12(a)(vi)]	-	2,000
Closing balance	4,000	4,000

(B) Other equity [refer note 12(b)]

Particulars	Reserves and surplus: Securities premium	General reserve	Treasury shares	Retained earnings	Special Economic Zone (SEZ) reinvestment reserve	Share based payments	Items of other comprehensive income: Cash flow hedging reserves	Other items of other comprehensive income	Total other equity
Balance as at 1 April 2019	1,273	47	(46)	15,902	-	280	320	(104)	17,672
Profit for the year	-	-	-	4,115	-	-	-	-	4,115
Other comprehensive income, net of tax	-	-	-	-	-	-	(1,934)	18	(1,916)
Total comprehensive income for the year	**-**	**-**	**-**	**4,115**	**-**	**-**	**(1,934)**	**18**	**2,199**
Transactions recorded directly in equity									
Issue of fully paid up bonus shares	-	(47)	-	(1,953)	-	-	-	-	(2,000)
Expenses in relation to Issue of bonus shares	(12)	-	-	-	-	-	-	-	(12)
Dividend including dividend distribution tax	-	-	-	(241)	-	-	-	-	(241)
Exercise of share options	72	-	6	1	-	(72)	-	-	7
Share based payment	-	-	-	-	-	181	-	-	181
Impact on account of adoption of Ind AS-116 [refer note 34]	-	-	-	(65)	-	-	-	-	(65)
Transfer to SEZ reinvestment reserve	-	-	-	(1,500)	1,500	-	-	-	-
Transfer from SEZ reinvestment reserve	-	-	-	1,500	(1,500)	-	-	-	-
Balance as at 31 March 2020	**1,333**	**-**	**(40)**	**17,759**	**-**	**389**	**(1,614)**	**(86)**	**17,741**
Profit for the year	-	-	-	4,037	-	-	-	-	4,037
Other comprehensive income, net of tax	-	-	-	-	-	-	1,931	(25)	1,906
Total comprehensive income for the year	**-**	**-**	**-**	**4,037**	**-**	**-**	**1,931**	**(25)**	**5,943**
Transactions recorded directly in equity									
Exercise of share options	112	-	8	(1)	-	(112)	-	-	7
Share based payment	-	-	-	-	-	492	-	-	492
Transfer to SEZ reinvestment reserve	-	-	-	(1,600)	1,600	-	-	-	-
Transfer from SEZ reinvestment reserve	-	-	-	1,600	(1,600)	-	-	-	-
Balance as at 31 March 2021	**1,445**	**-**	**(32)**	**21,795**	**-**	**769**	**317**	**(111)**	**24,183**

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

S Sethuraman
Partner
Membership number: 203491

Chennai
27 April 2021

for and on behalf of the **Board of Directors of Syngene International Limited**

Kiran Mazumdar Shaw
Chairperson
DIN: 00347229

Jonathan Hunt
Managing Director and Chief Executive Officer
DIN: 07774619

Sibaji Biswas
Chief Financial Officer

Priyadarshini Mahapatra
Company Secretary
ACS Number: F8786

Bengaluru
27 April 2021

Standalone Statement of Cash Flows

for the year ended 31 March 2021

(All amounts are in Indian Rs Million, except share data and per share data, unless otherwise stated)

		Year ended 31 March 2021	Year ended 31 March 2020
I	**Cash flows from operating activities**		
	Profit for the year	4,037	4,115
	Adjustments to reconcile profit to net cash flows		
	Depreciation and amortisation expense	2,745	2,193
	Loss on assets scrapped	60	14
	Exceptional item	(350)	(713)
	Provision for doubtful receivables	16	10
	Bad debts written off, net of write back	-	1
	Share based compensation expense	492	181
	Interest expense	277	346
	Unrealised foreign exchange loss	(55)	45
	Net gain on sale of current investments	(21)	(28)
	Proceeds from insurance company	245	970
	Interest income	(623)	(787)
	Tax expenses	637	1,042
	Operating profit before working capital changes	**7,460**	**7,389**
	Movements in working capital		
	Decrease/ (increase) in inventories	(344)	182
	Decrease/ (increase) in trade receivables	383	(362)
	Decrease/ (increase) in other assets	389	(1,735)
	Increase/ (decrease) in trade payables, other liabilities and provisions	(80)	2,364
	Cash generated from operations	**7,808**	**7,838**
	Income taxes paid (net of refunds)	(828)	(1,064)
	Net cash flow generated from operating activities	**6,980**	**6,774**
II	**Cash flows from investing activities**		
	Purchase of property, plant and equipment	(4,408)	(6,300)
	Purchase of intangible assets	(57)	(131)
	Investment in unsecured compulsorily convertible debentures	-	(100)
	Investment in compulsorily convertible preference shares	(25)	-
	Investment in equity shares	(12)	-
	Investment in bank deposits and inter corporate deposits	(16,024)	(12,892)
	Redemption/ maturity of bank deposits and inter corporate deposits	14,917	13,831
	Interest received	620	891
	Proceeds from sale of current investments	10,775	9,123
	Purchase of current investments	(12,067)	(8,706)
	Net cash flow used in investing activities	**(6,281)**	**(4,284)**
III	**Cash flows from financing activities**		
	Proceeds from exercise of share options	8	7
	Repayment of long term borrowings	(3,811)	(2,677)
	Proceeds from long term borrowings	5,153	-
	Proceeds/ (repayments) from short term borrowings, net	(450)	1,057
	Dividend paid on equity shares including tax thereon	-	(241)
	Payment of bonus share issue expenses	-	(12)
	Repayment of lease liabilities (principal), net	(43)	(43)
	Interest paid	(277)	(346)
	Net cash flow generated from/ (used in) financing activities	**580**	**(2,255)**

Standalone Statement of Cash Flows

for the year ended 31 March 2021

(All amounts are in Indian Rs Million, except share data and per share data, unless otherwise stated)

		Year ended 31 March 2021	Year ended 31 March 2020
IV	**Net increase in cash and cash equivalents (I+II+III)**	1,279	235
V	Effect of exchange difference on cash and cash equivalents held in foreign currency	(8)	46
VI	Cash and cash equivalents at the beginning of the year	1,918	1,637
VII	**Cash and cash equivalents at the end of the year (IV+V+VI)**	**3,189**	**1,918**
	Components of cash and cash equivalents as at the end of the year		
	Cash on hand	-*	- *
	Balances with banks	3,185	1,912
	Deposits with maturity of less than 3 months	4	6
	Total cash and cash equivalents [refer note 11(a)]	**3,189**	**1,918**
	Restricted cash balance [refer note 11 (ii)]	13	8

* Less than Rs 0.5 million.

Change in liability arising from financing activities

	1 April 2020	Cash Flow	Foreign exchange gain	31 March 2021
Borrowings (including current maturities)	6,856	892	(25)	7,723
	6,856	**892**	**(25)**	**7,723**

Note: a) Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

S Sethuraman
Partner
Membership number: 203491

Chennai
27 April 2021

for and on behalf of the **Board of Directors of Syngene International Limited**

Kiran Mazumdar Shaw
Chairperson
DIN: 00347229

Jonathan Hunt
Managing Director and Chief Executive Officer
DIN: 07774619

Sibaji Biswas
Chief Financial Officer

Priyadarshini Mahapatra
Company Secretary
ACS Number: F8786

Bengaluru
27 April 2021

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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 2021. These standalone financial statements were authorised for issuance by the Company's Board of Directors on 27 Apr 2021.

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) 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.

d) 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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 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 2021 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).

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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 payment arrangements.

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.

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

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.

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

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.

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

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.

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

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.

Exchange differences arising on long-term foreign currency monetary items initially recognised in the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP 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	

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

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. 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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.

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

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."

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

ii. Post-employment benefits:

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Gratuity

The Company provides for gratuity, a defined benefit plan ("the Gratuity Plan") covering the eligible employees of the 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 is the period in which the absences occur.

The liability in respect of all defined benefit plans and other long term benefits is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses on other long term benefits are recognised in the Statement of Profit and Loss in the year in which they arise. Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

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.

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

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 efforts expended as a proportion to total estimated efforts. 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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.

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

At the date of commencement of lease, the company recognises a Right-of-use assets ("ROU") and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with the term of twelve months or less (short term leases) and low value leases. For short term and low value leases, the company recognises the lease payment as an operating expense on straight line basis over the term of lease.

Certain lease agreements include an option to extend or terminate the lease before the end of lease term. ROU assets and the lease liabilities includes these options when it is reasonably certain that they will be exercised.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., higher of fair value less cost to sell and the value-in-use) is determined on individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate explicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right-of- use assets if the company changes its assessment if whether it will exercise an extension or a termination of option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and the lease payments have been classified as financing cash flows.

(ii) The Company as a Lessor:

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating lease.

p. Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. 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. 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.

r. Recent accounting developments

MCA issued notifications dated 24 March 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1 April 2021. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(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	Leasehold Improvements	Total	Capital work-in-progress
Gross carrying amount									
At 1 April 2019	703	3,313	16,175	121	389	30	172	20,903	2,737
Additions	-	2,234	5,314	40	112	3	-	7,703	7,307
Reclassification to right-of-use assets on account of adoption of Ind AS 116 [refer note 2(n) and 34]	-	-	-	-	-	-	(172)	(172)	-
Disposals / other adjustments	-	-	(168)	-	-	(3)	-	(171)	(7,703)
At 31 March 2020	**703**	**5,547**	**21,321**	**161**	**501**	**30**	**-**	**28,263**	**2,341**
Additions	-	650	3,389	20	109	15	-	4,183	4,214
Transfer to investment property [refer note (g)]	-	(50)	(8)	-	-	-	-	(58)	-
Disposals / other adjustments	-	(6)	(161)	-	(4)	(7)	-	(178)	(4,183)
At 31 March 2021	**703**	**6,141**	**24,541**	**181**	**606**	**38**	**-**	**32,210**	**2,372**
Accumulated depreciation									
At 1 April 2019	-	686	6,675	81	191	16	27	7,676	-
Depreciation for the year	-	147	1,768	29	56	8	-	2,008	-
Transfer to right-of-use asset on account of adoption of Ind AS 116 [refer note 2(n) and 34]	-	-	-	-	-	-	(27)	(27)	-
Disposals	-	-	(158)	-	-	(2)	-	(160)	-
At 31 March 2020	**-**	**833**	**8,285**	**110**	**247**	**22**	**-**	**9,497**	**-**
Depreciation for the year	-	232	2,177	30	74	3	-	2,516	-
Transfer to investment property	-	-	-	-	-	-	-	-	-
Disposals	-	(2)	(114)	-	(3)	(6)	-	(125)	-
At 31 March 2021	**-**	**1,063**	**10,348**	**140**	**318**	**19**	**-**	**11,888**	**-**
Net carrying amount									
At 31 March 2020	**703**	**4,714**	**13,036**	**51**	**254**	**8**	**-**	**18,766**	**2,341**
At 31 March 2021	**703**	**5,078**	**14,193**	**41**	**288**	**19**	**-**	**20,322**	**2,372**

Notes:

(a) Land includes land held on lease under perpetual basis: Gross carrying amount - Rs 661 (31 March 2020 - Rs 661).

(b) Plant and equipment includes computers.

(c) Buildings with a gross carrying amount of Rs 3,786 as at 31 March 2021 (as at 31 March 2020 - Rs 3,593) have been constructed on leasehold land obtained by the Company on lease basis from Biocon Limited, the holding Company.

(d) Foreign exchange loss of Rs 712 [as at 31 March 2020 - Rs 667] on long term foreign currency monetary liabilities relating to acquisition of a depreciable capital asset has been adjusted with the cost of such asset pursuant to option available on long-term foreign currency monetary items which were obtained before the beginning of the first Ind AS financial reporting period as per the previous GAAP (refer note 2(b)(i)).

(e) Additions to property, plant and equipment includes additions related to borrowing costs capitalised during the year amounting to Rs 10 (31 March 2020 - Rs Nil).

(f) During the year ended 31 March 2020, leasehold improvements was reclassified as right-of-use assets [refer note 3(b)] on account of adoption of Ind AS 116.

(g) During the year ended 31 March 2021, a portion of facility was reclassified as investment property [refer note 3(c)], as the Company leased out the facility to a related party.

(h) Refer note 31 (ii) (a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

3 (b) Right-of-use assets

	Land	Buildings	Vehicles	Total
Gross carrying amount				
At 1 April 2019	**-**	**-**	**-**	**-**
Reclassified from property, plant and equipment on account of adoption of Ind AS 116 [refer note 2(n) and 34]	-	172	-	172
Additions	65	696	39	800
At 31 March 2020	**65**	**868**	**39**	**972**
Additions	-	361	17	378
Disposals	-	(12)	-	(12)
At 31 March 2021	**65**	**1,217**	**56**	**1,338**
Accumulated depreciation				
At 1 April 2019	**-**	**-**	**-**	**-**
Reclassified from property, plant and equipment on account of adoption of Ind AS 116 [refer note 2(n)]	-	27	-	27
Depreciation for the year	20	58	3	81
At 31 March 2020	**20**	**85**	**3**	**108**
Depreciation for the year	21	85	8	114
Disposals	-	(5)	-	(5)
At 31 March 2021	41	165	11	217
Net carrying amount				
At 31 March 2020	**45**	**783**	**36**	**864**
At 31 March 2021	**24**	**1,052**	**45**	**1,121**

3 (c) Investment property

	Buildings [refer note (b)]	Furniture and fixtures	Office equipments	Plant and equipment	Total
Gross carrying amount					
At 1 April 2019	**34**	**3**	**1**	**460**	**498**
Additions	-	-	-	-	-
At 31 March 2020	**34**	**3**	**1**	**460**	**498**
Transfer from property, plant and equipment	50	-	-	8	58
Additions	-	-	-	-	-
At 31 March 2021	**84**	**3**	**1**	**468**	**556**
Accumulated depreciation					
At 1 April 2019	2	1	-	95	98
Depreciation for the year	1	1	-	38	40
At 31 March 2020	**3**	**2**	**-**	**133**	**138**
Transfer from property, plant and equipment	-	-	-	-	-
Depreciation for the year	3	1	1	37	42
At 31 March 2021	**6**	**3**	**1**	**170**	**180**
Net carrying amount					
At 31 March 2020	**31**	**1**	**1**	**327**	**360**
At 31 March 2021	**78**	**-**	**-**	**298**	**376**

Note:

(a) During the year, the Company has recognised rental income of Rs 222 (31 March 2020 : Rs 225) in the statement of profit and loss for investment property. The fair value of investment property as at 31 March 2021 is Rs 376 (31 March 2020 : Rs 360).

(b) Investment property with a cost of Rs 84 (31 March 2020 : Rs 34) have been constructed on leasehold land obtained by the Company on lease basis from Biocon Limited.

(c) Refer note 31 (ii) (a) for disclosure of contractual commitments for the acquisition of investment property.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

4. Intangible assets

	Computer software	Intellectual property rights	Total
Gross carrying amount			
At 1 April 2019	189	120	309
Additions	130	-	130
Disposals	-	-	-
At 31 March 2020	**319**	**120**	**439**
Additions	57	-	57
Disposals	-	-	-
At 31 March 2021	**376**	**120**	**496**
Accumulated amortisation			
At 1 April 2019	106	62	168
Amortisation for the year	40	24	64
Disposals	-	-	-
At 31 March 2020	**146**	**86**	**232**
Amortisation for the year	49	24	73
Disposals	-	-	-
At 31 March 2021	**195**	**110**	**305**
Net carrying amount			
At 31 March 2020	**173**	**34**	**207**
At 31 March 2021	**181**	**10**	**191**

(a) Refer note 31 (ii) (a) for disclosure of contractual commitments for the acquisition of intangible assets.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(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 2021	31 March 2020
Unquoted equity instruments of wholly owned subsidiary at cost:		
500 (31 March 2020: 500) Equity shares of USD 100 each in Syngene USA Inc., USA	3	3
Unquoted equity instruments carried at fair value through other comprehensive income:		
2,020 (31 March 2020: Nil) Equity shares of Rs 10 each in Immuneel Therapeutics Private Limited	100	-
Unquoted - In Others:		
Investments carried at fair value through profit or loss:		
123,203 (31 March 2020: Nil) Equity shares of Rs 100 each in Four EF Renewables Private Limited	12	-
246,406 (31 March 2020: Nil) Compulsory convertible preference shares of Rs 100 each in Four EF Renewables Private Limited [refer note(i) below]	25	-
Immuneel Therapeutics Private Limited - Nil (31 March 2020: 10,000,000) 0.01% unsecured compulsorily convertible debentures, par value Rs10 each fully paid up [refer note(ii) below]	-	100
Investments carried at amortized cost:		
Inter corporate deposits with financial institutions *	2,650	280
	2,790	383
Aggregate value of unquoted investments	2,790	383

Note:

(i) 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.

(ii) Terms of conversion: 4,950 unsecured compulsorily convertible debentures of face value Rs 10/- each will convert to 1 equity share of Rs 49,500/- (Face value of Rs 10/- and premium of Rs 49,490) at end of the tenure of 12 months from allotment.

* Inter corporate deposits with financial institutions yield fixed interest rate.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

(b) Current investments

	31 March 2021	31 March 2020
Quoted - Investment in mutual funds at fair value through profit or Loss		
Aditya Birla Sun Life Liquid Fund - Nil (31 March 2020: 156,619) units of Rs Nil (31 March 2020: Rs 319) each	-	50
DSP Liquidity Fund- 51,003 (31 March 2020: Nil) units of Rs 2,941 (31 March 2020: Rs Nil) each	150	-
HDFC Liquid Fund - 55,884 (31 March 2020: Nil) units of Rs 4,041 (31 March 2020: RsNil) each	226	-
ICICI Prudential Liquid Fund - 591,980 (31 March 2020: Nil) units of Rs 305 (31 March 2020: Rs Nil) each	180	-
IDFC cash fund- 52,561 (31 March 2020: Nil) units of Rs 2,486 (31 March 2020: Rs Nil) each	131	-
Kotak Mahindra Mutual Fund - 60,353 (31 March 2020: Nil) units of Rs 4,155 (31 March 2020: RsNil) each	251	-
Nippon India Overnight Fund - Nil (31 March 2020: 1,126,048) units of Rs Nil (31 March 2020: Rs 107) each	-	121
Nippon India Liquid Fund - 26,914 (31 March 2020: Nil) units of Rs 5,031 (31 March 2020: Rs Nil) each	135	-
SBI Liquid Fund - 99,914 (31 March 2020: Nil) units of Rs 3,212 (31 March 2020: Rs Nil) each	321	-
UTI Liquid Fund Cash Plan - 26,859 (31 March 2020: Nil) units of Rs 3,368 (31 March 2020: Rs Nil) each	90	-
	1,484	**171**
Unquoted - In others - at amortised cost		
Inter corporate deposits with financial institutions *	**2,749**	**7,213**
	4,233	7,384
* Inter corporate deposits with financial institutions yield fixed interest rate.		
Aggregate book and market value of quoted investments	1,484	171
Aggregate value of unquoted investments	2,749	7,213

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

6. Other financial assets

	31 March 2021	31 March 2020
(a) Non-current		
Security deposits	149	146
Bank deposits with maturity of more than 12 months	889	-
	1,038	**146**
(b) Current		
Recoverable from insurance company (refer note 35)	105	-
Other receivables (refer note 26)	107	53
Interest accrued but not due	127	124
Unbilled revenues	1,354	509
	1,693	**686**

7. Deferred tax assets (net) (refer note 30(b))

	31 March 2021	31 March 2020
Deferred tax asset		
MAT credit entitlement	1,774	1,506
Employee benefit obligations	104	130
Derivatives, net	-	420
Others	7	27
	1,885	**2,083**
Deferred tax liability		
Derivatives, net	24	-
Property, plant and equipment, investment property and intangible assets, net	974	856
	998	**856**
Deferred tax assets (net)	**887**	**1,227**

8. Other assets

(Unsecured considered good, unless otherwise stated)

	31 March 2021	31 March 2020
(a) Non-current		
Capital advances	84	117
Balances with statutory / government authorities	50	55
Prepayments	43	23
	177	195
(b) Current		
Advances other than capital advances	57	47
Export incentive receivables	445	432
Balances with statutory / government authorities	259	131
Prepayments	242	206
	1,003	**816**

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

9. Inventories

	31 March 2021	31 March 2020
Chemicals, reagents and consumables *	294	202
Work-in-progress	212	33
Finished goods	90	17
	596	**252**

* includes goods in-transit Rs 24 (31 March 2020 - Rs 30)

10. Trade receivables

	31 March 2021	31 March 2020
Unsecured		
Considered good*	3,390	3,982
Considered doubtful	62	62
	3,452	4,044
Allowance for credit losses	(62)	(62)
	3,390	**3,982**

* Includes receivables from related parties [refer note 26]

The Company's exposure to credit and currency risks and loss allowances are disclosed in note 28.

11. Cash and bank balances

	31 March 2021	31 March 2020
(a) Cash and cash equivalents		
Cash on hand	- *	- *
Balances with banks (on current accounts)	3,185	1,912
Deposits with original maturity of less than 3 months	4	6
	3,189	**1,918**
(b) Bank balances other than above		
Deposits with maturity of less than 12 months	3,193	885
Total cash and bank balances	6,382	2,803

* 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 Rs million.

(ii) Cash and cash equivalents includes restricted cash and bank balances of Rs 13 (31 March 2020: 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, 2021

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

12(a). Equity share capital

	31 March 2021	31 March 2020
Authorised		
500,000,000 (31 March 2020: 500,000,000) equity shares of Rs 10 each (31 March 2020: Rs 10 each)	5,000	5,000
Issued, subscribed and fully paid-up		
400,000,000 (31 March 2020: 400,000,000) equity shares of Rs 10 each (31 March 2020: Rs 10 each)	4,000	4,000
	4,000	**4,000**

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	31 March 2021		31 March 2020	
	No.	Rs	No.	Rs
At the beginning of the year	400,000,000	4,000	200,000,000	2,000
Issue of bonus shares during the year [refer note (vi) below]	-	-	200,000,000	2,000
At the end of the year	400,000,000	4,000	400,000,000	4,000

(ii) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rs. 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 2021		31 March 2020	
	No.	% holding	No.	% holding
Equity shares of Rs 10 each fully paid				
Biocon Limited (holding company) [refer note (vi) below]	280,974,772	70.24%	280,974,772	70.24%

(iv) Details of shareholders holding more than 5% shares in the Company

	31 March 2021		31 March 2020	
	No.	% holding	No.	% holding
Equity shares of Rs 10 each fully paid				
Biocon Limited [refer note (vi) below]	280,974,772	70.24%	280,974,772	70.24%

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

(v) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:

	Year ended 31 March 2021	Year ended 31 March 2020
Equity shares allotted as fully paid bonus shares by capitalization of general reserve and surplus in statement of profit and loss [refer note (vi) below]	-	200,000,000

(vi) Issue of bonus shares

The shareholders approved through postal ballet 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.

12(b). Other equity

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. 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, 2021

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

13. Borrowings

		31 March 2021	31 March 2020
(a)	**Non-current borrowings**		
	Term loans from banks		
	External commercial borrowings (secured) [refer note (i) below]	3,660	3,767
	Foreign currency term loan (secured) [refer note (ii) below]	1,464	-
		5,124	**3,767**
	Less: Amount disclosed under "other current financial liabilities" [refer note 17 and note (iii) below]	-	(3,767)
		5,124	**-**
(b)	**Current borrowings**		
	Term loans from banks		
	Pre shipment credit(unsecured) [refer note (iv) below]	2,599	3,089
		2,599	**3,089**
	The above amount includes		
	Secured borrowings	5,124	3,767
	Unsecured borrowings	2,599	3,089
		7,723	**6,856**

Notes:

(i) (a) The Company has entered into external commercial borrowing agreement dated 21 September 2020 to borrow USD 50 million (Rs 3,660) term loan facility. The facility is borrowed to incur capital expenditure at Bengaluru, Hyderabad and Mangaluru premises of the Company.

(b) 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.

(ii) (a) The Company has entered into foreign currency term loan agreement dated 30 March 2021 to borrow USD 50 million (Rs 3,660) comprising (a) USD 20 million (Rs 1,464) term loan facility ('Facility A') drawn on 31 March 2021; and (b) USD 30 million (Rs 2,196) term loan facility ('Facility B') to be drawn by 30 June 2021. The facilities are borrowed to incur capital expenditure at Bengaluru, Hyderabad and Mangaluru premises of the Company.

(b) 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.

(iii) (a) The Company had entered into external commercial borrowing agreement dated 30 March 2016 to borrow USD 100 million comprising (a) USD 50 million term loan facility ('Facility A'); and (b) USD 50 million term loan facility ('Facility B'). The facilities were borrowed to incur capital expenditure at Bengaluru and Mangaluru premises of the Company.

(b) 'Facility A' of USD 50 million carried an interest rate of Libor + 1.04% and was repaid in two instalments of USD 12.5 million in March 2019 and USD 37.5 million in March 2020 in line with the agreement ; and 'Facility B' of USD 50 million carried an interest rate of Libor + 1.30% and was repaid in March 2021 and the facilities provided were secured by first priority pari passu charge on fixed assets (movable plant and machinery) and second charge on current assets of the Company.

(iv) The Company has obtained foreign currency denominated short term unsecured pre-shipment credit loans of Rs 2,599 (USD 35.5 million) [31 March 2020 : Rs 3,089 (USD 41 million)] that carries interest rate of Libor + 0.20% to + 0.30% [31 March 2020 : Libor + 0.35% to + 0.60%]. The loans are repayable after the end of 6 months from the date of its origination.

(v) 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, 2021

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

14. Provisions

	31 March 2021	31 March 2020
(a) Non-current		
Provision for employee benefits		
Gratuity (refer note 27)	520	409
	520	**409**
(b) Current		
Provision for employee benefits		
Gratuity (refer note 27)	45	42
Compensated absences (refer note 27)	420	373
	465	**415**

15. Other liabilities

	31 March 2021	31 March 2020
(a) Non-current		
Deferred revenues	2,368	1,880
	2,368	**1,880**
(b) Current		
Advances from customers	3,810	3,095
Deferred revenues	367	306
Others		
- Statutory dues	132	124
- Other dues	298	471
	4,607	**3,996**

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

16. Trade payables

	31 March 2021	31 March 2020
Trade payables [refer note (a) below and note 26]		
Total outstanding dues of micro and small enterprises	109	207
Total outstanding dues of creditors other than micro and small enterprises	2,282	2,021
	2,391	**2,228**
(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	109	207
- 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	182	629
(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	4	6
(v) Interest remaining due and payable in succeeding years, in terms of Section 23 of the MSMED Act, 2006	10	17
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) All Trade Payables are 'current'. The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 28.		

17. Other financial liabilities

	31 March 2021	31 March 2020
Current		
Current maturities of long term borrowings with Banks (refer note 13(a))	-	3,767
Payable for capital goods	892	1,155
Book overdraft	45	26
	937	4,948

(i) The Company has unpaid dividends which are not disclosed above since amounts are rounded off to Rs million.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

18. Revenue from operations

	Year ended 31 March 2021	Year ended 31 March 2020
Sale of services		
Contract research and manufacturing services income	20,842	18,797
Other operating revenues		
Scrap sales	37	27
Export incentives	41	654
Others [refer note (a) below]	874	641
	21,794	**20,119**

Note:

(a) Others include income from support services, rentals by the SEZ Developer and release from 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 2021	Year ended 31 March 2020
Revenues from Contract research and manufacturing services income by geography		
India	1,149	714
United States of America	15,142	14,383
Rest of the world	4,551	3,700
	20,842	**18,797**
Revenue from other sources		
Other operating revenues	952	1,322
	952	1,322
Total revenue from operations	**21,794**	**20,119**

Geographical revenue is allocated based on the location of the customers.

18.2 Contract balances

	Year ended 31 March 2021	Year ended 31 March 2020
Trade receivables [refer note (i) below]	3,390	3,982
Contract assets [refer note (i) below]	1,354	509
Contract liabilities [refer note (ii) below]	6,545	5,281

Notes:

(i) Trade receivables and Contract assets are non-interest bearing.

(ii) Contract liabilities include advances from customers and deferred revenues.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

18.3 Changes in Contract liabilities - advances from customers and deferred revenues

	Year ended 31 March 2021	Year ended 31 March 2020
Balance at the beginning of the year	5,281	4,639
Add: Increase due to invoicing during the year	6,062	4,247
Less: Revenue recognised from advances from customers at the beginning of the year	(2,965)	(2,613)
Less: Amounts recognised as revenue during the year	(1,833)	(992)
Balance at the end of the year	**6,545**	**5,281**
Expected revenue recognition from remaining performance obligations:		
- Within one year	4,177	3,401
- More than one year	2,368	1,880
	6,545	**5,281**

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 2021	Year ended 31 March 2020
Interest income on:		
Deposits with banks and financial institutions	616	782
Lease deposits	7	5
Net gain on sale of current investments	21	28
Other non-operating income	2	1
	646	**816**

20. Cost of chemicals, reagents and consumables consumed

	Year ended 31 March 2021	Year ended 31 March 2020
Inventory at the beginning of the year	202	376
Add : Purchases	5,609	5,012
Less: Inventory at the end of the year	(294)	(202)
	5,517	**5,186**

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(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 2021	Year ended 31 March 2020
Inventories at the beginning of the year		
Work-in-progress	33	51
Finished goods	17	7
	50	**58**
Inventories at the end of the year		
Work-in-progress	212	33
Finished goods	90	17
	302	**50**
	(252)	**8**

22. Employee benefits expense

	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	5,327	4,980
Contribution to provident fund and other funds	241	218
Gratuity expenses (refer note 27)	103	91
Share based compensation expense (refer note 33)	492	181
Staff welfare expenses	252	252
	6,415	**5,722**

23. Finance costs

	Year ended 31 March 2021	Year ended 31 March 2020
Interest expense on:		
Borrowings [refer note (i) below]	174	280
Lease liabilities [refer note 34]	103	66
	277	**346**

Note:

(i) Interest expense includes exchange difference to the extent considered as an adjustment to borrowing cost of Rs Nil (31 March 2020 : Rs3).

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

24. Depreciation and amortisation expense

	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation of property, plant and equipment [refer note 3 (a)]	2,516	2,008
Depreciation of right-of-use assets [refer note 3 (b)]	114	81
Depreciation of investment property [refer note 3 (c)]	42	40
Amortisation of intangible assets [refer note 4]	73	64
	2,745	2,193

25. Other expenses

	Year ended 31 March 2021	Year ended 31 March 2020
Rent	38	-
Communication expenses	25	15
Travelling and conveyance	268	339
Professional charges	565	535
Payments to auditors [refer note (a) below]	7	6
Directors' fees including commission	24	23
Power and fuel	574	458
Facility charges	106	111
Insurance	162	158
Rates and taxes	57	94
Repairs and maintenance		
Plant and machinery	824	619
Buildings	101	151
Others	375	267
Selling expenses		
Freight outwards and clearing charges	34	19
Sales promotion expenses	27	90
Commission	-	2
Provision for doubtful receivables	16	10
Bad debts written off	16	1
Less: Provision no longer required written back	(16)	(1)
Printing and stationery	24	47
Clinical trial expenses	85	78
Contributions towards CSR (refer note 37)	86	74
Loss on assets scrapped	59	-
Miscellaneous expenses	128	84
	3,585	**3,180**

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for the year ended March 31, 2021

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
(a) Payments to auditors:		
As an auditor:		
Statutory audit	3	3
Tax audit	1	1
Limited review	2	1
In other capacity:		
Other services (certification fees) [refer note (i) below]	-	-
Reimbursement of expenses	1	1
	7	6

(i) Amounts are not presented since the amounts are rounded off to Rs million.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(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 (w.e.f. 1 April 2020) Chairperson and Managing Director (till 31 March 2020)
	John Shaw	Non-executive director
	Jonathan Hunt	Managing Director and Chief Executive Officer (w.e.f. 1 April 2020) Director and Chief Executive Officer (till 31 March 2020)
	Catherine Rosenberg	Non-executive director
	Bala S. Manian	Independent director (till 15 July 2020)
	Carl Decicco	Independent director (w.e.f. 1 October 2019)
	Sharmila Abhay Karve	Independent director (w.e.f. 1 August 2019)
	Paul Blackburn	Independent director
	Russell Walls	Independent director (till 24 July 2019)
	Suresh Talwar	Independent director (till 24 July 2019)
	Vijay Kuchroo	Independent director
	Vinita Bali	Independent director
	Sibaji Biswas	Chief Financial officer (w.e.f. 18 December 2019)
	M. B. Chinappa	Chief Financial officer (till 17 December 2019)
	Priyadarshini Mahapatra	Company Secretary (w.e.f. 24 July 2019)
	Mayank Verma	Company Secretary (till 24 May 2019)
B.	**Holding company**	
	Biocon Limited	Holding Company
C.	**Subsidiary**	
	Syngene USA Inc.,	Wholly-owned subsidiary
D.	**Fellow subsidiaries**	
	Biocon Biologics Limited (formerly known as Biocon Biologics India Limited)	Fellow subsidiary

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

Biocon SDN. BHD	Fellow subsidiary
Biocon Biologics UK Limited (formerly known as Biocon Biologics Limited)	Fellow subsidiary
Biocon Biologics Inc.	Fellow subsidiary
Biocon Biologics Do Brasil Ltda	Fellow subsidiary
Biocon Biologics FZ-LLC	Fellow subsidiary
Biocon Biologics Healthcare SDN. BHD (formerly known as Biocon Healthcare SDN. BHD)	Fellow subsidiary
Bicara Therapeutics Inc.	Fellow subsidiary (upto 9 January 2021)
Biofusion Therapeutics Limited	Fellow subsidiary
Biocon Biosphere Limited	Fellow subsidiary
Biocon Pharma Limited	Fellow subsidiary
Biocon Pharma Inc.	Fellow subsidiary
Biocon Pharma Ireland Limited	Fellow subsidiary
Biocon Pharma Malta Limited	Fellow subsidiary
Biocon Pharma Malta I Limited	Fellow subsidiary
Biocon Pharma UK Limited	Fellow subsidiary
Biocon SA	Fellow subsidiary
Biocon FZ LLC	Fellow subsidiary
Biocon Academy	Fellow subsidiary

E. Other related parties

Bicara Therapeutics Inc.	Associate of Holding Company (w.e.f. 10 January 2021)
Biocon Foundation	Trust in which a director is a trustee
Narayana Hrudayalaya Limited	Enterprise in which a director of the Company is a member of board of directors
Jeeves	Enterprise in which relative to a director of the Company is proprietor
Immuneel Therapeutics Private Limited	Enterprise in which a director of the Company is a member of board of directors

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(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 2021	31 March 2020
Key management personnel	Salary and perquisites [refer note (i) & (ii) below]	91	115
	Sitting fees and commission	23	23
	Outstanding as at the year end		
	- Trade and other payables	5	5
Holding company	Rent	60	63
	Power and facility charges [refer note (iii) below]	138	360
	Purchase of goods	2	2
	Other expenses reimbursed	88	79
	Purchase of assets	-	31
	Sale of services	65	80
	Rent and facility services	11	-
	Other expenses incurred on behalf	12	-
	Final dividend paid	-	140
	Outstanding as at the year end		
	- Trade and other payables	65	217
	- Rent deposits	23	23
	- Trade and other receivables	31	34
	Guarantee given to Central Excise Department	148	148
Wholly-owned subsidiary	Business support services received	174	104
	Other expenses reimbursed	10	-
	Outstanding as at the year end		
	- Trade payables	30	33
	- Trade and other receivables	10	-
Fellow subsidiaries	Sale of services	404	392
	Rent and facility services	329	233
	Purchase of assets	-	56
	Other expenses incurred on behalf	8	-
	Other expenses reimbursed	8	-
	Purchase of goods	-	-*
	Outstanding as at the year end		
	- Trade and other payables	1	51
	- Trade and other receivables	362	328
Other related parties	Sale of services	283	1
	Health services availed	4	4
	Contribution towards CSR	10	74
	Staff welfare expenses	3	4
	Investment in compulsorily convertible debentures	-	100
	Allotment of equity shares	100	-
	Outstanding as at the year end		
	- Trade and other payables	-*	-
	- Trade and other receivables	280	-

* Less than Rs 0.5 million.

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(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. 133 (31 March 2020 : Rs. 80), 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. 129 (Year ended 31 March 2020 : Rs. 115) and power charges (including other charges) of Rs. 9 (Year ended 31 March 2020 : Rs. 245) have been charged by Biocon Limited for the year ended 31 March 2021.

(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
- Biofusion Therapeutics Limited
- Biocon Pharma Inc.
- Biocon Academy
- Biocon Pharma Ireland Limited
- Biocon Pharma Malta Limited
- Biocon Pharma Malta I Limited
- Biocon Pharma UK Limited
- Biocon SA
- Biocon FZ LLC

(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

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27. Employee benefit plans

(i) The Company has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972 ('Gratuity Act'). Under the Gratuity Act, employee who has completed five years of service is entitled to specific benefit with no monetary limit. The level of benefit provided depends on the employee's length of service and salary at retirement/termination age. The gratuity plan is a funded plan and the Company makes contributions to a recognised fund in India.

The plan assets are maintained with HDFC Life Insurance Company Limited (HDFC Life) in respect of gratuity scheme for employees of the Company. The details of investments maintained by the HDFC Life are not available with the Company and not disclosed. The expected rate of return on plan assets is 6.3% p.a. (31 March 2020: 6.4% p.a.). The Company actively monitors how the duration and expected yeild 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 2020	454	(3)	451
Current service cost	71	-	71
Interest cost	32	-	32
Amount recognised in Statement of profit and loss	**103**	**-**	**103**
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense / (income)	-	-*	-*
Actuarial (gain) / loss arising from:			
Demographic assumptions	8	-	8
Financial assumptions	48	-	48
Experience adjustment	(26)	-	(26)
Amount recognised in other comprehensive income	**30**	**-**	**30**
Benefits paid	(19)	-	(19)
Balance as at 31 March 2021	**568**	**(3)**	**565**

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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 2019	410	(3)	407
Current service cost	65	-	65
Interest cost	26	-	26
Amount recognised in Statement of profit and loss	**91**	**-**	**91**
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense / (income)	-	-	-
Actuarial (gain) / loss arising from:			
Demographic assumptions	(8)	-	(8)
Financial assumptions	(6)	-	(6)
Experience adjustment	(9)	-	(9)
Amount recognised in other comprehensive income	**(23)**	**-**	**(23)**
Benefits paid	**(24)**	**-**	**(24)**
Balance as at 31 March 2020	**454**	**(3)**	**451**

* Less than Rs 0.5 million.

	31 March 2021	31 March 2020
Non current	520	409
Current	45	42
	565	451

(ii) The assumptions used for gratuity valuation are as below:

	31 March 2021	31 March 2020
Interest rate	6.3%	6.4%
Discount rate	6.3%	6.4%
Expected return on plan assets	6.3%	6.4%
Salary increase	10.0%	9.0%
Attrition rate (based on Age of the Employee)	5% - 15%	6% - 16%
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 9 years (31 March 2020 - 9 years).

The defined benefit plan exposes the Company to actuarial risks, such as interest rate risk.

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

(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 2021		31 March 2020	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount rate	(42)	48	(30)	34
Salary increase	46	(41)	33	(29)
Attrition rate	(12)	13	(7)	8

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 2021 and 31 March 2020, the plan assets have been invested in insurer managed funds and the expected contribution to the fund during the year ending 31 March 2021, is approximately Rs 45 (31 March 2020 - Rs 42).

Maturity profile of defined benefit obligation

Particulars	31 March 2021	31 March 2020
1st Following year	45	42
2nd Following year	41	40
3rd Following year	44	40
4th Following year	48	42
5th Following year	43	43
Years 6 to 10	228	182
Years 11 and above	571	400

(iv) Risk Exposure

These defined benefit plans typically expose the Company to actuarial risks as under :

a) 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.

b) Interest rate risk: A decrease in bond interest rate will increase the plan liability.

c) 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.

d) 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 :

	31 March 2021	31 March 2020
Compensated absences	420	373

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(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 2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments (non-current)#	37	100	2,653	2,790	-	-	100	100
Derivative assets (non-current)	-	623	-	623	-	623	-	623
Other financial assets (non-current)	-	-	1,038	1,038	-	-	-	-
Investments (current)	1,484	-	2,749	4,233	1,484	-	-	1,484
Trade receivables	-	-	3,390	3,390	-	-	-	-
Cash and cash equivalents	-	-	3,189	3,189	-	-	-	-
Bank balances other than above	-	-	3,193	3,193	-	-	-	-
Derivative assets (current)	-	713	-	713	-	713	-	713
Other financial assets (current)	-	-	1,693	1,693	-	-	-	-
	1,521	**1,436**	**17,905**	**20,862**	**1,484**	**1,336**	**100**	**2,920**
Financial liabilities								
Lease liabilities (non-current)	-	-	1,052	1,052	-	-	-	-
Derivative liabilities (non-current)	-	224	-	224	-	224	-	224
Borrowings (non-current)	-	-	5,124	5,124	-	-	-	-
Borrowings (current)	-	-	2,599	2,599	-	-	-	-
Lease liabilities (current)	-	-	154	154	-	-	-	-
Trade payables	-	-	2,391	2,391	-	-	-	-
Derivative liabilities (current)	-	18	-	18	-	18	-	18
Other financial liabilities (current)	-	-	937	937	-	-	-	-
	-	242	12,257	12,499	-	242	-	242

31 March 2020	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments (non-current)#	100	-	283	383	-	-	100	100
Derivative assets (non-current)	-	257	-	257	-	257	-	257
Other financial assets (non-current)	-	-	146	146	-	-	-	-
Investments (current)	171	-	7,213	7,384	171	-	-	171
Trade receivables	-	-	3,982	3,982	-	-	-	-
Cash and cash equivalents	-	-	1,918	1,918	-	-	-	-
Bank balances other than above	-	-	885	885	-	-	-	-
Derivative assets (current)	-	191	-	191	-	191	-	191
Other financial assets (current)	-	-	686	686	-	-	-	-
	271	**448**	**15,113**	**15,832**	**171**	**448**	**100**	**719**
Financial liabilities								
Lease liabilities (non-current)	-	-	812	812	-	-	-	-
Derivative liabilities (non-current)	-	1,378	-	1,378	-	1,378	-	1,378
Borrowings (current)	-	-	3,089	3,089	-	-	-	-
Lease liabilities (current)	-	-	61	61	-	-	-	-
Trade payables	-	-	2,228	2,228	-	-	-	-
Derivative liabilities (current)	-	546	-	546	-	546	-	546
Other financial liabilities (current)	-	-	4,948	4,948	-	-	-	-
	-	**1,924**	**11,138**	**13,062**	**-**	**1,924**	**-**	**1,924**

Includes equity instruments of wholly owned subsidiary at cost aggregating to Rs 3. The Level 3 investment was made close to the year end and the cost of the investment approximates the fair value.

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)

(a) The fair value of trade receivables, trade payables and other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short term nature.

(b) There have been no transfers between level 1, 2 and 3 needs to be made.

(c) The Company enters into derivative financial instruments with various counterparties. Derivatives are valued using valuation techniques in consultation with market expert. The most frequently applied valuation technique include forward pricing, swap models and Black Scholes Merton Model (for options valuation), using present value calculations. The models incorporate various inputs including foreign exchange forward rates, interest rate curve and forward rates curve.

Measurement of fair values

Fair value of liquid mutual funds are based on quoted price. Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

Sensitivity analysis

For the fair values of forward/option contracts of foreign currencies, reasonably possible changes at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effects.

Significant observable inputs	Impact on profit or loss		Impact on other equity	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Movement in spot rate of the foreign currency				
INR/USD - Increase by 1%	-	-	(426)	(350)
INR/USD - Decrease by 1%	-	-	430	350
Movement in Interest rates				
LIBOR - Increase by 100 bps	-	-	(102)	(34)
LIBOR - Decrease by 100 bps	-	-	102	34

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.

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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 4,744 (31 March 2020: Rs 4,491). The movement in allowance for impairment in respect of trade receivables during the year was as follows:

Allowance for Impairment	31 March 2021	31 March 2020
Opening balance	62	53
Impairment loss recognised	16	9
Impairment loss reversed	(16)	-
Closing balance	**62**	**62**

Note: During the year ended 31 March 2021, impairment loss reversed includes Rs 16 pertaining to customer balances written off.

Details of trade receivables that are not due, past due and impaired is given below:

Particulars	31 March 2021	31 March 2020
Neither past due nor impaired	2,457	3,023
Past due but not impaired		
Less than 365 days	967	992
More than 365 days	28	29
Less: Allowance for credit losses	(62)	(62)
Total	**3,390**	**3,982**

Other than trade receivables the Company has no significant class of financial assets that is past due but not impaired.

There are no receivable from customer (31 March 2020 : Nil) of the Company's receivables (31 March 2020 : Nil) which is more than 10 percent of the Company's total receivables.

Credit risk on investments, cash and cash equivalent and derivatives is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units and non-convertible debentures.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Notes to the Standalone Financial Statements

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The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. In addition, the Company maintains line of credits as stated in Note 13.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2021:

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Lease liabilities (non-current)	-	304	288	1,541	2,133
Lease liabilities (current)	163	-	-	-	163
Borrowings (non-current)	-	-	5,124	-	5,124
Borrowings (current)	2,599	-	-	-	2,599
Trade payables	2,391	-	-	-	2,391
Derivative liabilities (non-current)	-	72	152	-	224
Derivative liabilities (current)	18	-	-	-	18
Other financial liabilities	937	-	-	-	937
Total	**6,108**	**376**	**5,564**	**1,541**	**13,589**

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2020:

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Lease liabilities (non-current)	-	146	342	968	1,456
Borrowings (current)	6,856	-	-	-	6,856
Lease liabilities (current)	138	-	-	-	138
Trade payables	2,228	-	-	-	2,228
Derivative liabilities (non-current)	-	504	874	-	1,378
Derivative liabilities (current)	546	-	-	-	546
Other financial liabilities	1,181	-	-	-	1,181
Total	**10,949**	**650**	**1,216**	**968**	**13,783**

(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.

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(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 2021 and 31 March 2020 are as below:

31 March 2021	USD	EUR	Others	Total
Financial assets				
Trade receivables	2,430	255	-	2,685
Cash and cash equivalents	2,762	72	-	2,834
Other financial assets (current)	1,271	43	-	1,314
Financial liabilities				
Borrowings (non-current)	(5,124)	-	-	(5,124)
Borrowings (current)	(2,599)	-	-	(2,599)
Trade payables	(258)	(28)	(11)	(297)
Other financial liabilities (current)	(200)	(30)	(21)	(251)
Net assets / (liabilities)	**(1,718)**	**312**	**(32)**	**(1,438)**

31 March 2020	USD	EUR	Others	Total
Financial assets				
Trade receivables	3,421	16	-	3,437
Cash and cash equivalents	1,748	6	2	1,756
Other financial assets (current)	540	19	-	559
Financial liabilities				
Borrowings (current)	(3,089)	-	-	(3,089)
Trade payables	(266)	(36)	(16)	(318)
Other financial liabilities (current)	(3,936)	(54)	(20)	(4,010)
Net assets / (liabilities)	**(1,582)**	**(49)**	**(34)**	**(1,665)**

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 2021	31 March 2020	31 March 2021	31 March 2020
USD Sensitivity				
INR/USD - Increase by 1%	(17)	(17)	(443)	(367)
INR/USD - Decrease by 1%	17	15	447	365
EUR Sensitivity				
INR/EUR - Increase by 1%	2	1	1	1
INR/EUR - Decrease by 1%	(2)	(1)	(1)	(1)

Notes to the Standalone Financial Statements

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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 forcasted transactions like sales, purchases and capital expenditures. When a derivative is entered for hedging, the Company matches the terms of those derivatives to the underlying exposure. All identified exposures are managed as per the policy duly approved by the Board of Directors.

The following table gives details in respect of outstanding foreign exchange forward and option contracts:

Particulars	31 March 2021	31 March 2020
Foreign exchange forward contracts to sell USD with maturity between 0-5 years	USD 419 (Rs 30,671)	USD 402 (Rs 30,298)
European style option contracts with periodical maturity between 0-5 years	USD 174 (Rs 12,737)	USD 155 (Rs 11,654)
Interest rate swaps used for hedging LIBOR component in External Commercial Borrowings with maturity between 0-3 years	USD 50 (Rs 3,660)	USD 50 (Rs 3,767)

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 2021 and 31 March 2020 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 2021	31 March 2020
Variable rate borrowings	1,464	1,092
Fixed rate borrowings	6,259	5,764
Total borrowings	**7,723**	**6,856**

(b) Sensitivity

Fixed rate borrowings:

The Company policy is to maintain its long-term borrowings at fixed rate using interest rate swaps to achieve this when necessary. They are therefore not subject to interest rate risk as defined under Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of change in market interest rates.

Variable rate borrowings:

A reasonably possible change of 100 bps would have increased / (decreased) profit and loss and equity by Rs 15 (31 March 2020 : Rs 11).

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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 2021 and 31 March 2020 was as follows:

Particulars	31 March 2021	31 March 2020
Total equity attributable to the equity shareholders of the Company	28,183	21,741
As a percentage of total capital	78%	76%
Long-term borrowings (including current maturities)	5,124	3,767
Short-term borrowings	2,599	3,089
Total borrowings	**7,723**	**6,856**
As a percentage of total capital	22%	24%
Total capital (Equity and Borrowings)	35,906	28,597

Notes to the Standalone Financial Statements

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30. Tax expense

(a) Amount recognised in Statement of profit and loss

	31 March 2021	31 March 2020
Current tax	736	893
Deferred tax:		
MAT credit entitlement	(268)	(381)
Others related to:		
Origination and reversal of other temporary differences	169	530
Tax expense for the year	**637**	**1,042**
Reconciliation of effective tax rate		
Profit before tax and exceptional item	4,324	4,444
Add: Exceptional item	350	713
Profit before tax	4,674	5,157
Tax at statutory income tax rate 34.94% (31 March 2020 - 34.94%)	1,633	1,802
Tax effects of amounts which are not deductible / (taxable) in calculating taxable income		
Tax incentive and other deductions	(953)	(921)
Non-deductible expense	41	89
Basis difference that will reverse during the tax holiday period	(148)	(123)
Others	64	195
Income tax expense	**637**	**1,042**

(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 2021	Opening balance	Recognised in profit or loss	Recognised in OCI	Recognised in equity	Closing balance
Deferred tax asset					
MAT credit entitlement	1,506	268	-	-	1,774
Defined benefit obligations	130	(31)	5	-	104
Derivatives, net	420	-	(420)	-	-
Others	27	(20)	-		7
Gross deferred tax assets	**2,083**	**217**	**(415)**	**-**	**1,885**
Deferred tax liability					
Derivatives, net	-	-	24	-	24
Property, plant and equipment, investment property and intangible assets, net	856	118	-	-	974
Gross deferred tax liability	**856**	**118**	**24**	**-**	**998**
Deferred tax assets / (liabilities), net	**1,227**	**99**	**(439)**	**-**	**887**

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

For the year ended 31 March 2020	Opening balance	Recognised in profit or loss	Recognised in OCI	Recognised in equity	Closing balance
Deferred tax asset					
MAT credit entitlement	1,125	381	-	-	1,506
Defined benefit obligations	99	36	(5)	-	130
Derivatives, net	-	-	420	-	420
Others	22	(7)	-	12	27
Gross deferred tax assets	**1,246**	**410**	**415**	**12**	**2,083**
Deferred tax liability					
Derivatives, net	34	-	(34)	-	-
Property, plant and equipment, investment property and intangible assets, net	297	559	-	-	856
Gross deferred tax liability	**331**	**559**	**(34)**	**-**	**856**
Deferred tax assets / (liabilities), net	**915**	**(149)**	**449**	**12**	**1,227**

31. Contingent liabilities and commitments

(to the extent not provided for)

(i) Contingent liabilities

		31 March 2021	31 March 2020
(a)	**Claims against the Company not acknowledged as debt**	**4,297**	**4,245**
	The above includes:		
	(I) Income tax matters relating to financial year 2002 - 03 to 2018 - 19 # (31 March 2020 : financial year 2002 -03 to 2016 - 17)	4,273	4,221
	(II) Indirect tax matters	24	24

(III) In light of judgment of Honourable Supreme Court dated 28th February 2019 on the definition of "Basic Wages" under the Employees Provident Funds & Misc. Provisions Act, 1952 and based on Company's evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence it is unclear as to whether the clarified definition of Basic Wage would be applicable prospectively or retrospectively. The amount of the obligation therefore cannot be measured with sufficient reliability for past periods and hence has currently been considered to be a contingent liability.

Including the matters disclosed above, the Company is involved in taxation matters that arise from time to time in the ordinary course of business. Judgment is required in assessing the range of possible outcomes for some of these tax matters, which could change substantially over time as each of the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents. Based on its internal assessment supported by external legal counsel views, if any, the Company believes that it will be able to sustain its positions if challenged by the authorities and accordingly no additional provision is required for these matters. Management is of the view that above matters will not have any material adverse effect on the Company's financial position and results of operations.

includes Rs 660 for the favourable order received by the Company during the year from the Honourable High Court of Karnataka against the matters appealed by the tax authorities with respect to financial year 2002-03 to 2008-09.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

(b) Guarantees

	31 March 2021	31 March 2020
Guarantees given by banks on behalf of the Company for contractual obligations of the Company.	2	2

The necessary terms and conditions have been complied with and no liabilities have arisen.

(ii) Commitments

	31 March 2021	31 March 2020
(a) Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances	1,656	2,213

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 2021	Year ended 31 March 2020
Revenue from operations:		
India	1,579	1,643
United States of America	15,664	14,776
Rest of the World	4,551	3,700
Total	**21,794**	**20,119**

The following is the carrying amount of non current assets by geographical area in which the assets are located:

	31 March 2021	31 March 2020
Carrying amount of non-current assets		
India	25,427	23,492
Outside India	-	-
Total	**25,427**	**23,492**

Note: Non-current assets excludes financial assets and deferred tax assets.

Major customer

Revenue from one customer (31 March 2020 - two customer) of the Company's Revenue from operations aggregates to Rs 4,730 (31 March 2020 - Rs6,482) which is more than 10 percent of the Company's total revenue.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(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. The cost for the year has been accounted in the statement of profit and loss is Rs 124 million [31 March 2020 : Rs 181 million].

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 2020 : Rs 11.25] per share (Face Value of Rs 10 per share).

Details of Grant

Particulars	31 March 2021 No. of options	31 March 2020 No. of options
Outstanding at the beginning of the year	2,689,574	2,693,576
Granted during the year	-	711,613
Forfeited / lapsed during the year	(111,265)	(103,038)
Exercised during the year	(620,225)	(612,577)
Outstanding at the end of the year	1,958,084	2,689,574
Exercisable at the end of the year	547,787	695,090
Weighted average exercise price	11.25	11.25
Weighted average value of shares granted during the year under Black Scholes Model (In Rs)	-	312.6
Weighted average share price at the date of exercise during the year (In Rs)	503.6	295.8

The weighted average remaining contractual life for the stock options outstanding as at 31 March 2021 is 1.40 years [31 March 2020 : 1.63 years].

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(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 2021	31 March 2020
Dividend yield (%)	-	0.2%
Exercise Price (In Rs)	-	11.25
Volatility	-	27.3%
Life of the options granted (vesting and exercise period) [in years]	-	6.15
Average risk-free interest rate	-	7.0%

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 2021 No. of options
Outstanding at the beginning of the year	-
Granted during the year	3,184,649
Forfeited during the year	(80,824)
Exercised during the year	-
Outstanding at the end of the year	3,103,825
Exercisable at the end of the year	-
Weighted average exercise price	-
Weighted average value of shares granted during the year under Black Scholes Model (In Rs)	326.3
Weighted average share price at the date of exercise during the year (In Rs)	-

The weighted average remaining contractual life for the stock options outstanding as at 31 March 2021 is 3.5 years.

Assumptions used in determination of the fair value of the stock options under the Black Scholes Model are as follows:

Particulars	31 March 2021
Dividend yield (%)	0.2%
Exercise Price (In Rs)	10
Volatility	26.9%
Life of the options granted (vesting and exercise period) [in years]	7.5
Average risk-free interest rate	7.0%

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

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 140 (31 March 2020 - Rs 109).

The weighted average borrowing rate of 9% 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 2021:

Particulars	Land	Buildings	Vehicles	Total
Balance at the beginning	90	749	34	873
Additions during the year	-	361	17	378
Finance cost accrued during the period	7	93	3	103
Deletions	-	(8)	- *	(8)
Payment of lease liabilities	(41)	(79)	(20)	(140)
Balance at the end	**56**	**1,116**	**34**	**1,206**

The following is the movement in lease liabilities during the year ended 31 March 2020:

Particulars	Land	Buildings	Vehicles	Total
Balance at the beginning	-	160	-	160
Additions on account of adoption of Ind AS 116	122	227	32	381
Additions during the year	-	366	9	375
Finance cost accrued during the period	10	53	3	66
Deletions	-	-	-	-
Payment of lease liabilities	(42)	(57)	(10)	(109)
Balance at the end	**90**	**749**	**34**	**873**

* Less than Rs 0.5 million.

The following is the break-up of current and non-current lease liabilities:

	31 March 2021	31 March 2020
Current	154	61
Non-current	1,052	812
Total	**1,206**	**873**

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(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 2021	31 March 2020
Less than one year	163	138
One to five years	592	488
More than five years	1,541	968
Total	**2,296**	**1,594**

The following are the amounts recognised in the statement of profit or loss:

	31 March 2021	31 March 2020
Depreciation expenses on right of use-assets	114	81
Interest expenses on lease liabilities	103	66
Total	**217**	**147**

35. Exceptional item

Pursuant to a fire incident on 12 December 2016, certain fixed assets, inventory and other contents in one of the buildings were damaged. The Company lodged an estimate of loss with the insurance company and the survey is currently ongoing. The Company has recorded a loss of Rs 1,057 million arising from such incident and also recognised a minimum insurance claim receivable for equivalent amounts in the respective periods till 31 March 2021. The Company has received disbursement approval of Rs 2,120 million from the insurance company against the loss till 31 March 2021. The aforementioned receivable and the disbursement approval from the insurance claim has been presented on a net basis as Rs 350 million and Rs 713 million under Exceptional items in these standalone financial statement for the year ended 31 March 2021 and 31 March 2020 respectively. Consequential tax of Rs 122 milllion and Rs 254 million is included within tax expense in standalone financial statement for the year ended 31 March 2021 and 31 March 2020 respectively.

As at 31 March 2021, the Company has receivable of Rs 105 million (31 March 2020: Rs Nil) from the insurance company against the approved disbursements and the same has been recorded as amount recoverable from the insurance company.

In addition, the Company is in the process of determining its final claim for loss of fixed assets and Business Interruption and has accordingly not recorded any further claim arising therefrom at this stage.

36. Impact of COVID-19

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption.

The Company has considered internal and external information while finalizing various estimates in relation to its financial statement captions upto the date of approval of the financial statements by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

37. Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

	31 March 2021	31 March 2020
(a) Amount required to be spent by the Company during the year	86	74
(b) Amount spent during the year (in cash)		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	65	74
(c) Amount unspent and carried forward to next year	21	-

Note: On 27 April 2021, the Board of Directors of the Company have approved the transfer of unspent money into specified bank account for further utilisation in the financial year ending 31 March 2022.

38. Earnings per equity share (EPS)

	31 March 2021	31 March 2020
Earnings		
Profit for the year	4,037	4,115
Shares		
Basic outstanding shares	400,000,000	400,000,000
Less: Weighted average shares held with the ESOP Trust	(2,274,925)	(2,888,961)
Weighted average shares used for computing basic EPS	**397,725,075**	**397,111,039**
Add: Effect of dilutive options granted but not yet exercised / not yet eligible for exercise	2,943,430	1,041,836
Weighted average shares used for computing diluted EPS	**400,668,505**	**398,152,875**
Earnings per equity share		
Basic (in Rs)	10.15	10.36
Diluted (in Rs)	10.08	10.33

39. Events after reporting period

On 27 April 2021, the Board of Directors of the Company have approved an allotment of 796,500 equity shares of Rs 10/- (Rs 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 Standalone Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

40. Disclosure on Specified Bank Notes (SBNs)

The disclosures regarding details of SBNs held and transacted during 8 November 2016 to 30 December 2016 has not been made in these standalone financial statements since the requirement does not pertain to financial year ended 31 March 2021 and 31 March 2020.

41. 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 number: 101248W/W-100022

S Sethuraman
Partner
Membership number: 203491

Chennai
27 April 2021

for and on behalf of the **Board of Directors of Syngene International Limited**

Kiran Mazumdar Shaw
Chairperson
DIN: 00347229

Jonathan Hunt
Managing Director and Chief Executive Officer
DIN: 07774619

Sibaji Biswas
Chief Financial Officer

Priyadarshini Mahapatra
Company Secretary
ACS Number: F8786

Bengaluru
27 April 2021

INDEPENDENT AUDITORS' REPORT

To the Members of Syngene International Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Syngene International Limited (hereinafter referred to as the 'Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2021, 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 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Financial instruments – Hedge accounting

[Refer Note 2(c) and 28 to the consolidated financial statements]

The Key Audit Matter

The Holding Company enters into forward, option and interest rate swap contracts to hedge its foreign exchange and interest rate risks. Foreign exchange risks arise from sales to customers as significant part of its revenues are denominated in foreign currency with most of the costs denominated in Indian Rs (INR). Foreign exchange risks also arise from foreign currency borrowings. The interest rate risks arises from the variable rate of interest on its foreign currency borrowings.

The Holding Company designates a significant portion of its derivatives as cash flow hedges of highly probable forecasted transactions. Derivative financial instruments are recognized at their fair value as of the balance sheet date on the basis of valuation report obtained from third party specialists. Basis such valuations, effective portion of derivative movements are recognized within equity.

These matters are of importance to our audit due to complexity in the valuation of derivative contracts and complex accounting and documentation requirements under Ind AS 109: "Financial Instruments". COVID-19 had an impact on its operations and thereby impacted Holding Company's estimates relating to occurrence of the highly probable forecasted transactions. A hedging relationship can no longer be continued if the Holding Company concludes forecasted transactions are not likely to occur. Given the uncertainties relating to COVID-19, judgments and estimates relating to hedge accounting were inherently complex.

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 Holding Company's controls around hedge accounting;
- We involved our internal valuation specialists to assess the fair value of the derivatives by testing sample contracts;
- We analyzed critical terms (such as nominal amount, maturity and underlying) of the hedging instrument and the hedged item to assess they are closely aligned;
- We analysed the revised estimate of highly probable forecasted transactions and tested the impact of ineffective hedges; and
- We challenged Holding Company's assertion relating to its ability to meet its forecasts on account of COVID-19, to be able to assert that hedge accounting can be continued by analysing various scenarios to conclude there was no significant impact on the year-end financial statements.

Taxation

[Refer Note 2(n), 30 and 31 to the consolidated financial statements]

The Key Audit Matter
The Holding Company's operations are majorly based out of units registered as Special Economic Zone (SEZ) and Export Oriented Unit (EOU). Accordingly, the Holding Company enjoys certain deductions/benefits with respect to payment of income-tax and other indirect taxes, some of which are subject matters of dispute with tax authorities. The Holding Company periodically assesses its tax positions, which include examination by the external tax consultant and tax counsels appointed by the Holding Company.

Judgment is required in assessing the range of possible outcomes for some of these tax matters. These judgements could change over time as each of the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents.

The Holding Company makes an assessment to determine the outcome of these uncertain tax positions and decides to make an accrual or consider it to be a possible contingent liability. Where the amount of tax liabilities are uncertain, the Holding Company recognises accruals which reflect its best estimate of the outcome based on the facts known as at the reporting date. Accordingly, we focused on this area.

The Holding Company has significant deferred tax assets primarily comprising of Minimum Alternate Tax ('MAT') entitlement credits on account of tax holiday benefits, which would expire over a period of 15 years. Assessment of recoverability of such MAT credits require the Holding Company to prepare forecasts for future profitability and potential tax liabilities, which involves significant judgment and accordingly this was an area of focus for us.

How the matter was addressed in our audit
Our audit procedures in relation to taxation include the following, amongst others:

- Tested the design and operating effectiveness of the Holding Company's controls around the tax computation and tax matters;
- We obtained an understanding of the key uncertain tax positions based on list of ongoing litigations and tax computations for the current year;
- We analysed select key correspondences with the tax authorities to identify any additional uncertain tax positions;
- We analysed Holding Company's judgment regarding the eventual resolution of matters with various tax authorities. In this regard, we understood how Holding Company has considered past experience, where available, with the tax authorities in the respective jurisdictions;

- We also considered external legal opinions and consultations made by the Holding Company for key matters during current and past periods;
- We used our own tax specialists' expertise to assess the key assumptions made by Holding Company; and
- With respect to our assessment of recoverability of MAT, our audit procedures included:
  - Assessing the revenue and profit forecast against the historical performance and assessing the Holding Company's plans with respect to new undertakings being setup having tax holiday benefits; and
  - Assessing the sensitivity of key assumptions including the growth rate and tax holiday benefit for future years on the Holding Company's ability to utilize MAT credits.

Information Other than the Consolidated Financial Statements and Auditors' Report thereon

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises of Management Reports such as Board's Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report (but does not include the consolidated financial statements and our Auditors' Report thereon) which we obtained prior to the date of this Auditors' Report, and the remaining sections of Annual Report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections of Annual Report (other than those mentioned above), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are responsible for overseeing the financial reporting process of each Company.

Auditors’ 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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- 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 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 auditors’ 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 auditors’ report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors.

  We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors’ 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

A. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021on the consolidated financial position of the Group. Refer Note 31 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 28 to the consolidated financial statements in respect of such items as it relates to the Group.

iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2021.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2021.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

S Sethuraman
Partner
Membership Number: 203491
UDIN: 21203491AAAACE5072

Place: Chennai
Date: 27 April 2021

Annexure A to the Independent Auditors' Report on the consolidated financial statements of Syngene International Limited for the year ended 31 March 2021

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 (A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of Syngene International Limited (hereinafter referred to as "the Holding Company") a company incorporated in India under the Companies Act, 2013, as of that date.

In our opinion, the Holding Company has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibility for Internal Financial Controls

The Holding Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A Company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated Financial Statements, including the possibility of collusion or improper Management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls with reference to consolidated financial statements to future periods are subject to the risk that the Internal Financial Controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

S Sethuraman
Partner
Membership Number: 203491
UDIN: 21203491AAAACE5072

Place: Chennai
Date: 27 April 2021

Consolidated Balance Sheet

as at March 31, 2021

(All amounts are in Indian Rs Mn , except share data and per share data, unless otherwise stated)

	Note	31 March 2021	31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3 (a)	20,322	18,766
Capital work-in-progress	3 (a)	2,372	2,341
Right-of-use assets	3 (b)	1,121	864
Investment property	3 (c)	376	360
Intangible assets	4	191	207
Financial assets			
(i) Investments	5(a)	2,787	380
(ii) Derivative assets		623	257
(iii) Other financial assets	6(a)	1,038	146
Deferred tax assets (net)	7	891	1,227
Income tax assets (net)		867	760
Other non-current assets	8(a)	177	195
Total non-current assets		**30,765**	**25,503**
Current assets			
Inventories	9	596	252
Financial assets			
(i) Investments	5(b)	4,233	7,384
(ii) Trade receivables	10	3,392	3,982
(iii) Cash and cash equivalents	11(a)	3,233	1,930
(iv) Bank balances other than (iii) above	11(b)	3,193	885
(v) Derivative assets		713	191
(vi) Other financial assets	6(b)	1,704	686
Other current assets	8(b)	1,003	816
Total current assets		**18,067**	**16,126**
Total assets		48,832	41,629
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12 (a)	4,000	4,000
Other equity	12 (b)	24,214	17,758
Total equity		**28,214**	**21,758**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13(a)	5,124	-
(ii) Lease liabilities	35	1,052	812
(iii) Derivative liabilities		224	1,378
Provisions	14(a)	520	409
Other non-current liabilities	15(a)	2,368	1,880
Total non-current liabilities		**9,288**	**4,479**
Current liabilities			
Financial liabilities			
(i) Borrowings	13(b)	2,599	3,089
(ii) Lease liabilities	35	154	61
(iii) Trade payables	16		
Total outstanding dues of micro and small enterprises		109	207
Total outstanding dues of creditors other than micro and small enterprises		2,307	2,013
(iv) Derivative liabilities		18	546
(v) Other financial liabilities	17	937	4,948
Provisions	14(b)	465	415
Income tax liabilities (net)		134	117
Other current liabilities	15(b)	4,607	3,996
Total current liabilities		**11,330**	**15,392**
Total equity and liabilities		**48,832**	**41,629**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

for and on behalf of the **Board of Directors of Syngene International Limited**

S Sethuraman
Partner
Membership number: 203491

Kiran Mazumdar Shaw
Chairperson
DIN: 00347229

Jonathan Hunt
Managing Director and Chief Executive Officer
DIN: 07774619

Sibaji Biswas
Chief Financial Officer

Priyadarshini Mahapatra
Company Secretary
ACS Number: F8786

Chennai
27 April 2021

Bengaluru
27 April 2021

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

(All amounts are in Indian Rs Mn , except share data and per share data, unless otherwise stated)

	Note	Year ended 31 March 2021	Year ended 31 March 2020
Income			
Revenue from operations	18	21,843	20,119
Other income	19	646	816
Total income		**22,489**	**20,935**
Expenses			
Cost of chemicals, reagents and consumables consumed	20	5,517	5,186
Changes in inventories of finished goods and work-in-progress	21	(252)	8
Employee benefits expense	22	6,602	5,804
Finance costs	23	277	346
Depreciation and amortisation expense	24	2,745	2,193
Other expenses	25	3,429	3,086
Foreign exchange fluctuation (gain)/loss, net		(171)	(144)
Total expenses		**18,147**	**16,479**
Profit before tax and exceptional item		4,342	4,456
Exceptional item	36	350	713
Profit before tax		**4,692**	**5,169**
Tax expense	30		
Current tax		746	899
Deferred tax			
MAT credit entitlement		(268)	(381)
Other deferred tax		165	530
Total tax expense		643	1,048
Profit for the year		4,049	4,121
Other comprehensive income			
(i) Items that will not be reclassified subsequently to profit or loss			
Re-measurement on defined benefit plans		(30)	23
Income tax effect		5	(5)
(ii) Items that will be reclassified subsequently to profit or loss			
Effective portion of gains/(losses) on hedging instrument in cash flow hedges		2,375	(2,388)
Income tax effect		(444)	454
Other comprehensive income for the year, net of taxes		**1,906**	**(1,916)**
Total comprehensive income for the year		5,955	2,205
Profit attributable to:			
Shareholders of the Company		4,049	4,121
Non-controlling interest		-	-
Profit for the year		4,049	4,121
Other comprehensive income attributable to:			
Shareholders of the Company		1,906	(1,916)
Non-controlling interest		-	-
Other comprehensive income for the year		**1,906**	**(1,916)**
Total comprehensive income attributable to:			
Shareholders of the Company		5,955	2,205
Non-controlling interest		-	-
Total comprehensive income for the year		**5,955**	**2,205**
Earnings per equity share	39		
Basic (in Rs)		10.18	10.38
Diluted (in Rs)		10.11	10.35

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

for and on behalf of the **Board of Directors of Syngene International Limited**

S Sethuraman
Partner
Membership number: 203491

Kiran Mazumdar Shaw
Chairperson
DIN: 00347229

Jonathan Hunt
Managing Director and Chief Executive Officer
DIN: 07774619

Sibaji Biswas
Chief Financial Officer

Priyadarshini Mahapatra
Company Secretary
ACS Number: F8786

Chennai
27 April 2021

Bengaluru
27 April 2021

Consolidated Standalone Statement of Changes in Equity

for the year ended 31 March 2021

(All amounts are in Indian Rs Mn , except share data and per share data, unless otherwise stated)

(A) Equity share capital

	31 March 2021	31 March 2020
Opening balance	4,000	2,000
Issue of bonus shares [refer note 12(a)(vi)]	-	2,000
Closing balance	4,000	4,000

(B) Other equity [refer note 12(b)]

Particulars	Reserves and surplus						Items of other comprehensive income		
	Securities premium	General reserve	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 2019	1,273	47	(46)	15,914	-	280	320	(104)	17,684
Profit for the year	-	-	-	4,121	-	-	-	-	4,121
Other comprehensive income, net of tax	-	-	-	-	-	-	(1,934)	18	(1,916)
Total comprehensive income for the year	**-**	**-**	**-**	**4,121**	**-**	**-**	**(1,934)**	**18**	**2,205**
Transactions recorded directly in equity									
Issue of fully paid up bonus shares	-	(47)	-	(1,953)	-	-	-	-	(2,000)
Expenses in relation to issue of Bonus shares	(12)	-	-	-	-	-	-	-	(12)
Dividend including dividend distribution tax	-	-	-	(241)	-	-	-	-	(241)
Exercise of share options	72	-	5	1	-	(72)	-	-	6
Share based payment	-	-	-	-	-	181	-	-	181
Impact on account of adoption of Ind AS-116 [refer note 35]	-	-	-	(65)	-	-	-	-	(65)
Transfer to SEZ reinvestment reserve	-	-	-	(1,500)	1,500	-	-	-	-
Transfer from SEZ reinvestment reserve	-	-	-	1,500	(1,500)	-	-	-	-
Balance as at 31 March 2020	**1,333**	**-**	**(41)**	**17,777**	**-**	**389**	**(1,614)**	**(86)**	**17,758**
Profit for the year	-	-	-	4,049	-	-	-	-	4,049
Other comprehensive income, net of tax	-	-	-	-	-	-	1,931	(25)	1,906
Total comprehensive income for the year	**-**	**-**	**-**	**4,049**	**-**	**-**	**1,931**	**(25)**	**5,955**
Transactions recorded directly in equity									
Exercise of share options	112	-	9	(1)	-	(112)	-	-	8
Share based payment	-	-	-	-	-	493	-	-	493
Transfer to SEZ reinvestment reserve	-	-	-	(1,600)	1,600	-	-	-	-
Transfer from SEZ reinvestment reserve	-	-	-	1,600	(1,600)	-	-	-	-
Balance as at 31 March 2021	**1,445**	**-**	**(32)**	**21,825**	**-**	**770**	**317**	**(111)**	**24,214**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

for and on behalf of the **Board of Directors of Syngene International Limited**

S Sethuraman
Partner
Membership number: 203491

Kiran Mazumdar Shaw
Chairperson
DIN: 00347229

Jonathan Hunt
Managing Director and Chief Executive Officer
DIN: 07774619

Sibaji Biswas
Chief Financial Officer

Priyadarshini Mahapatra
Company Secretary
ACS Number: F8786

Chennai
27 April 2021

Bengaluru
27 April 2021

Consolidated Standalone Statement of Cash Flows

for the year ended 31 March 2021

(All amounts are in Indian Rs Mn , except share data and per share data, unless otherwise stated)

		Year ended 31 March 2021	Year ended 31 March 2020
I	**Cash flows from operating activities**		
	Profit for the year	4,049	4,121
	Adjustments to reconcile profit before tax to net cash flows		
	Depreciation and amortisation expense	2,745	2,193
	Loss on assets scrapped	60	14
	Exceptional item	(350)	(713)
	Provision for doubtful receivables	16	10
	Bad debts written off, net of write back	-	1
	Share based compensation expense	494	181
	Interest expense	277	346
	Unrealised foreign exchange loss	(55)	45
	Net gain on sale of current investments	(21)	(28)
	Proceeds from insurance company	245	970
	Interest income	(623)	(787)
	Tax expenses	644	1,048
	Operating profit before working capital changes	**7,481**	**7,401**
	Movements in working capital		
	Decrease/ (increase) in inventories	(344)	182
	Decrease/ (increase) in trade receivables	381	(362)
	Decrease/ (increase) in other assets	381	(1,735)
	Increase/ (decrease) in trade payables, other liabilities and provisions	(51)	2,356
	Cash generated from operations	**7,848**	**7,842**
	Income taxes paid (net of refunds)	(836)	(1,071)
	Net cash flow generated from operating activities	**7,012**	**6,771**
II	**Cash flows from investing activities**		
	Purchase of property, plant and equipment	(4,408)	(6,300)
	Purchase of intangible assets	(57)	(131)
	Investment in unsecured compulsorily convertible debentures	-	(100)
	Investment in compulsorily convertible preference shares	(25)	-
	Investment in equity shares	(12)	-
	Investment in bank deposits and inter corporate deposits	(16,024)	(12,892)
	Redemption/ maturity of bank deposits and inter corporate deposits	14,917	13,831
	Interest received	620	891
	Proceeds from sale of current investments	10,775	9,123
	Purchase of current investments	(12,067)	(8,706)
	Net cash flow used in investing activities	**(6,281)**	**(4,284)**
III	**Cash flows from financing activities**		
	Proceeds from exercise of share options	8	7
	Repayment of long term borrowings	(3,811)	(2,677)
	Proceeds from long term borrowings	5,153	-
	Proceeds/ (repayments) from short term borrowings, net	(450)	1,057
	Dividend paid on equity shares including tax thereon	-	(241)
	Payment of bonus share issue expenses	-	(12)
	Repayment of lease liabilities	(43)	(43)
	Interest paid	(277)	(346)
	Net cash flow generated from/ (used in) financing activities	**580**	**(2,255)**

Consolidated Standalone Statement of Cash Flows

for the year ended 31 March 2021

(All amounts are in Indian Rs Mn , except share data and per share data, unless otherwise stated)

		Year ended 31 March 2021	Year ended 31 March 2020
IV	**Net increase in cash and cash equivalents (I+II+III)**	1,311	232
V	Effect of exchange difference on cash and cash equivalents held in foreign currency	(8)	46
VI	Cash and cash equivalents at the beginning of the year	1,930	1,652
VII	**Cash and cash equivalents at the end of the year (IV+V+VI)**	**3,233**	**1,930**
	Components of cash and cash equivalents as at the end of the year		
	Balances with banks	3,229	1,924
	Deposits with maturity of less than 3 months	4	6
	Total cash and cash equivalents [refer note 11(a)]	**3,233**	**1,930**
	Restricted cash balance [refer note 11 (ii)]	13	8

* Less than Rs 0.5 million.

Change in liability arising from financing activities

	1 April 2020	Cash Flow	Foreign exchange gain	31 March 2021
Borrowings (including current maturities)	6,856	892	(25)	7,723
	6,856	892	(25)	7,723

Note: a) Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

for and on behalf of the **Board of Directors of Syngene International Limited**

S Sethuraman
Partner
Membership number: 203491

Kiran Mazumdar Shaw
Chairperson
DIN: 00347229

Jonathan Hunt
Managing Director and Chief Executive Officer
DIN: 07774619

Sibaji Biswas
Chief Financial Officer

Priyadarshini Mahapatra
Company Secretary
ACS Number: F8786

Chennai
27 April 2021

Bengaluru
27 April 2021

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

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 1 November 2017.

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 2021. These consolidated financial statements were authorised for issuance by the Company's Board of Directors on 27 Apr 2021.

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 subsidiary 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 Syngene USA Inc. has been 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;

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

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 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 —-measurement of defined benefit obligation; key actuarial assumptions; and
- 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 2021 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.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

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 payment arrangements;

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 subsidiary 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 subsidiary has been kept consistent with the policies adopted by the Group.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

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.

Notes to the Consolidated Financial Statements
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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.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

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.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

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.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

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.

Exchange differences arising on long-term foreign currency monetary items initially recognised in the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP 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).

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

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. 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.

Notes to the Consolidated Financial Statements
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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.

Notes to the Consolidated Financial Statements

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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.

Notes to the Consolidated Financial Statements
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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 is the period in which the absences occur.

The liability in respect of all defined benefit plans and other long term benefits is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses on other long term benefits are recognised in the Statement of Profit and Loss in the year in which they arise. Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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.

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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.

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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.

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for the year ended March 31, 2021

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Deferred income tax assets and liabilities are measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or substantive enactment date. A deferred income tax assets is recognised to the extent it is probable that future taxable income will be available against which the deductible temporary timing differences and tax losses can be utilised. The Group offsets income-tax assets and liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

p. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

q. Leases

(i) The Group as lessee:

The Group assesses whether a contract contains a lease, at the inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assesses whether a contract conveys the right to control use of an identified asset, the Group assesses whether:

- The contract involves use of an identified asset
- The Group has substantially all the economic benefits from the use of the asset through the period of lease
- The Group has the right to direct the use of an asset.

At the date to commencement of lease, the Group recognises a Right-of-use assets ("ROU") and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with the term of twelve months or less (short term leases) and low value leases. For short term and low value lease, the Group recognises the lease payment as an operating expense on straight line basis over the term of lease.

Certain lease agreements include an option to extend or terminate the lease before the end of lease term. ROU assets and the lease liabilities includes these options when it is reasonably certain that they will be exercised.

Notes to the Consolidated Financial Statements
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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 developments

MCA issued notifications dated 24 March 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Group in its financial statements. These amendments are applicable to the Group for the financial year starting 1 April 2021. The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

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(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	Leasehold Improvements	Total	Capital work-in-progress
Gross carrying amount									
At 1 April 2019	703	3,313	16,175	121	389	30	172	20,903	2,737
Additions	-	2,234	5,314	40	112	3	-	7,703	7,307
Reclassification to right-of-use assets on account of adoption of Ind AS 116 [refer note 2(q) and 35]	-	-	-	-	-	-	(172)	(172)	-
Disposals / other adjustments	-	-	(168)	-	-	(3)	-	(171)	(7,703)
At 31 March 2020	**703**	**5,547**	**21,321**	**161**	**501**	**30**	**-**	**28,263**	**2,341**
Additions	-	650	3,389	20	109	15	-	4,183	4,214
Transfer to investment property [refer note (g)]	-	(50)	(8)	-	-	-	-	(58)	-
Disposals / other adjustments	-	(6)	(161)	-	(4)	(7)	-	(178)	(4,183)
At 31 March 2021	**703**	**6,141**	**24,541**	**181**	**606**	**38**	**-**	**32,210**	**2,372**
Accumulated depreciation									
At 1 April 2019	-	686	6,675	81	191	16	27	7,676	-
Depreciation for the year	-	147	1,768	29	56	8	-	2,008	-
Transfer to right-of-use asset on account of adoption of Ind AS 116 [refer note 2(q) and 35]	-	-	-	-	-	-	(27)	(27)	-
Disposals	-	-	(158)	-	-	(2)	-	(160)	-
At 31 March 2020	**-**	**833**	**8,285**	**110**	**247**	**22**	**-**	**9,497**	**-**
Depreciation for the year	-	232	2,177	30	74	3		2,516	-
Transfer to investment property	-	-	-	-	-	-	-	-	-
Disposals	-	(2)	(114)	-	(3)	(6)	-	(125)	-
At 31 March 2021	**-**	**1,063**	**10,348**	**140**	**318**	**19**	**-**	**11,888**	**-**
Net carrying amount									
At 31 March 2020	**703**	**4,714**	**13,036**	**51**	**254**	**8**	**-**	**18,766**	**2,341**
At 31 March 2021	**703**	**5,078**	**14,193**	**41**	**288**	**19**	**-**	**20,322**	**2,372**

(a) Land includes land held on lease under perpetual basis: Gross carrying amount - Rs 661 (31 March 2020 - Rs 661).

(b) Plant and equipment includes computers.

(c) Buildings with a gross carrying amount of Rs 3,786 as at 31 March 2020 (as at 31 March 2020 - Rs 3,593) have been constructed on leasehold land obtained by the Company on lease basis from Biocon Limited, the holding Company.

(d) Foreign exchange loss of Rs 712 [31 March 2020 - Rs 667] on long term foreign currency monetary liabilities relating to acquisition of a depreciable capital asset has been adjusted with the cost of such asset pursuant to option available on long-term foreign currency monetary items which were obtained before the beginning of the first Ind AS financial reporting period as per the previous GAAP (refer note 2(b)(i)).

(e) Additions to property, plant and equipment includes additions related to borrowing costs capitalised during the year amounting to Rs 10 (31 March 2020 - Rs Nil).

(f) During the year ended 31 March 2020, leasehold improvements was reclassified as right-of-use assets [refer note 3(b)] on account of adoption of Ind AS 116.

(g) During the year ended 31 March 2021, a portion of facility was reclassified as investment property [refer note 3(c)], as the Company leased out the facility to a related party.

(h) Refer note 31 (ii) (a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

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(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

3 (b) Right-of-use assets

	Land	Buildings	Vehicles	Total
Gross carrying amount				
At 1 April 2019	-	-	-	-
Reclassified from property, plant and equipment on account of adoption of Ind AS 116 [refer note 2(q) and 35]	-	172	-	172
Additions	65	696	39	800
At 31 March 2020	**65**	**868**	**39**	**972**
Additions	-	361	17	378
Deletions	-	(12)	-	(12)
At 31 March 2021	**65**	**1,217**	**56**	**1,338**
Accumulated depreciation				
At 1 April 2019	**-**	**-**	**-**	**-**
Reclassified from property, plant and equipment on account of adoption of Ind AS 116 (refer note 2(q) and 35]	-	27	-	27
Depreciation for the year	20	58	3	81
At 31 March 2020	**20**	**85**	**3**	**108**
Depreciation for the year	21	85	8	114
Deletions	-	(5)		(5)
At 31 March 2021	**41**	**165**	**11**	**217**
Net carrying amount				
At 31 March 2020	**45**	**783**	**36**	**864**
At 31 March 2021	**24**	**1,052**	**45**	**1,121**

3 (c) Investment property

	Buildings [refer note (b)]	Furniture and fixtures	Office equipments	Plant and equipment	Total
Gross carrying amount					
At 1 April 2019	34	3	1	460	498
Additions	-	-	-	-	-
At 31 March 2020	**34**	**3**	**1**	**460**	**498**
Transfer from property, plant and equipment	50	-	-	8	58
Additions	-	-	-	-	-
At 31 March 2021	**84**	**3**	**1**	**468**	**556**
Accumulated depreciation					
At 1 April 2019	**2**	**1**	**-**	**95**	**98**
Depreciation for the year	1	1	-	38	40
At 31 March 2020	**3**	**2**	**-**	**133**	**138**
Transfer from property, plant and equipment	-	-	-	-	-
Depreciation for the year	3	1	1	37	42
At 31 March 2021	**6**	**3**	**1**	**170**	**180**
Net carrying amount					
At 31 March 2020	**31**	**1**	**1**	**327**	**360**
At 31 March 2021	**78**	**-**	**-**	**298**	**376**

Note:

(a) During the year, the Company has recognised rental income of Rs 222 (31 March 2020 - Rs 225) in the statement of profit and loss for investment property. The fair value of investment property as at 31 March 2021 is Rs 376 (31 March 2020 - Rs 360).

(b) Investment property with a cost of Rs 84 (31 March 2020 - Rs 34) have been constructed on leasehold land obtained by the Company on lease basis from Biocon Limited.

(c) Refer note 31 (ii) (a) for disclosure of contractual commitments for the acquisition of investment property.

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(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

4. Intangible assets

	Computer software	Intellectual property rights	Total
Gross carrying amount			
At 1 April 2019	189	120	309
Additions	130	-	130
Disposals	-	-	-
At 31 March 2020	**319**	**120**	**439**
Additions	57	-	57
Disposals	-	-	-
At 31 March 2021	**376**	**120**	**496**
Accumulated amortisation			
At 1 April 2019	**106**	**62**	**168**
Amortisation for the year	40	24	64
Disposals	-	-	-
At 31 March 2020	**146**	**86**	**232**
Amortisation for the year	49	24	73
Disposals	-	-	-
At 31 March 2021	**195**	**110**	**305**
Net carrying amount			
At 31 March 2020	**173**	**34**	**207**
At 31 March 2021	**181**	**10**	**191**

(a) Refer note 31 (ii) (a) for disclosure of contractual commitments for the acquisition of intangible assets.

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)

5. Investments

(a) Non-current investments

	31 March 2021	31 March 2020
Unquoted equity instruments carried at fair value through other comprehensive income		
2,020 (31 March 2020: Nil) Equity shares of Rs 10 each in Immuneel Therapeutics Private Limited	100	-
Unquoted - In Others		
Investments carried at fair value through profit or loss		
123,203 (31 March 2020: Nil) Equity shares of Rs 100 each in Four EF Renewables Private Limited	12	-
246,406 (31 March 2020: Nil) Compulsory convertible preference shares of Rs 100 each in Four EF Renewables Private Limited	25	-
Immuneel Therapeutics Private Limited - Nil (31 March 2020: 10,000,000) 0.01% unsecured compulsorily convertible debentures, par value Rs10 each fully paid up[refer note(ii) below]	-	100
Investments carried at amortized cost:		
Inter corporate deposits with financial institutions *	2,650	280
	2,787	380
Aggregate value of unquoted investments	**2,787**	**380**

Note:

(i) 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.

(ii) Terms of conversion: 4,950 unsecured compulsorily convertible debentures of face value Rs 10/- each will convert to 1 equity share of Rs 49,500/- (Face value of Rs 10/- and premium of Rs 49,490) at end of the tenure of 12 months from allotment.

* Inter corporate deposits with financial institutions yield fixed interest rate.

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)

(b) Current investments

	31 March 2021	31 March 2020
Quoted - Investment in mutual funds at fair value through profit or Loss		
Aditya Birla Sun Life Liquid Fund - Nil (31 March 2020: 156,619) units of Rs Nil (31 March 2020: Rs 319) each	-	50
DSP Liquidity Fund- 51,002 (31 March 2020: Nil) units of Rs 2,941 (31 March 2020: Rs Nil) each	150	-
HDFC Liquid Fund - 55,884 (31 March 2020: Nil) units of Rs 4,041 (31 March 2020: RsNil) each	226	-
ICICI Prudential Liquid Fund - 591,980 (31 March 2020: Nil) units of Rs 305 (31 March 2020: Rs Nil) each	180	-
IDFC cash fund- 52,561 (31 March 2020: Nil) units of Rs 2,486 (31 March 2020: Rs Nil) each	131	-
Kotak Mahindra Mutual Fund - 60,353 (31 March 2020: Nil) units of Rs 4,155 (31 March 2020: RsNil) each	251	-
Nippon India Liquid Fund - 26,914 (31 March 2020: Nil) units of Rs 5,031 (31 March 2020: Rs Nil) each	135	-
Nippon India Overnight Fund - Nil (31 March 2020: 1,126,048) units of Rs Nil (31 March 2020: Rs 107) each	-	121
SBI Liquid Fund - 99,914 (31 March 2020: Nil) units of Rs 3,212 (31 March 2020: Rs Nil) each	321	-
UTI Liquid Fund Cash Plan - 26,859 (31 March 2020: Nil) units of Rs 3,368 (31 March 2020: Rs Nil) each	90	-
	1,484	**171**
Unquoted - In others - at amortised cost		
Inter corporate deposits with financial institutions *	2,749	7,213
	4,233	**7,384**
* Inter corporate deposits with financial institutions yield fixed interest rate.		
Aggregate value of quoted investments	1,484	171
Aggregate value of unquoted investments	2,749	7,213

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(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

6. Other financial assets

	31 March 2021	31 March 2020
(a) Non-current		
Security deposits	149	146
Bank deposits with maturity of more than 12 months	889	-
	1,038	**146**
(b) Current		
Recoverable from insurance company (refer note 36)	105	-
Other receivables (refer note 26)	107	53
Interest accrued but not due	127	124
Unbilled revenues	1,365	509
	1,704	**686**

7. Deferred tax assets (net) (refer note 30(b))

	31 March 2021	31 March 2020
Deferred tax asset		
MAT credit entitlement	1,774	1,506
Employee benefit obligations	104	130
Derivatives, net	-	420
Others	11	27
	1,889	**2,083**
Deferred tax liability		
Derivatives, net	24	-
Property, plant and equipment, investment property and intangible assets, net	974	856
	998	**856**
Deferred tax assets (net)	**891**	**1,227**

8. Other assets

(Unsecured considered good, unless otherwise stated)

	31 March 2021	31 March 2020
(a) Non-current		
Capital advances	84	117
Balances with statutory / government authorities	50	55
Prepayments	43	23
	177	**195**
(b) Current		
Advances other than capital advances	57	47
Export incentive receivables	445	432
Balances with statutory / government authorities	259	131
Prepayments	242	206
	1,003	816

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(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

9. Inventories

	31 March 2021	31 March 2020
Chemicals, reagents and consumables *	294	202
Work-in-progress	212	33
Finished goods	90	17
	596	252

* includes goods in-transit Rs 24 (31 March 2020 - Rs 30)

10. Trade receivables

	31 March 2021	31 March 2020
Unsecured		
Considered good*	3,392	3,982
Considered doubtful	62	62
	3,454	4,044
Allowance for credit losses	(62)	(62)
	3,392	3,982

* Includes receivables from related parties [refer note 26]

The Group's exposure to credit and currency risks and loss allowances are disclosed in note 28.

11. Cash and bank balances

	31 March 2021	31 March 2020
(a) Cash and cash equivalents		
Cash on hand	-*	- *
Balances with banks (on current accounts)	3,229	1,924
Deposits with original maturity of less than 3 months	4	6
	3,233	1,930
(b) Bank balances other than above		
Deposits with maturity of less than 12 months	3,193	885
Total cash and bank balances	**6,426**	**2,815**

* 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 Rs million.

(ii) Cash and cash equivalents includes restricted cash and bank balances of Rs 13 (31 March 2020: Rs 8). The restrictions are primarily on account of bank balances held under Employee Welfare Trust.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

12(a). Equity share capital

	31 March 2021	31 March 2020
Authorised		
500,000,000 (31 March 2020: 500,000,000) equity shares of Rs 10/- each (31 March 2020 - Rs 10/- each)	5,000	5,000
Issued, subscribed and fully paid-up		
400,000,000 (31 March 2020: 400,000,000) equity shares of Rs 10/- each (31 March 2020 - Rs 10/- each)	4,000	4,000
	4,000	4,000

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	31 March 2021		31 March 2020	
	No.	Rs	No.	Rs
At the beginning of the year	400,000,000	4,000	200,000,000	2,000
Issue of bonus shares [refer note (vi) below]	-	-	200,000,000	2,000
At the end of the year	400,000,000	4,000	400,000,000	4,000

(ii) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rs. 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 2021		31 March 2020	
	No.	% holding	No.	% holding
Equity shares of Rs 10 each fully paid				
Biocon Limited (holding company) [refer note (vi) below]	280,974,772	70.24%	280,974,772	70.24%

(iv) Details of shareholders holding more than 5% shares in the Company

	31 March 2021		31 March 2020	
	No.	% holding	No.	% holding
Equity shares of Rs 10 each fully paid				
Biocon Limited [refer note (vi) below]	280,974,772	70.24%	280,974,772	70.24%

(v) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:

	Year ended 31 March 2021	Year ended 31 March 2020
Equity shares allotted as fully paid bonus shares by capitalization of general reserve and surplus in statement of profit and loss [refer note (vi) below]	-	200,000,000

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(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

(vi) Issue of bonus shares

The shareholders approved through postal ballet 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.

12(b). Other equity

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. 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.

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(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

13. Borrowings

	31 March 2021	31 March 2020
(a) Non-current borrowings		
Term loans from banks		
External commercial borrowings(secured) [refer note (i) below]	3,660	3,767
Foreign currency term loan (secured) [refer note (ii) below]	1,464	-
	5,124	**3,767**
Less: Amount disclosed under "other current financial liabilities" [refer note 17 and note (iii) below]	-	(3,767)
	5,124	**-**
(b) Current borrowings		
Term loans from banks		
Pre shipment credit(unsecured) [refer note (iv) below]	2,599	3,089
	2,599	**3,089**
The above amount includes		
Secured borrowings	5,124	3,767
Unsecured borrowings	2,599	3,089
	7,723	**6,856**

Notes:

(i) (a) The Company has entered into external commercial borrowing agreement dated 21 September 2020 to borrow USD 50 million (Rs 3,660) term loan facility. The facility is borrowed to incur capital expenditure at Bengaluru, Hyderabad and Mangaluru premises of the Company.

(b) 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.

(ii) (a) The Company has entered into foreign currency term loan agreement dated 30 March 2021 to borrow USD 50 million (Rs 3,660) comprising (a) USD 20 million (Rs 1,464) term loan facility ('Facility A') drawn on 31 March 2021; and (b) USD 30 million (Rs 2,196) term loan facility ('Facility B') to be drawn by 30 June 2021. The facilities are borrowed to incur capital expenditure at Bengaluru, Hyderabad and Mangaluru premises of the Company.

(b) 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.

(iii) (a) The Company had entered into external commercial borrowing agreement dated 30 March 2016 to borrow USD 100 million comprising (a) USD 50 million term loan facility ('Facility A'); and (b) USD 50 million term loan facility ('Facility B'). The facilities were borrowed to incur capital expenditure at Bengaluru and Mangaluru premises of the Company.

(b) 'Facility A' of USD 50 million carried an interest rate of Libor + 1.04% and was repaid in two instalments of USD 12.5 million in March 2019 and USD 37.5 million in March 2020 in line with the agreement ; and 'Facility B' of USD 50 million carried an interest rate of Libor + 1.30% and was repaid in March 2021 and the facilities provided were secured by first priority pari passu charge on fixed assets (movable plant and machinery) and second charge on current assets of the Company.

(iv) The Company has obtained foreign currency denominated short term unsecured pre-shipment credit loans of Rs 2,599 (USD 35.5 million) [31 March 2020 : Rs 3,089 (USD 41 million)] that carries interest rate of Libor + 0.20% to + 0.30% [31 March 2020 : Libor + 0.35% to + 0.60%]. The loans are repayable after the end of 6 months from the date of its origination.

(v) Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in note 28.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

14. Provisions

		31 March 2021	31 March 2020
(a)	**Non-current**		
	Provision for employee benefits		
	Gratuity (refer note 27)	520	409
		520	**409**
(b)	**Current**		
	Provision for employee benefits		
	Gratuity (refer note 27)	45	42
	Compensated absences (refer note 27)	420	373
		465	415

15. Other liabilities

		31 March 2021	31 March 2020
(a)	**Non-current**		
	Deferred revenues	2,368	1,880
		2,368	1,880
(b)	**Current**		
	Advances from customers	3,810	3,095
	Deferred revenues	367	306
	Others		
	- Statutory dues	132	124
	- Other dues	298	471
		4,607	3,996

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for the year ended March 31, 2021

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16. Trade payables

	31 March 2021	31 March 2020
Trade payables [refer note (a) below and note 26]		
Total outstanding dues of micro and small enterprises	109	207
Total outstanding dues of creditors other than micro and small enterprises	2,307	2,013
	2,416	**2,220**
(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	109	207
- 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	182	629
(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	4	6
(v) Interest remaining due and payable in succeeding years, in terms of Section 23 of the MSMED Act, 2006	10	17
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) All Trade Payables are 'current'. The Group's exposure to currency and liquidity risks related to trade payables is disclosed in note 28.		

17. Other financial liabilities

	31 March 2021	31 March 2020
Current		
Current maturities of long term borrowings with Banks (refer note 13(a))	-	3,767
Payable for capital goods	892	1,155
Book overdraft	45	26
	937	**4,948**

(i) The Company has unpaid dividends which are not disclosed above since amounts are rounded off to Rs million.

Notes to the Consolidated Financial Statements

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18. Revenue from operations

	Year ended 31 March 2021	Year ended 31 March 2020
Sale of services		
Contract research and manufacturing services income	20,891	18,797
Other operating revenues		
Scrap sales	37	27
Export incentives	41	654
Others [refer note (a) below]	874	641
	21,843	**20,119**

Note:

(a) Others include income from support services, rentals by the SEZ Developer and release from 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 2021	Year ended 31 March 2020
Revenues from Contract research and manufacturing services income by geography		
India	1,149	714
United States of America	15,191	14,383
Rest of the world	4,551	3,700
	20,891	**18,797**
Revenue from other sources		
Other operating revenues	952	1,322
	952	1,322
Total revenue from operations	**21,843**	**20,119**

Geographical revenue is allocated based on the location of the customers.

18.2 Contract balances

	Year ended 31 March 2021	Year ended 31 March 2020
Trade receivables [refer note (i) below]	3,392	3,982
Contract assets [refer note (i) below]	1,365	509
Contract liabilities [refer note (ii) below]	6,545	5,281

Notes:

(i) Trade receivables and Contract assets are non-interest bearing.

(ii) Contract liabilities include advances from customers and deferred revenue.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

18.3 Changes in Contract liabilities - advances from customers and deferred revenue

	Year ended 31 March 2021	Year ended 31 March 2020
Balance at the beginning of the year	5,281	4,639
Add: Increase due to invoicing during the year	4,859	4,247
Less: Revenue recognised from advances from customers at the beginning of the year	(2,975)	(2,613)
Less: Amounts recognised as revenue during the year	(620)	(992)
Balance at the end of the year	**6,545**	**5,281**
Expected revenue recognition from remaining performance obligations:		
- Within one year	4,177	3,401
- More than one year	2,368	1,880
	6,545	**5,281**

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 2021	Year ended 31 March 2020
Interest income on:		
Deposits with banks and financial institutions	616	782
Lease deposits	7	5
Net gain on sale of current investments	21	28
Other non-operating income	2	1
	646	816

20. Cost of chemicals, reagents and consumables consumed

	Year ended 31 March 2021	Year ended 31 March 2020
Inventory at the beginning of the year	202	376
Add : Purchases	5,609	5,012
Less: Inventory at the end of the year	(294)	(202)
	5,517	**5,186**

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for the year ended March 31, 2021

(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 2021	Year ended 31 March 2020
Inventories at the beginning of the year		
Work-in-progress	33	51
Finished goods	17	7
	50	**58**
Inventories at the end of the year		
Work-in-progress	212	33
Finished goods	90	17
	302	**50**
	(252)	**8**

22. Employee benefits expense

	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	5,500	5,059
Contribution to provident fund and other funds	241	219
Gratuity expenses (refer note 27)	103	91
Share based compensation expense (refer note 34)	502	181
Staff welfare expenses	256	254
	6,602	**5,804**

23. Finance costs

	Year ended 31 March 2021	Year ended 31 March 2020
Interest expense on:		
Borrowings [refer note (i) below]	174	280
Lease liabilities [refer note 35]	103	66
	277	**346**

Note:

(i) Interest expense includes exchange difference to the extent considered as an adjustment to borrowing cost of Rs Nil (31 March 2020 : Rs3).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

24. Depreciation and amortisation expense

	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation of property, plant and equipment [refer note 3 (a)]	2,516	2,008
Depreciation of right-of-use assets [refer note 3 (b)]	114	81
Depreciation of investment property [refer note 3 (c)]	42	40
Amortisation of intangible assets [refer note 4]	73	64
	2,745	**2,193**

25. Other expenses

	Year ended 31 March 2021	Year ended 31 March 2020
Rent	38	-
Communication expenses	26	16
Travelling and conveyance	274	345
Professional charges	401	438
Payments to auditors [refer note (a) below]	7	6
Directors' fees including commission	24	23
Power and fuel	574	458
Facility charges	106	111
Insurance	162	158
Rates and taxes	58	94
Repairs and maintenance		
Plant and machinery	824	619
Buildings	102	151
Others	375	267
Selling expenses		
Freight outwards and clearing charges	34	19
Sales promotion expenses	30	90
Commission	-	2
Provision for doubtful receivables	16	10
Bad debts written off	16	1
Less: Provision no longer required written back	(16)	(1)
Printing and stationery	24	47
Clinical trial expenses	85	78
Contributions towards CSR (refer note 38)	87	74
Loss on assets scrapped	59	-
Miscellaneous expenses	123	80
	3,429	**3,086**

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(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
(a) Payments to auditors:		
As an auditor:		
Statutory audit	3	3
Tax audit	1	1
Limited review	2	1
In other capacity:		
Other services (certification fees) [refer note (i) below]	-	-
Reimbursement of expenses	1	1
	7	6

(i) Amounts are not presented since the amounts are rounded off to Rs million.

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(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 (w.e.f. 1 April 2020) Chairperson and Managing Director (till 31 March 2020)
John Shaw	Non-executive director
Jonathan Hunt	Managing Director and Chief Executive Officer (w.e.f. 1 April 2020) Director and Chief Executive Officer (till 31 March 2020)
Catherine Rosenberg	Non-executive director
Bala S. Manian	Independent director (till 15 July 2020)
Carl Decicco	Independent director (w.e.f. 1 October 2019)
Sharmila Abhay Karve	Independent director (w.e.f. 1 August 2019)
Paul Blackburn	Independent director
Russell Walls	Independent director (till 24 July 2019)
Suresh Talwar	Independent director (till 24 July 2019)
Vijay Kuchroo	Independent director
Vinita Bali	Independent director
Sibaji Biswas	Chief Financial officer (w.e.f. 18 December 2019)
M. B. Chinappa	Chief Financial officer (till 17 December 2019)
Priyadarshini Mahapatra	Company Secretary (w.e.f. 24 July 2019)
Mayank Verma	Company Secretary (till 24 May 2019)
B. Holding company	
Biocon Limited	Holding Company
C. Fellow subsidiaries	
Biocon Biologics Limited (formerly known as Biocon Biologics India Limited)	Fellow subsidiary
Biocon SDN. BHD	Fellow subsidiary
Biocon Biologics UK Limited (formerly known as Biocon Biologics Limited)	Fellow subsidiary
Biocon Biologics Inc.	Fellow subsidiary
Biocon Biologics Do Brasil Ltda	Fellow subsidiary
Biocon Biologics FZ-LLC	Fellow subsidiary
Biocon Biologics Healthcare SDN. BHD (formerly known as Biocon Healthcare SDN. BHD)	Fellow subsidiary
Bicara Therapeutics Inc.	Fellow subsidiary (upto 9 January 2021)
Biofusion Therapeutics Limited	Fellow subsidiary
Biocon Biosphere Limited	Fellow subsidiary

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(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

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

D. Other related parties

Bicara Therapeutics Inc.	Associate of Holding Company (w.e.f. 10 January 2021)
Biocon Foundation	Trust in which a director is a trustee
Narayana Hrudayalaya Limited	Enterprise in which a director of the Company is a member of board of directors
Immuneel Therapeutics Private 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

The Company has the following related parties transactions

Particulars	Transactions / Balances	31 March 2021	31 March 2020
Key management personnel	Salary and perquisites [refer note (i) & (ii) below]	91	115
	Sitting fees and commission	23	23
	Outstanding as at the year end		
	- Trade and other payables	5	5
Holding company	Rent	60	63
	Power and facility charges [refer note (iii) below]	138	360
	Purchase of goods	2	2
	Other expenses reimbursed	88	79
	Purchase of assets	-	31
	Sale of services	65	80
	Rent and facility services	11	-
	Other expenses incurred on behalf	12	-
	Final dividend paid	-	140
	Outstanding as at the year end		
	- Trade and other payables	65	217
	- Rent deposits	23	23
	- Trade and other receivables	31	34
	Guarantee given to Central Excise Department	148	148

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(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

Particulars	Transactions / Balances	31 March 2021	31 March 2020
Fellow subsidiaries	Sale of services	404	392
	Rent and facility services	329	233
	Purchase of assets	-	56
	Other expenses incurred on behalf	8	-
	Other expenses reimbursed	8	-
	Purchase of goods	-	- *
	Outstanding as at the year end		
	- Trade and other payables	1	51
	- Trade and other receivables	362	328
Other related Parties	Sale of services	283	1
	Health services availed	4	4
	Contribution towards CSR	10	74
	Staff welfare expenses	3	4
	Investment in compulsorily convertible debentures	-	100
	Allotment of equity shares	100	-
	Outstanding as at the year end		
	- Trade and other payables	- *	-
	- Trade and other receivables	280	-

* Less than Rs 0.5 million.

(i) The remuneration to the key managerial personnel does not include the provisions made for gratuity and 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 133 (31 March 2020 : Rs 80), 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 129 (Year ended 31 March 2020 - Rs 115) and power charges (including other charges) of Rs 9 (Year ended 31 March 2020 - Rs 245) have been charged by Biocon Limited for the year ended 31 March 2021.

(v) 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
- Biofusion Therapeutics Limited
- Biocon Pharma Inc.
- Biocon Academy
- Biocon Pharma Ireland Limited
- Biocon Pharma Malta Limited
- Biocon Pharma Malta I Limited
- Biocon Pharma UK Limited
- Biocon SA
- Biocon FZ LLC

(vi) The above disclosures include related parties as per Ind AS 24 on "Related Party Disclosures" and Companies Act, 2013.

(vii) All transactions with these related parties are priced on an arm's length basis and none of the balances are secured.

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27. Employee benefit plans

(i) The Company has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972 ('Gratuity Act'). Under the Gratuity Act, employee who has completed five years of service is entitled to specific benefit with no monetary limit. The level of benefit provided depends on the employee's length of service and salary at retirement/termination age. The gratuity plan is a funded plan and the Company makes contributions to a recognised fund in India.

The plan assets are maintained with HDFC Life Insurance Company Limited (HDFC Life) in respect of gratuity scheme for employees of the Company. The details of investments maintained by the HDFC Life are not available with the Company and not disclosed. The expected rate of return on plan assets is 6.3% p.a. (31 March 2020: 6.4% p.a.). The Company actively monitors how the duration and expected yeild 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 2020	454	(3)	451
Current service cost	71	-	71
Interest cost	32	-	32
Amount recognised in Statement of profit and loss	**103**	**-**	**103**
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense / (income)	-	- *	- *
Actuarial (gain) / loss arising from:			
Demographic assumptions	8	-	8
Financial assumptions	48	-	48
Experience adjustment	(26)	-	(26)
Amount recognised in other comprehensive income	**30**	**-**	**30**
Benefits paid	(19)	-	(19)
Balance as at 31 March 2021	**568**	**(3)**	**565**

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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 2019	410	(3)	407
Current service cost	65	-	65
Interest cost	26	-	26
Amount recognised in Statement of profit and loss	**91**	**-**	**91**
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense / (income)	-	-*	- *
Actuarial (gain) / loss arising from:			
Demographic assumptions	(8)	-	(8)
Financial assumptions	(6)	-	(6)
Experience adjustment	(9)	-	(9)
Amount recognised in other comprehensive income	**(23)**	**-**	**(23)**
Benefits paid	(24)	-	(24)
Balance as at 31 March 2020	**454**	**(3)**	**451**

* Less than Rs 0.5 million.

	31 March 2021	31 March 2020
Non current	520	409
Current	45	42
	565	451

(ii) The assumptions used for gratuity valuation are as below:

	31 March 2021	31 March 2020
Interest rate	6.3%	6.4%
Discount rate	6.3%	6.4%
Expected return on plan assets	6.3%	6.4%
Salary increase	10.0%	9%
Attrition rate (based on Age of the Employee)	5% - 15%	6% - 16%
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 9 years (31 March 2020 - 9 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 2021		31 March 2020	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount rate	(42)	48	(30)	34
Salary increase	46	(41)	33	32
Attrition rate	(12)	13	(7)	8

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 2021 and 31 March 2020, the plan assets have been invested in insurer managed funds and the expected contribution to the fund during the year ending 31 March 2021, is approximately Rs 45 (31 March 2020 - Rs 42).

Maturity profile of defined benefit obligation

Particulars	31 March 2021	31 March 2020
1st Following year	45	42
2nd Following year	41	40
3rd Following year	44	40
4th Following year	48	42
5th Following year	43	43
Years 6 to 10	228	182
Years 11 and above	571	400

(iv) Risk Exposure

These defined benefit plans typically expose the Company to actuarial risks as under :

a) 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.

b) Interest rate risk: A decrease in bond interest rate will increase the plan liability.

c) 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.

d) 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 :

	31 March 2021	31 March 2020
Compensated absences	420	373

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28. Financial instruments: Fair value and risk managements

A. Accounting classification and fair values

31 March 2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments (non-current)#	37	100	2,650	2,787	-	-	137	137
Derivative assets (non-current)	-	623	-	623	-	623	-	623
Other financial assets (non-current)	-	-	1,038	1,038	-	-	-	-
Investments (current)	1,484	-	2,749	4,233	1,484	-	-	1,484
Trade receivables	-	-	3,392	3,392	-	-	-	-
Cash and cash equivalents	-	-	3,233	3,233	-	-	-	-
Bank balances other than above	-	-	3,193	3,193	-	-	-	-
Derivative assets (current)	-	713	-	713	-	713	-	713
Other financial assets (current)	-	-	1,704	1,704	-	-	-	-
	1,521	**1,436**	**17,959**	**20,916**	**1,484**	**1,336**	**137**	**2,957**
Financial liabilities								
Lease liabilities (non-current)	-	-	1,052	1,052	-	-	-	-
Derivative liabilities (non-current)	-	224	-	224	-	224	-	224
Borrowings (current)	-	-	2,599	2,599	-	-	-	-
Lease liabilities (current)	-	-	154	154	-	-	-	-
Trade payables	-	-	2,416	2,416	-	-	-	-
Derivative liabilities (current)	-	18	-	18	-	18	-	18
Other financial liabilities (current)	-	-	937	937	-	-	-	-
	-	**242**	**7,158**	**7,400**	**-**	**242**	**-**	**242**

31 March 2020	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investments (non-current)#	100	-	280	380	-	-	100	100
Derivative assets (non-current)	-	257	-	257	-	257	-	257
Other financial assets (non-current)	-	-	146	146	-	-	-	-
Investments (current)	171	-	7,213	7,384	171	-	-	171
Trade receivables	-	-	3,982	3,982	-	-	-	-
Cash and cash equivalents	-	-	1,930	1,930	-	-	-	-
Bank balances other than above	-	-	885	885	-	-	-	-
Derivative assets (current)	-	191	-	191	-	191	-	191
Other financial assets (current)	-	-	686	686	-	-	-	-
	271	**448**	**15,122**	**15,841**	**171**	**448**	**100**	**719**
Financial liabilities								
Lease liabilities (non-current)			812	812	-	-	-	-
Derivative liabilities (non-current)	-	1,378	-	1,378	-	1,378	-	1,378
Borrowings (current)	-	-	3,089	3,089	-	-	-	-
Lease liabilities (current)			61	61	-	-	-	-
Trade payables	-	-	2,220	2,220	-	-	-	-
Derivative liabilities (current)	-	546	-	546	-	546	-	546
Other financial liabilities (current)	-	-	4,948	4,948	-	-	-	-
	-	**1,924**	**11,130**	**13,054**	**-**	**1,924**	**-**	**1,924**

The Level 3 investment was made close to the year end and the cost of the investment approximates the fair value.

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(a) The fair value of trade receivables, trade payables and other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short term nature.

(b) There have been no transfers between level 1, 2 and 3 needs to be made.

(c) The Company enters into derivative financial instruments with various counterparties. Derivatives are valued using valuation techniques in consultation with market expert. The most frequently applied valuation technique include forward pricing, swap models and Black Scholes Merton Model (for options valuation), using present value calculations. The models incorporate various inputs including foreign exchange forward rates, interest rate curve and forward rates curve.

Measurement of fair values

Fair value of liquid mutual funds are based on quoted price. Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

Sensitivity analysis

For the fair values of forward/option contracts of foreign currencies, reasonably possible changes at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effects.

Significant observable inputs	Impact on profit or loss		Impact on other equity	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Movement in spot rate of the foreign currency				
INR/USD - Increase by 1%	-	-	(426)	(350)
INR/USD - Decrease by 1%	-	-	430	350
Movement in Interest rates				
LIBOR - Increase by 100 bps	-	-	(102)	(34)
LIBOR - Decrease by 100 bps	-	-	102	34

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.

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The Group has established a credit mechanism under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, where available, and other publicly available financial information. Outstanding customer receivables are regularly monitored.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The maximum exposure to credit risk as at reporting date is primarily from trade receivables and unbilled revenue amounting to Rs 4,744 (31 March 2020: Rs 4,491). The movement in allowance for impairment in respect of trade receivables during the year was as follows:

Allowance for Impairment	31 March 2021	31 March 2020
Opening balance	62	53
Impairment loss recognised	16	9
Impairment loss reversed	(16)	-
Closing balance	**62**	**62**

Note: During the year ended 31 March 2021, impairment loss reversed includes Rs 16 pertaining to customer balances written off.

Details of trade receivables that are not due, past due and impaired is given below:

Particulars	31 March 2021	31 March 2020
Neither past due nor impaired	2,459	3,023
Past due but not impaired		
Less than 365 days	967	992
More than 365 days	28	29
Less: Allowance for credit losses	(62)	(62)
Total	**3,392**	**3,982**

There are no receivable from customer (31 March 2020 : Nil) of the Company's receivables (31 March 2020 : Nil) which is more than 10 percent of the Company's total receivables.

Credit risk on investments, cash and cash equivalent and derivatives is limited as the Group generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units and non-convertible debentures.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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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 2021:

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Lease liabilities (non-current)	-	304	288	1,541	2,133
Lease liabilities (current)	163	-	-	-	163
Borrowings (non-current)	-	-	5,124	-	5,124
Borrowings (current)	2,599	-	-	-	2,599
Trade payables	2,416	-	-	-	2,416
Derivative liabilities (non-current)	-	72	152	-	224
Derivative liabilities (current)	18	-	-	-	18
Other financial liabilities	937	-	-	-	937
Total	6,133	376	5,564	1,541	13,614

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2020:

Particulars	Less than 1 year	1 - 2 years	2-5 years	More than 5 years	Total
Lease liabilities (non-current)	-	146	342	968	1,456
Borrowings (current)	6,856	-	-	-	6,856
Lease liabilities (current)	138	-	-	-	138
Trade payables	2,220	-	-	-	2,220
Derivative liabilities (non-current)	-	504	874	-	1,378
Derivative liabilities (current)	546	-	-	-	546
Other financial liabilities	1,181	-	-	-	1,181
Total	**10,941**	**650**	**1,216**	**968**	**13,775**

(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 2021 and 31 March 2020 are as below:

31 March 2021	USD	EUR	Others	Total
Financial assets				
Trade receivables	2,430	255	-	2,685
Cash and cash equivalents	2,806	72	-	2,878
Other financial assets (current)	1,273	43	-	1,316
Financial liabilities				
Borrowings (current)	(5,124)	-	-	(5,124)
Borrowings (non-current)	(2,599)	-	-	(2,599)
Trade payables	(229)	(28)	(11)	(268)
Other financial liabilities (current)	(200)	(30)	(21)	(251)
Net assets / (liabilities)	**(1,643)**	**312**	**(32)**	**(1,363)**

31 March 2020	USD	EUR	Others	Total
Financial assets				
Trade receivables	3,421	16	-	3,437
Cash and cash equivalents	1,761	6	2	1,769
Other financial assets (current)	540	19	-	559
Financial liabilities				
Borrowings (current)	(3,089)	-	-	(3,089)
Trade payables	(266)	(36)	(16)	(318)
Other financial liabilities (current)	(3,936)	(54)	(20)	(4,010)
Net assets / (liabilities)	**(1,569)**	**(49)**	**(34)**	**(1,652)**

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 2021	31 March 2020	31 March 2021	31 March 2020
USD Sensitivity				
INR/USD - Increase by 1%	(17)	(16)	(443)	(366)
INR/USD - Decrease by 1%	17	16	447	366
EUR Sensitivity				
INR/EUR - Increase by 1%	2	1	1	1
INR/EUR - Decrease by 1%	(2)	(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 forcasted transactions like sales, purchases and capital expenditures. When a derivative is entered for hedging, the Company matches the terms of those derivatives to the underlying exposure. All identified exposures are managed as per the policy duly approved by the Board of Directors.

The following table gives details in respect of outstanding foreign exchange forward and option contracts:

Particulars	31 March 2021	31 March 2020
Foreign exchange forward contracts to sell USD with maturity between 0-5 years	USD 419 (Rs 30,671)	USD 402 (Rs 30,298)
European style option contracts with periodical maturity between 0-5 years	USD 174 (Rs 12,737)	USD 155 (Rs 11,654)
Interest rate swaps used for hedging LIBOR component in External Commercial Borrowings with maturity between 0-3 years	USD 50 (Rs 3,660)	USD 50 (Rs 3,767)

Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During the year ended 31 March 2021 and 31 March 2020 the Group's borrowings at variable rate were mainly denominated in USD.

(a) Interest rate risk exposure

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 March 2021	31 March 2020
Variable rate borrowings	1,464	1,092
Fixed rate borrowings	6,259	5,764
Total borrowings	**7,723**	**6,856**

(b) Sensitivity

Fixed rate borrowings:

The Group policy is to maintain its long-term borrowings at fixed rate using interest rate swaps to achieve this when necessary. They are therefore not subject to interest rate risk as defined under Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of change in market interest rates.

Variable rate borrowings:

A reasonably possible change of 100 bps would have increased / (decreased) profit and loss and equity by Rs 15 (31 March 2020 : Rs 11).

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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 2021 and 31 March 2020 was as follows:

Particulars	31 March 2021	31 March 2020
Total equity attributable to the equity shareholders of the Company	28,214	21,758
As a percentage of total capital	79%	76%
Long-term borrowings (including current maturities)	5,124	3,767
Short-term borrowings	2,599	3,089
Total borrowings	**7,723**	**6,856**
As a percentage of total capital	21%	24%
Total capital (Equity and Borrowings)	**35,937**	**28,614**

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30. Tax expense

(a) Amount recognised in Statement of profit and loss

	31 March 2021	31 March 2020
Current tax	746	899
Deferred tax:		
MAT credit entitlement	(268)	(381)
Others related to:		
Origination and reversal of other temporary differences	165	530
Tax expense for the year	**643**	**1,048**
Reconciliation of effective tax rate		
Profit before tax and exceptional item	4,342	4,456
Add: Exceptional item	350	713
Profit before tax	**4,692**	**5,169**
Tax at statutory income tax rate 34.94% (31 March 2020 - 34.94%)	1,638	1,805
Tax effects of amounts which are not deductible / (taxable) in calculating taxable income		
Tax incentive	(953)	(921)
Non-deductible expense	41	89
Basis difference that will reverse during the tax holiday period	(148)	(123)
Others	65	198
Income tax expense	**643**	**1,048**

(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 2021	Opening balance	Recognised in profit or loss	Recognised in OCI	Recognised in equity	Closing balance
Deferred tax asset					
MAT credit entitlement	1,506	268	-	-	1,774
Defined benefit obligations	130	(31)	5	-	104
Derivatives, net	420	-	(420)	-	-
Others	27	(16)	-	-	11
Gross deferred tax assets	**2,083**	**221**	**(415)**	**-**	**1,889**
Deferred tax liability					
Derivatives, net	-	-	24	-	24
Property, plant and equipment, investment property and intangible assets, net	856	118	-	-	974
Gross deferred tax liability	**856**	**118**	**24**	**-**	**998**
Deferred tax assets / (liabilities), net	**1,227**	**103**	**(439)**	**-**	**891**

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(All amounts are in Indian Rupees Million, except share data and per share data, unless otherwise stated)

For the year ended 31 March 2020	Opening balance	Recognised in profit or loss	Recognised in OCI	Recognised in equity	Closing balance
Deferred tax asset					
MAT credit entitlement	1,125	381	-	-	1,506
Defined benefit obligations	99	36	(5)	-	130
Derivatives, net	-	-	420	-	420
Others	22	(7)	-	12	27
Gross deferred tax assets	**1,246**	**410**	**415**	**12**	**2,083**
Deferred tax liability					
Derivatives, net	34	-	(34)	-	-
Property, plant and equipment, investment property and intangible assets, net	297	559	-	-	856
Gross deferred tax liability	331	559	(34)	-	856
Deferred tax assets / (liabilities), net	**915**	**(149)**	**449**	**12**	**1,227**

31. Contingent liabilities and commitments

(to the extent not provided for)

(i) Contingent liabilities

	31 March 2021	31 March 2020
(a) Claims against the Company not acknowledged as debt	4,297	4,245
The above includes:		
(I) Income tax matters relating to financial year 2002 - 03 to 2018 - 19 # (31 March 2020 : financial year 2002 -03 to 2016 - 17)	4,273	4,221
(II) Indirect tax matters	24	24

(III) In light of judgment of Honourable Supreme Court dated 28th February 2019 on the definition of "Basic Wages" under the Employees Provident Funds & Misc. Provisions Act, 1952 and based on Company's evaluation, there are significant uncertainties and numerous interpretative issues relating to the judgement and hence it is unclear as to whether the clarified definition of Basic Wage would be applicable prospectively or retrospectively. The amount of the obligation therefore cannot be measured with sufficient reliability for past periods and hence has currently been considered to be a contingent liability.

Including the matters disclosed above, the Group is involved in taxation matters that arise from time to time in the ordinary course of business. Judgment is required in assessing the range of possible outcomes for some of these tax matters, which could change substantially over time as each of the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents. Based on its internal assessment supported by external legal counsel views, if any, the Company believes that it will be able to sustain its positions if challenged by the authorities and accordingly no additional provision is required for these matters. Management is of the view that above matters will not have any material adverse effect on the Company's financial position and results of operations.

includes Rs 660 for the favourable order received by the Company during the year from the Honourable High Court of Karnataka against the matters appealed by the tax authorities with respect to financial year 2002-03 to 2008-09.

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(b) Guarantees

	31 March 2021	31 March 2020
Guarantees given by banks on behalf of the Company for contractual obligations of the Company.	2	2

The necessary terms and conditions have been complied with and no liabilities have arisen.

(ii) Commitments

		31 March 2021	31 March 2020
(a)	Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances	1,656	2,213

32. (a) Interest in other entities

Subsidiary

The Group's subsidiary as at 31 March 2021 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 2021 %	31 March 2020 %	31 March 2021 %	31 March 2020 %	
Syngene USA Inc.	United States	100	100	-	-	Business support and marketing for research services

(b) Additional information, as required under Schedule III of the Act, of enterprises consolidated as subsidiary

Name of entity	Net assets as at 31 March 2021		Share in profit or loss for the year ended 31 March 2021		Share in other comprehensive income for the year ended 31 March 2021		Share in total comprehensive income for the year ended 31 March 2021	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated other comprehensive income	Amount
Holding Company								
Syngene International Limited	100%	28,183	100%	4,037	100%	1,906	100%	5,943
Subsidiary								
Syngene USA Inc.	-	31	-	12	-	-	-	12
Non-controlling interest	-	-	-	-	-	-	-	-
Total	**100%**	**28,214**	**100%**	**4,049**	**100%**	**1,906**	**100%**	**5,955**

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Name of entity	Net assets as at 31 March 2020		Share in profit or loss for the year ended 31 March 2020		Share in other comprehensive income for the year ended 31 March 2020		Share in total comprehensive income for the year ended 31 March 2020	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated other comprehensive income	Amount
Holding Company								
Syngene International Limited	100%	21,741	100%	4,115	100%	(1,916)	100%	2,199
Subsidiary								
Syngene USA Inc.	-	17	-	6	-	-	-	6
Non-controlling interest	-	-	-	-	-	-	-	-
Total	**100%**	**21,758**	**100%**	**4,121**	**100%**	**(1,916)**	**100%**	**2,205**

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 31 March 2021	Year ended 31 March 2020
Revenue from operations:		
India	1,579	1,643
United States of America	15,713	14,776
Rest of the World	4,551	3,700
Total	**21,843**	**20,119**

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 2021	31 March 2020
India	25,426	23,493
Outside India	-	-
Total	**25,426**	**23,493**

Note: Non-current assets excludes financial assets and deferred tax assets.

Major customer

Revenue from one customer (31 March 2020 - two customer) of the Company’s Revenue from operations aggregates to Rs 4,730 (31 March 2020 - Rs6,482) which is more than 10 percent of the Company’s total revenue.

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34. Share based compensation

Syngene ESOP Plan

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. The cost for the year has been accounted in the statement of profit and loss is Rs 502 million [31 March 2020 : Rs 181 million].

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 2020 : Rs 11.25] per share (Face Value of Rs 10 per share).

Details of Grant

Particulars	31 March 2021 No. of options	31 March 2020 No. of options
Outstanding at the beginning of the year	2,689,574	2,693,576
Granted during the year	-	711,613
Forfeited / lapsed during the year	(111,265)	(103,038)
Exercised during the year	(620,225)	(612,577)
Outstanding at the end of the year	**1,958,084**	**2,689,574**
Exercisable at the end of the year	547,787	695,090
Weighted average exercise price	11.25	11.25
Weighted average fair value of shares granted during the year under Black Scholes Model (In Rs)	-	312.6
Weighted average share price at the date of exercise (In Rs)	503.6	295.8

The weighted average remaining contractual life for the stock options outstanding as at 31 March 2021 is 1.40 years [31 March 2020 : 1.63 years].

Assumptions used in determination of the fair value of the stock options under the Black Scholes Model are as follows:

Particulars	31 March 2021	31 March 2020
Dividend yield (%)	-	0.2%
Exercise Price (In Rs)	-	11.3
Volatility	-	27.3%
Life of the options granted (vesting and exercise period) [in years]	-	6.15
Average risk-free interest rate	-	7.0%

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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 2021 No. of options
Outstanding at the beginning of the year	-
Granted during the year	3,184,649
Forfeited during the year	(80,824)
Exercised during the year	-
Outstanding at the end of the year	**3,103,825**
Exercisable at the end of the year	-
Weighted average exercise price	-
Weighted average fair value of shares granted during the year under Black Scholes Model (In Rs)	326.31
Weighted average share price at the date of exercise during the year (In Rs)	-

The weighted average remaining contractual life for the stock options outstanding as at 31 March 2021 is 3.5 years.

Assumptions used in determination of the fair value of the stock options under the Black Scholes Model are as follows:

Particulars	**31 March 2021**
Dividend yield (%)	0.2%
Exercise Price (In Rs)	10
Volatility	26.9%
Life of the options granted (vesting and exercise period) [in years]	7.5
Average risk-free interest rate	7.0%

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35. Leases

The Group has entered into lease agreements for use of land, buildings, plant and equipment and vehicles which expires over a period ranging upto the year of 2039. Gross payments for the year aggregate to Rs 140 (31 March 2020 : 109).

The weighted average borrowing rate of 9% 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 2021:

Particulars	Land	Buildings	Vehicles	Total
Balance at the beginning	90	749	34	873
Additions during the year	-	361	17	378
Finance cost accrued during the period	7	93	3	103
Deletions	-	(8)	- *	(8)
Payment of lease liabilities	(41)	(79)	(20)	(140)
Balance at the end	**56**	**1,116**	**34**	**1,206**

The following is the movement in lease liabilities during the year ended 31 March 2020:

Particulars	Land	Buildings	Vehicles	Total
Balance at the beginning	-	160	-	160
Additions on account of adoption of Ind AS 116	122	227	32	381
Additions during the year	-	366	9	375
Finance cost accrued during the period	10	53	3	66
Deletions	-	-	-	-
Payment of lease liabilities	(42)	(57)	(10)	(109)
Balance at the end	**90**	**749**	**34**	**873**

* Less than Rs 0.5 million.

The following is the break-up of current and non-current lease liabilities:

	31 March 2021	31 March 2020
Current	154	61
Non-current	1,052	812
Total	1,206	873

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

	31 March 2021	31 March 2020
Less than one year	163	138
One to five years	592	488
More than five years	1,541	968
Total	**2,296**	**1,594**

The following are the amounts recognised in the statement of profit or loss for the year ended 31 March 2020:

	31 March 2021	31 March 2020
Depreciation expenses on right of use-assets	114	81
Interest expenses on lease liabilities	103	66
Total	**217**	**147**

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36. Exceptional item

Pursuant to a fire incident on 12 December 2016, certain fixed assets, inventory and other contents in one of the buildings were damaged. The Company lodged an estimate of loss with the insurance company and the survey is currently ongoing. The Company has recorded a loss of Rs 1,057 million arising from such incident and also recognised a minimum insurance claim receivable for equivalent amounts in the respective periods till 31 March 2021. The Company has received disbursement approval of Rs 2,120 million from the insurance company against the loss till 31 March 2021. The aforementioned receivable and the disbursement approval from the insurance claim has been presented on a net basis as Rs 350 million and Rs 713 million under Exceptional items in these consolidated financial statements for the year ended 31 March 2021 and 31 March 2020 respectively. Consequential tax of Rs 122 milllion and Rs 254 million is included within tax expense in consolidated financial statements for the year ended 31 March 2021 and 31 March 2020 respectively.

As at 31 March 2021, the Company has receivable of Rs 105 million (31 March 2020: Rs Nil) from the insurance company against the approved disbursements and the same has been recorded as amount recoverable from the insurance company.

In addition, the Company is in the process of determining its final claim for loss of fixed assets and Business Interruption and has accordingly not recorded any further claim arising therefrom at this stage.

37. Impact of COVID-19

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Group has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption.

The Group has considered internal and external information while finalizing various estimates in relation to its financial statement captions upto the date of approval of the financial statements by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The Group will continue to closely monitor any material changes to future economic conditions.

38. Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

		31 March 2021	31 March 2020
(a)	Amount required to be spent by the Company during the year	87	74
(b)	Amount spent during the year (in cash)		
	(i) Construction / acquisition of any asset	-	-
	(ii) On purposes other than (i) above	66	74
(c)	Amount unspent and carried forward to next year	21	-

Note: On 27 April 2021, the Board of Directors of the Company have approved the transfer of unspent money into specified bank account for further utilisation in the financial year ending 31 March 2022.

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39. Earnings per equity share (EPS)

	31 March 2021	31 March 2020
Earnings		
Profit for the year	4,049	4,121
Shares		
Basic outstanding shares	400,000,000	400,000,000
Less: Weighted average shares held with the ESOP Trust	(2,274,925)	(2,888,961)
Weighted average shares used for computing basic EPS	**397,725,075**	**397,111,039**
Add: Effect of dilutive options granted but not yet exercised / not yet eligible for exercise	2,943,430	1,041,836
Weighted average shares used for computing diluted EPS	**400,668,505**	**398,152,875**
Earnings per equity share		
Basic (in Rs)	10.18	10.38
Diluted (in Rs)	10.11	10.35

40. Disclosure on Specified Bank Notes (SBNs)

The disclosures regarding details of SBNs held and transacted during 8 November 2016 to 30 December 2016 has not been made in these consolidated financial statements since the requirement does not pertain to financial year ended 31 March 2021 and 31 March 2020.

41. 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 number: 101248W/W-100022

S Sethuraman
Partner
Membership number: 203491

Chennai
27 April 2021

for and on behalf of the **Board of Directors of Syngene International Limited**

Kiran Mazumdar Shaw
Chairperson
DIN: 00347229

Jonathan Hunt
Managing Director and Chief Executive Officer
DIN: 07774619

Sibaji Biswas
Chief Financial Officer

Priyadarshini Mahapatra
Company Secretary
ACS Number: F8786

Bengaluru
27 April 2021

Notice

Notice is hereby given that the 28th Annual General Meeting ("AGM") of Syngene International Limited will be held on Wednesday, July 21, 2021 at 3:30 P.M. IST through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

Item No. 1: Adoption of financial statements

To consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2021, together with the Reports of the Board of Directors and the Auditors thereon.

Item No. 2: 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), a Non-Executive Director, who retires by rotation and being eligible, offers herself for re-appointment.

Item No. 3: To re-appoint M/s B S R & Co. LLP, Chartered Accountants as statutory auditors of the Company and to fix their remuneration

To consider, and if thought fit, to pass the following as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to Sections 139, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s B S R & Co. LLP, Chartered Accountants bearing Registration Number 101248W/W-100022 be and are hereby re-appointed as the Statutory Auditors of the Company for a term of five consecutive years from the conclusion of this Annual General Meeting until the conclusion of Annual General Meeting to be held in the year 2026 on such remuneration as may be fixed by the Board of Directors in consultation with the Statutory Auditors of the Company."

SPECIAL BUSINESS:

Item No. 4: To approve the appointment of Dr Kush Parmar (DIN: 09212020) as an Independent Director of the Company

To consider, and if thought fit, to pass the following as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to sections 149, 152, 161 and other applicable provisions of the Companies Act, 2013 ("the Act") read with the relevant Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to the provisions of the Articles of Association of the Company, Dr Kush Parmar (DIN : 09212020), who was appointed by the Board of Directors as an Additional Director in the capacity of an Independent Director of the Company with effect from 22nd June, 2021 to hold office up to the conclusion of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a Member under section 160(1) of the Act proposing his candidature for the office of Director, being eligible, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, from 22nd June, 2021 till the conclusion of the 31st Annual General Meeting of the Company proposed to be held in 2024;

RESOLVED FURTHER THAT any one of the Directors or the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things which may be necessary for appointment of Dr Kush Parmar (DIN : 09212020) as an Independent Director on the Board of the Company."

By Order of the Board of Directors
For Syngene International Limited

Place: Bangalore
Date: 22nd June, 2021

Priyadarshini Mahapatra
(Company Secretary)
FCS8786

Registered Office:
Biocon SEZ, Biocon Park, Plot No. 2 & 3,
Bommasandra Industrial Area, IV Phase,
Jigani Link Road, Bangalore – 560 099 Karnataka
CIN: L85110KA1993PLC014937
Website: www.syngeneintl.com

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 02/2021 dated January 13, 2021 read with Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Shareholders at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM herein after called as "AGM". Hence, Shareholders can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM is annexed herewith (Refer serial no. 32) and the same will also be available at the website of the Company at www.syngeneintl.com. The deemed venue for the meeting shall be Biocon Campus, 20th K.M. Hosur Road, Hebbagodi, Bangalore, Karnataka 561229, India.

2. Company has appointed M/s KFin Technologies Private Limited, Registrars and Share Transfer Agents, to provide VC/OAVM facility for the Annual General Meeting of the Company.

3. The helpline number regarding any query/assistance for participation in the AGM through VC/OAVM is 1800 3094 001 (toll free).

4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA and SEBI Circulars through VC / OAVM, physical attendance of Shareholders has been dispensed with. Accordingly, the facility for appointment of proxies by the Shareholders will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

5. The attendance of the Members (i.e. members login) at the AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

6. Only bona fide members of the Company whose names appear on the Register of Members, will be permitted to attend the meeting through VC/OAVM. The Company reserves its right to take all necessary steps as may be deemed necessary to restrict non-members from attending the meeting.

7. The facility for joining AGM through VC/OVAM will be available for up to 2,000 Members. Members may join on first come first served basis. However, the above restriction shall not be applicable to members holding more than 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel(s), the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutinizers etc. Members can login and join 15 (fifteen) minutes prior to the scheduled time of meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the scheduled time.

8. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of their Board or governing body Resolution/Authorization etc., authorizing their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through the registered email address of the Institutional / Corporate Shareholders at email sree@sreedharancs.com with a copy marked to evoting@kfintech.com and investor@syngeneintl.com. The scanned image of the above-mentioned documents should be in the naming format "Syngene International Limited_5957" The documents should reach the Scrutinizer on or before 17:00 hours on 20th July, 2021. Institutional shareholders are encouraged to attend and vote at the AGM.

9. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

10. The relevant details pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/ re-appointment at this AGM are annexed. The Directors have furnished consent/ declarations for their appointment/re-appointment as required under Act and rules made thereunder.

11. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act will be available for inspection by the Members in electronic mode during the AGM. Members who wish to inspect, may send their request

through an email at investor@syngeneintl.com up to the date of the AGM.

12. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company/Electronic mode during normal business hours (8:15 am to 5:15 pm) on all working days except Saturdays and Sundays, up to and including the date of the AGM of the Company. Members who wish to inspect, may send their request through an email at investor@syngeneintl.com up to the date of AGM.

13. The Explanatory Statement pursuant to Section 102(1) of the Act and Regulation 36 (3) of SEBI Listing Regulations is annexed hereto.

14. Shareholders holding shares in Electronic (demat) form are advised to inform the particulars of their bank account, change of postal address and email address to their respective Depository Participants only. The Company or its Registrar and Share Transfer Agent i.e. KFin Technologies Private Limited (KFintech) cannot act on any request received directly from the shareholders holding shares in demat mode for changes in any bank mandates or other particulars.

15. Shareholders holding shares in physical form are advised to inform the particulars of their bank account, change of postal address and email address to KFin Technologies Private Limited (Unit: Syngene International Limited), Plot 31-32, Selenium, Tower B, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 or the Secretarial Department of the Company at the registered office address.

16. Shareholders holding shares in Electronic (demat) form or in physical mode are requested to quote their DPID & Client ID or Folio details respectively in all correspondences, including dividend matters to KFIN Technologies Private Limited (Unit: Syngene International Limited), Plot 31-32, Selenium, Tower B, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 or the Secretarial Department of the Company.

17. Shareholders holding shares in Electronic (demat) form who have not registered their email IDs with the depository participants, are requested to register their email address with their depository participants and those holding shares in physical form, are requested to submit their request with their valid e-mail address to KFintech at suresh.d@kfintech.com or to the Company at investor@syngeneintl.com for receiving all the communications including annual report, notices, letters etc., in electronic mode from the Company. For more details, please refer Para B of Step 2 under 'procedure of remote e-voting' section below.

18. Pursuant to Section 101 and Section 136 of the Act, read with relevant provisions of Companies (Management and Administration Rules), 2014, and Regulation 36 of SEBI Listing Regulations, companies can serve Annual Report and other communications through electronic mode to those Members who have registered their e-mail IDs either with the Company or with the Depository Participants.

19. In compliance with the provisions of MCA vide its circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 5, 2020 and Circular No. 02/2021 dated January 13, 2021 and SEBI circular dated May 12, 2020 and January 15, 2021, Notice of the AGM along with the Annual Report 2020-21, are being sent only through electronic mode to those Members whose email ids are available with the Company/Depositories/RTA.

20. Members may note that the Notice of the 28th AGM and Annual Report 2020-21 will also be available on the Company's website 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.

21. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, 1st April, 2019, except in case of request received for transmission or transposition and relodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/ CIR/P/2020/236 dated 2nd December, 2020 had fixed 31st March, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or KFintech for assistance in this regard.

22. Pursuant to the Finance Act 2020, dividend income has become taxable in the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividends paid to shareholders at

the prescribed rates. The shareholders are requested to update their PAN with the Company/ KFintech (in case of shares held in physical mode) and depositories (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.

23. The rate of withholding tax is 10% for a Resident shareholder having a PAN subject to other provisions of the Income-tax Act, 1961. A Resident individual shareholder with PAN, who is not liable to pay income tax can submit a yearly declaration in Form No. 15G (applicable to any person other than a company or a firm) / Form 15H (applicable to an Individual who is 60 years and older), fulfilling certain conditions, to avail the benefit of non-deduction of tax at source by email to the Company at investor@syngeneintl.com or to KFintech at einward.ris@kfintech.com. Shareholders are requested to note that if their PAN is not registered, the tax on dividends will be deducted at a higher rate of 20%. Notwithstanding the above, tax would not be deducted on payment of dividends to a resident individual shareholder, if the total dividend to be paid in FY 2021-22 does not exceed Rs 5,000.

24. The rate of withholding tax is 20% (plus applicable surcharge and cess) for a non-resident shareholder. Non-resident shareholders can avail beneficial rates under the tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, or any other document which may be required to avail the tax treaty benefits by sending an email to the Company at investor@syngeneintl.com or to KFintech at einward.ris@kfintech.com. Application of a beneficial Tax Treaty Rate will depend upon the completeness of the documents submitted by the Non-Resident shareholder and satisfactory review by the Company.

25. Non-Resident Indian Members are requested to inform the RTA / respective depository participants, immediately of any: a) Change in their residential status on return to India for permanent settlement; b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

26. 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 procedure for Remote e-voting provided by the Company is annexed to this Notice, explaining the process of e-voting with the necessary user ID and password. The remote e-voting facility is in addition to voting that will take place at the meeting venue on 21st July, 2021.

27. Company has fixed the cut-off date as Wednesday, 14th July, 2021 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, 16th July, 2021 (9:00 hours) to Tuesday, 20th July, 2021 (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.

28. The Company has appointed V Sreedharan, Practicing Company Secretary, partner of M/s V Sreedharan & Associates, Company Secretaries, Bangalore (FCS 2347; CP 833) and in his absence Pradeep B Kulkarni, Practicing Company Secretary, (FCS 7260; CP 7835) or Devika Sathyanarayana (ACS 16617; CP 17024), Partners of the same firm as Scrutinizer to scrutinize the e-voting process in fair and transparent manner.

29. As per Section 124(5) of the Act, the dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to the unpaid dividend account, is liable to be transferred by the Company to the "Investor Education Protection Fund" (IEPF) established by the Central Government under the provisions of Section 125 of the Act. Shareholders are requested to note that as per section 124(6) of the Act, all shares in respect of which Dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the IEPF. Pursuant to IEPF Rules, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 22nd July, 2020 (date of last AGM) on the website of the Company at www.syngeneintl.com and also on the website of the Ministry of Corporate Affairs. Shareholders may approach the Company Secretary of the Company for claiming the unclaimed dividend which is yet to be transferred to IEPF by the Company.

30. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.

31. The Notice along with Annual Report for FY 2020-21 will be sent through e-mail to those members whose name will appear in the register of members received from the depositories as on 18th June, 2021.

32. The details of the process and manner for participating in the 28th AGM through VC/OAVM are explained below:

    a. Members may attend the AGM through video conferencing platform provided by M/s. KFin Technologies Private 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 instructions provided in the "Procedure for Remote e-Voting" mentioned in the notice.

    c. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. it is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

    d. **Questions and queries :** Members who may want to express their views or ask questions at the AGM may visit https://emeetings.kfintech.com and click on the tab "Post Your Queries Here" to write 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 pose their queries. Accordingly, the Members may visit https://emeetings.kfintech.com and click on 'Speaker Registration' during the remote e-voting period. Members shall be provided a 'queue number' before the AGM. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

    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.

PROCEDURE FOR REMOTE E-VOTING

i. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Rules, 2015 and as per Regulation 44 of the SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Company is providing e-voting facility through KFin Technologies Private 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 14th July, 2021, being the cut -off date fixed for determining eligible members to participate in the remote e-voting process. The instructions for e-Voting are given herein below.

ii. As per the SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, and as part of increasing the efficiency of the voting process, e-voting process has been enabled to all individual shareholders holding securities in demat mode to vote through their demat account maintained with depositories / websites of depositories / depository participants.

iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby facilitating seamless authentication and ease of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

iv. The remote e-Voting period shall commence at 9:00 hours on Friday, 16th July, 2021 and remain open until 17:00 hours on Tuesday, 20th July, 2021.

v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

vi. Any person holding shares in physical form and non-individual shareholders, who acquire shares of the Company and become a Shareholder of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@kfintech.com. However, if he / she is already registered with KFintech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

vii. In case of Individual Shareholders holding securities in demat mode and who acquire shares of the Company and become a Shareholder of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned under "Login method for remote e-Voting for Individual shareholders holding securities in demat mode."

viii. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

Step 1: Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

Individual Shareholders holding securities in demat mode with NSDL	**Individual Shareholders holding securities in demat mode with CDSL**
1. User already registered for IDeAS facility: I. Visit URL: https://eservices.nsdl.com II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" IV. Click on the e-Voting service provider name KFINTECH and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.	**1. Existing user who have opted for Easi / Easiest** I. Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com II. Click on New System Myeasi III. Login with your registered user id and password. IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal. V. Click on e-Voting service provider name to cast your vote.
2. User not registered for IDeAS e-Services I. To register click on link : https://eservices.nsdl.com II. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp III. Proceed with completing the required fields. IV. Follow steps given in point 1.	**2. User not registered for Easi/Easiest** I. Option to register is available at https://web.cdslindia.com/myeasi/Registration EasiRegistration II. Proceed with completing the required fields. III. Follow the steps given in point 1
3. Alternatively by directly accessing the e-Voting website of NSDL I. Open URL: https://www.evoting.nsdl.com/ II. Click on the icon "Login" which is available under 'Shareholder/Member' section. III. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will be requested to select the name of the Company and the e-Voting Service Provider name, i.e.KFintech. V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.	**3. Alternatively, by directly accessing the e-Voting website of CDSL** I. Visit URL: www.cdslindia.com II. Provide your demat Account Number and PAN. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. IV. After successful authentication, user will be provided links for the respective ESP, i.e **KFintech** where the e- Voting is in progress.

Individual Shareholders can login through their demat accounts / Website of Depository Participant

I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.

II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.

III. Click on options available against company name or e-Voting service provider – **Kfintech** and you will be redirected to e-Voting website of **KFintech** for casting your vote during the remote e-Voting period without any further authentication.

Important note:

Members who are unable to retrieve User ID / Password are advised to use "Forgot user ID" and "Forgot Password" option available on the above-mentioned websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

NSDL	CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk. evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43.

Step 2: Login method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

(A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

i. Launch internet browser by typing the URL: https://emeetings.kfintech.com/

ii. Enter the login credentials (i.e. User ID and password). In case of physical i.e., folio, User ID will be the EVEN 5957, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVEN" i.e., '5957_Syngene international Limited- AGM" and click on "Submit"

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as abstinence and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstinence.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Shareholders can login any number of times till they have voted on the Resolution(s).

xxi. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id sree@sreedharancs.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Syngene International Limited_5957". The documents should reach the Scrutinizer on or before 17:00 pm on 20th July, 2021.

(B) Shareholders whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

i. Shareholders who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFintech, by accessing the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to evoting@kfintech.com .

ii. Alternatively, shareholder may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.

iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Step 3: Instructions for all the shareholders for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.

i. Shareholders will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Shareholders may access the same at https://emeetings.kfintech.com/ by using the e-voting login credentials provided in the email received from the Company/KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the instructions mentioned in Step 1 above.

ii. Facility for joining AGM though VC/ OAVM shall open atleast 15 minutes before the commencement of the Meeting.

iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.

iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

v. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The 'Vote Now Thumb sign' on the left hand corner of the video screen shall be activated upon instructions of the chairperson during the AGM proceedings. Members shall click on the same to take them to the "Insta-poll" page and Members to click on the "Insta-poll" icon to reach the resolution page and follow the instructions to vote on the resolutions.

vi. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

The Company has appointed V Sreedharan, Practicing Company Secretary, partner of M/s V Sreedharan & Associates, Company Secretaries, Bangalore (FCS 2347; CP 833) and in his absence Pradeep B Kulkarni, Practicing Company Secretary, (FCS 7260; CP 7835) or Devika Sathyanarayana (ACS 16617; CP 17024), Partners of the same firm as Scrutinizer to Scrutinize the e-voting process in fair and transparent manner. The scrutinizer shall immediately after the conclusion of voting at the AGM, count the votes and shall submit a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, within a period of not exceeding 48 (forty-eight) hours the conclusion of the voting to the Chairperson of the Company or a person authorised by him in writing who shall countersign the same. The Chairperson or a person authorised by him in writing shall declare the result of voting forthwith. The results of the e-voting along with the Scrutinizer's report shall be communicated immediately to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed and shall be placed on the Company's website www.syngeneintl.com and on the website of KFintech at https://evoting.kfintech.com immediately after the result declared by the Chairperson or any other person authorised by the Chairperson.

OTHER INSTRUCTIONS

I. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.kfintech.com (KFintech Website) or contact Suresh Babu, (Unit: Syngene International Limited) of KFIN Technologies Private Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at evoting@kfintech.com or call KFintech's toll free No. 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 Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, 14th July, 2021, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

IV. If a person has become a shareholder of the Company after dispatch of Annual General Meeting Notice but on or before the cut-off date for E-voting i.e., 14th July, 2021, he/ she may obtain the User ID and Password in the manner outlined below:

i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL:
MYEPWD <SPACE> IN12345612345678
Example for CDSL:
MYEPWD <SPACE> 1402345612345678
Example for Physical:
MYEPWD <SPACE> XXXX1234567890

ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.kfintech.com/ , the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com .

Explanatory Statement

Explanatory Statement pursuant to Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Item No. 3: To re-appoint M/s B S R & Co. LLP, Chartered Accountants as statutory auditors of the Company and to fix their remuneration.

M/s. B S R & Co. LLP, Chartered Accountants, were appointed as Statutory Auditors of the Company at the 23rd Annual General Meeting held on 30th June, 2016 for a period of 5 years up to the conclusion of 28th Annual General Meeting to be held in 2021. M/s. B S R & Co. LLP are eligible for re-appointment for a further period of 5 years. M/s. B S R & Co. LLP have given their consent for their re-appointment as Statutory Auditors of the Company and have issued certificate confirming that their re-appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Act and the rules made thereunder. M/s. B S R & Co. LLP have confirmed that they are eligible for the proposed appointment under the Companies Act, 2013, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder. As confirmed to Audit Committee and stated in their report on financial statements, the Auditors have reported their independence from the Company and its subsidiary according to the Code of Ethics issued by the Institute of Chartered Accountants of India and the ethical requirements relevant to audit. Based on the recommendations of the Audit Committee and the Board of Directors, it is hereby proposed to re-appoint M/s. B S R & Co. LLP, Chartered Accountants, having registration No. 101248W/W-100022, as the Statutory Auditors of the Company for the second and final term of five consecutive years, who shall hold office from the conclusion of this 28th Annual General Meeting till the conclusion of the 33rd Annual General Meeting of the Company to be held in 2026. The Board of Directors has approved a remuneration of Rs 6.43 Mn for conducting the audit for the financial year 2020-21 plus taxes as applicable, and reimbursement of out-of-pocket expenses incurred. The remuneration proposed to be paid to the auditors during their second term would be in line with the existing remuneration and shall be commensurate with the services to be rendered by them during the coming years with the power to the Board of Directors in consultation with the Audit Committee, to alter and vary the terms and conditions of appointment, make revision including upward revision in the remuneration, in such manner and to such extent as may be mutually agreed with the Auditors.

M/s B S R & Co. LLP is a member entity of B S R & Affiliates, a network registered with the Institute of Chartered Accountants of India. The other entities which are part of the B S R & Affiliates include, B S R & Associates LLP, B S R & Company, B S R and Co., B S R and Associates, B S R and Company. The firm has offices at Mumbai, Gurgaon, Bangalore, Kolkata, Hyderabad, Pune, Chennai, Chandigarh, Ahmedabad, Vadodara, Noida, Jaipur, Vijayawada and Kochi. M/s B S R and Co. LLP is a multi-disciplinary Audit Firm catering to various clients in diverse sectors. M/s B S R & Co. LLP audits various companies listed on stock exchanges in India. The firm holds the 'Peer Review' certificate as issued by 'ICAI'.

Based on the above, the Board on recommendation of the Audit Committee and in the best interest of the Company, recommends the resolution set out at Item No. 3 of the Notice for approval by the Members by way of an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in the resolution.

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

Item No. 4: Appointment of Dr Kush Parmar (DIN: 09212020) as an Independent Director of the Company.

Based on the recommendation of the Nomination and Remuneration Committee, Board of Directors has appointed Dr Kush Parmar as Additional Director in the capacity of Independent Director w.e.f. 22nd June, 2021 to hold office up to the conclusion of this Annual General Meeting of the Company in terms of Section 161 of the Act. It is proposed to appoint Dr Kush Parmar as Independent Director not liable to retire by rotation, from the date of appointment by the Board until the conclusion of the 31st Annual General Meeting of the Company proposed to be held in 2024.

The Company has also received notice in writing from a Member under Section 160(1) of the Act proposing the candidature of Dr Kush Parmar for the office of Director.

Dr Kush Parmar is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received declaration from Dr Kush Parmar stating that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). Dr Kush Parmar is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI) or any other authority.

In the opinion of the Board, he fulfils the conditions for appointment as Independent Director, as specified in the Act and the SEBI Listing Regulations and is independent of the Management.

The resolution seeks the approval of the shareholders in terms of Section 149 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder and the SEBI Listing Regulations, for appointment of Dr Kush Parmar as Independent Director of the Company for a term commencing from the date of his appointment by the Board of Directors on 22nd June, 2021 until the conclusion of the 31st AGM proposed to be held in 2024. Dr Kush Parmar is not liable to retire by rotation.

The profile and specific areas of expertise of Dr Kush Parmar are provided in the annexure to this Notice.

A copy of the draft letter of appointment setting out the terms and conditions of appointment of an Independent Director is available for inspection, without any fee, by the shareholders at the Company's registered office in physical or electronic form during normal hours on working days up to the date of the AGM and is also available on the website of the Company at www.syngeneintl.com.

The Board recommends the resolution set forth in Item No. 4 for approval of the shareholders as Ordinary Resolution. In compliance with the General circular number 20/2020 issued by the MCA, this item is considered unavoidable and forms part of this Notice.

Except Dr Kush Parmar and his relatives, none of the Directors, Key Managerial Personnel or their respective relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

ANNEXURE – INFORMATION TO SHAREHOLDERS

In pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Details of the directors seeking appointment or re-appointment at the forthcoming Annual General Meeting ("AGM")

Brief resume of Directors:

Professor Catherine Rosenberg

Non-Executive Director

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

Dr Kush Parmar

Independent Director

Dr Parmar holds a BA in molecular biology and medieval studies from Princeton University, a Ph.D. in experimental pathology from Harvard University, and an MD from Harvard Medical School. 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. A founding member of the COVID R&D alliance, Dr Parmar also serves on the Boards of Akouos, Entrada, Homology, Rallybio and Vor Biopharma.

Name of the Director	Professor Catherine Rosenberg	Dr Kush Parmar
Category	Non-Executive Director	Independent Director
DIN	06422834	09212020
Date of Birth	23/05/1961	19/09/1980
Date of Appointment	08/08/2000	22/06/2021
Tenure of Appointment/Re-appointment	NA	Until the conclusion of the 31st Annual General Meeting of the Company proposed to be held in 2024
Nature of expertise in Specific Functional Areas	Sector Expertise; Science and Technology	Global Business Experience; Sector Expertise; Science and Technology; Executive Leadership; Corporate Strategy and Execution
Disclosure of relationship with Directors inter-se	Related to Kiran Mazumdar Shaw and John Shaw	None
Directorship held in other Listed Companies	None	None
Membership of Committee in other Companies, if any	None	None
Shareholding as on 31st March, 2021	2,120	None

Glossary

Definitions

Antibody-drug conjugates (ADCs): Antibody-drug conjugates or ADCs are a class of biopharmaceutical drugs designed as a targeted therapy for treating cancer. Unlike chemotherapy, ADCs are intended to target and kill tumor cells while sparing healthy cells.

Biologics: A biologic drug (biologics) is a product that is produced from living organisms or contain components of living organisms. Biologic drugs include a wide variety of products derived from human, animal, or microorganisms by using biotechnology.

Chromatography: Chromatography is the physical process of separating or analyzing complex mixtures. Chromatography is used in industrial processes to purify materials, test trace amounts of contaminants, isolate chiral compounds and quality control test products.

DNA-encoded chemical libraries (DEL): It is a technology for the synthesis and screening on unprecedented scale of collections of small molecule compounds. The aim of DEL technology is to accelerate the drug discovery process and in particular early phase discovery activities such as target validation and hit identification.

DEREK Nexus: A statistical-based software platform used in toxicity prediction.

Drug metabolism: Biotransformation of pharmaceutical substances in the body so that they can be eliminated more easily.

Electronic Laboratory Notebook (ELN): A computer program designed to replace paper laboratory notebooks. They are used by scientists and technicians to document research, experiments, and procedures performed in a laboratory.

GEMBA walks: Gemba walks denote the action of going to see the actual process, understand the work, ask questions, and learn.

Globally Harmonized System (GHS): GHS defines and classifies the hazards of chemical products and communicates health and safety information on labels. It ensures information on the hazardous properties of chemicals are properly communicated to enhance the protection of human health and the environment during the handling, transport and use of chemicals.

High-throughput screening (HTS): A drug discovery process that allows automated testing of large numbers of chemical and/or biological compounds for a specific biological target. HTS methods are extensively used in the pharmaceutical industry, leveraging automation to quickly test the biological or biochemical activity of a large number of molecules, usually drugs. They accelerate target analysis, as large-scale compound libraries can quickly be screened in a cost-effective way.

Highly potent active pharmaceutical ingredients (HPAPIs): They are pharmacologically active substances that exhibit biological activity at extremely low concentrations.

In Vivo: In vivo refers to when research or work is done with or within an entire, living organism

In Vitro: In vitro refers to a medical study or experiment which is done in the laboratory within the confines of a test tube or laboratory dish.

Kaizen: a Japanese business philosophy of continuous improvement of working practices, personal efficiency

Large molecule: Large molecules are therapeutic proteins. They are also known as biologics.

Mammalian: Relating to mammals.

Monoclonal Antibodies (mAb): Cells derived by cell division from a single ancestral cell.

Oligonucleotides: Oligonucleotides are short DNA or RNA molecules that have a wide range of applications in genetic testing, research, and forensics. Commonly made in the laboratory these small bits of nucleic acids are vital for artificial gene synthesis, polymerase chain reaction (PCR), DNA sequencing, molecular cloning and as molecular probes.

Pharmacology: Pharmacology is the study of how a drug affects a biological system and how the body responds to the drug.

Pharmacokinetics: The branch of pharmacology concerned with the movement of drugs within the body.

PROTAC: Proteolysis targeting chimeric (PROTAC) technology is an effective endogenous protein degradation tool developed in recent years that can ubiquitinate the target proteins through the ubiquitin-proteasome system (UPS) to achieve an effect on tumor growth.

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.

SARAH Nexus: A statistical-based software platform used in toxicity prediction.

Target validation: Target validation is the first step in discovering a new drug. The process involves the application of a range of techniques that aim to demonstrate that drug effects on the target can provide a therapeutic benefit with an acceptable safety window.

T-cells: T cells are part of the immune system and develop from stem cells in the bone marrow. They help protect the body from infection and may help fight cancer.

Toxicology: Used to characterize the toxicity profile of a drug by identifying its impact on organ structure and / or functionality. This includes assessment of the severity and reversibility of toxicity, as well as dose ranges and their relationship to exposure.

Abbreviations

Active Pharmaceutical Ingredient (API): Any substance or combination of substances used in a finished pharmaceutical product (FPP), intended to furnish pharmacological activity or to otherwise have direct effect in the diagnosis, cure, mitigation, treatment or prevention of disease, or to have direct effect in restoring, correcting or modifying physiological functions in human beings.

Contract Research Organization (CRO): These organizations provide support to the tech, pharmaceutical, biotech and MedTech industries.

ELISA: An enzyme-linked immunosorbent assay, also called ELISA, is a test that detects and measures antibodies in your blood. This test can be used to determine if you have antibodies related to certain infectious conditions

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 organisational 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 authorised 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.

NFPA: The National Fire Protection Association is an international non-profit organization devoted to eliminating death, injury, property and economic loss due to fire, electrical and related hazards. NFPA has published more than 300 consensus codes and standards intended to minimize the possibility and effects of fire and other risks.

PPE: Personal protective equipment, commonly referred to as "PPE", is equipment worn to minimize exposure to hazards that cause serious workplace injuries and illnesses. These injuries and illnesses may result from contact with chemical, radiological, physical, electrical, mechanical, or other workplace hazards. Personal protective equipment may include items such as gloves, safety glasses and shoes, earplugs or muffs, hard hats, respirators, or coveralls, vests and full body suits.

United States Food and Drug Administration (US FDA or FDA): Federal agency of the United States Department of Health and Human Services. FDA is responsible for protecting the public health by assuring the safety, efficacy, and security of human and veterinary drugs, biological products, medical devices, our nation's food supply, cosmetics, and products that emit radiation.

Syngene

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