

# Board's Report

## Dear Members,

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

## Financial review

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

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

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

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

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

## Operational Review

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

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

## Discovery Services

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

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

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

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

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

### Development Services

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

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

### Manufacturing Services

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

The small molecule manufacturing facility in Mangalore is on track to obtain the key regulatory approvals around the mid of 2023. During the year, the Mangalore facility received ISO: 50001 for driving sustainability in energy conservation.

### Dedicated R&D Centers

Syngene operates dedicated R&D Centers for three clients: Amgen Inc., Baxter Inc and Bristol-Myers Squibb (BMS). During the year, the Dedicated R&D Centers reported a steady performance. Syngene commissioned a new yeast display facility to accelerate the advancement of Amgen's R&D projects. FY24 will mark the 25<sup>th</sup> year of Syngene-BMS collaboration.

### Other business updates

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

### Subsidiary companies, associates and joint ventures

Syngene has three wholly owned subsidiaries namely Syngene USA Inc, Syngene Scientific Solutions Limited and Syngene Manufacturing Solutions Limited. The Company neither has any associate companies nor has formed any joint venture.

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

A report on the performance and financial position of each subsidiary is outlined in AOC-1, which is annexed to this report as Annexure – 1 pursuant to the first proviso to Section 129(3) of the Companies Act, 2013 ('the Act') and Rules 5 and 8(1) of the Companies (Accounts) Rules, 2014. The Consolidated Financial Statements presented in this Annual Report include the financial results of the subsidiaries.

Further, in accordance with Section 136 of the Act, the audited financial statements and related information of the Company and its subsidiaries, wherever applicable, are available on the Company's website: [www.syngeneintl.com](http://www.syngeneintl.com). These are also available for inspection during regular business hours at

our registered office in Bangalore, India and/or in electronic mode. Any member desirous of inspecting such documents is requested to write to the Company by sending an email to [investor@syngeneintl.com](mailto:investor@syngeneintl.com).

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

### Transfer to reserves

The Company has not proposed to transfer any amount to the general reserve for the year ended March 31, 2023.

### Dividend

The Board has recommended a final dividend @ 12.50% i.e. Rs. 1.25 per share (comprising a regular dividend of Re. 0.50 per share and a special additional dividend of Re. 0.75 per share to mark the 30<sup>th</sup> anniversary of the founding of the Company in November 1993) for FY23. The total dividend pay-out will amount to approximately Rs. 502.52 Mn and tax pay-out as applicable. The dividend, if approved at the Annual General Meeting (AGM), will be paid to those members whose name appears in the Company's Register of Members as on the record date of June 30, 2023, and the dividend pay-out date will be on or before August 07, 2023.

In compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("SEBI Listing Regulations"), the dividend distribution policy of the Company is available on the Company's website at <https://www.syngeneintl.com/investors/corporate-governance/governance-reports-policies/>.

### Related party contracts or arrangements

All transactions entered with related parties as defined under the Companies Act, 2013 during the financial year were in the ordinary course of business and on an arm's length basis except for one transaction with a wholly-owned subsidiary, which was approved at book value as per the methodology defined under the Income Tax Act, details of which are mentioned in the Form AOC-2 attached as Annexure 2 to the Board's Report. Detailed disclosure on related party transactions as per IND AS 24 containing the name of the related parties and details of the transactions entered with such related parties have been provided as part of the notes to the financial statements provided in the Annual Report.

The Company has formulated the policy on 'Materiality of Related Party transactions and on dealing with Related Party Transactions', and the same can be accessed using the following

link: at <http://www.syngeneintl.com/investors/corporate-governance/governance-reports-policies/>

### Conservation of energy, technology absorption, foreign exchange earnings and outgo

The particulars, as prescribed under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are annexed to this Report as Annexure 3.

### Change in the nature of business

There has been no change in the Company's nature of business. Further, there was no significant change in the nature of business carried on by its subsidiaries. Your Company continues to be one of the largest and fastest growing internationally reputed Contract Research and Manufacturing Organisation and world-class partner delivering innovative scientific solutions.

### Loans, guarantees or investments

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

### Deposits

During FY23, your Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013 ("Act"). Accordingly, there is no disclosure or reporting required in respect of details relating to deposits.

### Credit rating

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

### Paid-up capital

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

### Material changes and commitments

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

of the Company to Syngene Employee Welfare Trust at face value pursuant to shareholders' approval at the Annual General Meeting held on July 24, 2019 to allot fresh equity shares upto 1.67% of the paid-up equity capital of the Company in tranches for the purpose of implementation of the Syngene International Limited- Restricted Stock unit Long Term Incentive Plan FY 2020. Consequent upon the aforesaid allotment, the paid-up equity share capital of the Company stands at Rs. 4,020,150,000.

## Human Resources

Syngene's multidisciplinary workforce is committed to operating safely and to world class quality standards. Talent and culture are among the key building blocks in shaping the Company into a resilient and sustainable organisation. Syngene continues to focus on defined strategic areas in order to leverage the potential of the human capital, consistent with its values of excellence, integrity and professionalism. The headcount for year ending FY23 was 6,847 permanent employees, including more than 6,000 scientists.

## Particulars of employees

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this Report as Annexure 4.

Particulars of Employees' Remuneration, as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report. Considering the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report, excluding the said information, is being sent to the shareholders of the Company and others entitled thereto. The information is available for inspection at the registered office of the Company during working hours up to the date of the ensuing AGM. Any shareholder interested in obtaining such information may write to the Company Secretary in this regard.

## Employee Stock Option Plan /Restricted Stock Units Plan

The Board of Directors of the Company had formulated the Syngene Employee Stock Option Plan 2011 (hereinafter referred to as the "ESOP Plan") which was approved by the members of the Company on December 14, 2011 and further ratified by the members subsequent to the Initial Public Offering ("IPO") on December 05, 2015. The ESOP Plan is administered by the Syngene Employee Welfare Trust ("the Trust") under the instructions and supervision of the Nomination and Remuneration Committee ("NRC"). The Trust had subscribed to equity shares of the Company on October 31, 2012, using

the proceeds from interest free loan of Rs. 150 million obtained from the Company. The NRC, on various occasions, has granted options to eligible employees of the Company through the Trust. During the financial year, there was no change in the ESOP Plan. During FY23, no options were granted to eligible employees under the ESOP Plan. However, 7,01,066 equity shares were transferred to eligible employees by the Syngene Employee Welfare Trust on exercise of stock options. The ESOP Plan complies with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

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

The shareholders, at the 26<sup>th</sup> Annual General Meeting ("AGM") of the Company held on July 24, 2019 had approved the "Syngene Restricted Stock Unit ("RSU") Long Term Incentive Plan FY 2020" (hereinafter referred to as "the RSU Plan") designed to drive performance to achieve the Board approved strategic plan. The RSU Plan covers key employees who, by virtue of their roles, influence the accomplishment of the strategic plan. The RSU Plan is administered by the Trust. The shareholders have also approved at the 26<sup>th</sup> AGM the issue and allotment of further equity shares to the Trust over a period of time for the purpose of implementation of the RSU Plan. Vide special resolution passed through postal ballot on August 30, 2020, the shareholders had approved variations to the RSU Plan to streamline the plan with similar plans adopted by group companies to achieve uniformity in the approach to rewarding employees across the group. Further, at the Annual General Meeting held on July 20, 2022, the shareholders approved the amendment to the RSU plan by extending the scope of the RSU plan to include the employees of Holding Company, Biocon Limited. The terms of the modified plan are not detrimental to the interests of the employees of the Company. The RSU Plan is in compliance with the provisions of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

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

The details of both plans form part of the notes to accounts of the Financial Statements in this Annual Report. The Company has obtained a certificate from the secretarial auditors of the Company that both the plans have been implemented in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and are in accordance with the resolutions passed by the shareholders. As required under Regulation 14 of the above-mentioned regulations, the applicable disclosures as on March 31, 2023 with respect to both the plans are available on the website of the Company at <https://www.syngeneintl.com/investors/share-holder-services/>

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

## Corporate Governance Report

Your Company believes that good Corporate Governance emerges from the application of sound management practices, compliance with laws, coupled with adherence to the highest standards of transparency and business ethics. Integrity, transparency, fairness, accountability and compliance with the law are embedded in the Company's business practices, ensuring ethical and responsible leadership at the Board as well as the Management level. Syngene's Corporate Governance report is a reflection of its robust value-led culture encompassing professionalism, integrity and excellence, which has been a key enabler in building stakeholders' trust, attracting and retaining financial and human capitals and meeting societal expectations.

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

## Auditors' certificate on Corporate Governance

As required under Schedule V(E) of SEBI Listing Regulations, the auditors' certificate on compliance with the requirement of corporate governance is enclosed as Annexure 5 to this Report. The auditors' certificate for FY23 does not contain any qualification, reservation or adverse remarks.

## Directors

The Company continues to fulfil the requirement of Board constitution as required under the Companies Act 2013 and SEBI Listing Regulations. Professor Catherine Rosenberg will retire by rotation at the ensuing AGM and, being eligible, offers herself for re-appointment. The Board recommends her re-appointment

as indicated in the AGM Notice. Her brief resume, in pursuance of Regulation 36(3) of SEBI Listing Regulations, is annexed to the AGM Notice.

## Key Managerial Personnel

As on March 31, 2023, the Key Managerial Personnel (KMP) of the Company appointed under the provisions of Section 203 of the Companies Act, 2013, are Jonathan Hunt, Managing Director and Chief Executive Officer, Sibaji Biswas, Chief Financial Officer and Priyadarshini Mahapatra, Company Secretary and Compliance Officer.

## Policy on Directors' appointment and remuneration

The policy on appointment and remuneration of directors, key managerial personnel and other persons provides an underlying basis and guidance for human resource management, thereby aligning plans for strategic growth of the Company. The Company's Policy on Directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence and other matters, as provided under Section 178(3) of the Companies Act, 2013 is formulated by the Board on the recommendation of the Nomination and Remuneration Committee (NRC). The policy has been uploaded on the website of the Company and is accessible at <https://www.syngeneintl.com/investors/corporate-governance/governance-reports-policies/>

## Declaration by Independent Directors

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

## Separate meeting of the Independent Directors

In terms of requirements under Schedule IV of the Act and Regulation 25(3) of the Listing Regulations, four separate meetings of the Independent Directors were held during FY23. Further details are mentioned in the Corporate Governance report.

## Board diversity

A diverse Board enables efficient functioning through its access to broad perspectives and diverse thought processes underpinned by a range of scientific, industrial and management expertise, gender, knowledge and geographical origins. The Board recognises the importance of diverse



composition and has adopted a Board Diversity Policy, which sets out the approach to diversity. The Board diversity policy of the Company is available on the website of the Company at <https://www.syngeneintl.com/investors/corporate-governance/governance-reports-policies/>

### Board evaluation

Pursuant to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, the annual performance of the Board, its Committees, Chairperson and Individual Directors including Independent Directors was evaluated as per the criteria laid down by the Nomination and Remuneration Committee. The performance evaluation process has been designed in such a manner that helps to measure effectiveness of the entire Board, its Committees and Directors. There are various key performance areas and evaluation criteria which are measured and analysed during the performance evaluation process. The evaluation details have been laid down in the Corporate Governance Report that forms part of this Annual Report. The outcome of the Board evaluation for FY23 was discussed by the Independent Directors, Nomination and Remuneration Committee at their respective meetings held on January 17, 2023 and January 23, 2023.

### Number of meetings of the Board

The Board met 5 (five) times during the year under review. The details of Board meetings and attendance of the Directors are provided in the Corporate Governance Report.

### Audit Committee

The Audit Committee has reviewed the accounts for the year ended March 31, 2023. The Board accepted all recommendations made by the Audit Committee.

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

### Adequacy of Internal Financial Control

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

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

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

### Risk Management Policy

In compliance with Regulation 21 of the SEBI Listing Regulations, the Board of Directors has a duly constituted the Risk Management Committee ("the Committee") to oversee the enterprise-wide risk management framework.

Syngene has an enterprise risk management framework based on which the key enterprise risks, associated mitigation plans and action updates are reviewed every quarter by the Risk Management Committee. Specific risk areas are also reviewed in detail in each such meeting. The Audit Committee has additional oversight in the area of financial risks and controls. For detailed terms of reference, please refer to the Corporate Governance Report which forms part of this Annual Report.

### Directors' Responsibility Statement

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

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

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

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

## Auditors

### Statutory Auditors

B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248WW-100022) were appointed at the 28<sup>th</sup> AGM held on July 21, 2021 as statutory auditors of the Company to hold office for a second term of five consecutive years, upto the conclusion of the Annual General Meeting of the Company to be held in 2026. The Auditors' Report on the Financial Statements of the Company for the year ended March 31, 2023 does not contain any qualifications, reservations or adverse remarks. The Auditor's Report is enclosed with the Financial Statements and forms part of the Annual Report.

### Internal Auditors

The Board, at its meeting held on July 20, 2022, had re-appointed M/s. Ernst & Young LLP as the Company's Internal Auditors for the period up to December 31, 2023.

### Secretarial Auditors

The Board pursuant to Section 204 of the Companies Act, 2013 had appointed M/s. V. Sreedharan & Associates, Practicing Company Secretaries, as Secretarial Auditors to conduct the Secretarial Audit of the Company for FY23. They have confirmed their eligibility for the re-appointment. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark and is annexed to this Report as Annexure 6.

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

## Reporting of fraud by auditors

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

## Annual Return

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

## Management Discussion and Analysis Report

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

## Corporate Social Responsibility

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

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

## Business Responsibility and Sustainability Report

Syngene had adopted the Business Responsibility and Sustainability Reporting ("BRSR") introduced by the Securities and Exchange Board of India ("SEBI") containing ESG disclosures voluntarily for FY22. Continuing the journey towards

sustainable development, in compliance with Regulation 34(2) (f) of the SEBI Listing Regulations, the BRSR forms part of this Annual Report and presents the ESG approach, including enhanced ESG voluntary leadership disclosures for FY23, to engage more meaningfully with stakeholders. The BRSR indicates the Company's performance against the principles of the 'National Guidelines on Responsible Business Conduct' and provides information on environmental social and governance initiatives and their impacts on the Company.

### Whistle Blower Policy/Vigil Mechanism

The Company's whistle blower policy allows employees, Directors and other stakeholders to report genuine grievances, corruption, fraud, misconduct, misappropriation of assets, and non-compliance with the Code of ethics and business conduct of the Company or any other unethical practices. The policy provides adequate safeguard against victimisation to the whistleblower and enables them to raise concerns to the Integrity Committee and provides an option of direct access to the Chairman of the Audit Committee. In order to maintain the highest level of confidentiality and foster an environment of honesty, the Company has appointed an outsourced agency, Navex Global to receive the complaints and co-ordinate with the whistleblower, if required. During FY 23, no individuals have been denied access to the Chairman of the Audit Committee.

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

### Disclosure under Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Syngene has a strict Prevention of Sexual Harassment Policy (POSH) in accordance with the statutory requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Policy is applicable to all employees including the Company's contractual employees. The Company is committed to providing a workplace that is free from discrimination, harassment and victimisation, regardless of gender, race, creed, religion, place of origin, sexual orientation of a person employed or engaged with the Company. The Internal Committee ('IC') has been constituted to consider and redress all complaints of sexual harassment at workplace. Employee sensitisation programs on POSH were conducted during the year. In FY23, a total of 2 complaints were received and closed within the stipulated timeline.

### Significant and material orders by the regulators or courts or tribunals

During FY23 there have been no significant and material orders passed by the regulators or courts or tribunals impacting the

going concern status and the Company's operations in future.

### Statutory disclosures

None of the Directors of the Company are disqualified as per provisions of Section 164(2) of the Companies Act, 2013. Your Directors have made necessary disclosures, as required under various provisions of the Act and SEBI Listing Regulations.

### Secretarial Standard disclosure

The Company has complied with the provisions of applicable secretarial standards, issued by The Institute of Company Secretaries of India (ICSI).

### Green initiative

We request all the shareholders to support the 'Green Initiative' of the Ministry of Corporate Affairs and Syngene's continued endeavours for greener environment by enabling service of Annual Report, AGM Notice and other documents electronically to your email address registered with your Depository Participant/ Registrar and Transfer Agent. We also request all the investors whose email ID is not registered to take necessary steps to register their email ID with the Depository Participant/ Registrar and Transfer Agent.

### Acknowledgments

We would like to place on record our deep sense of appreciation to Syngene employees for their contribution and services. We would like to thank all our clients, vendors, bankers, investors, media and other business associates for their continued support and encouragement during the year.

We also thank the Government of India; the Government of Karnataka; Government of Telangana; the Ministry of Information Technology and Biotechnology; the Ministry of Commerce and Industry; the Ministry of Finance and Corporate Affairs; the Department of Scientific and Industrial Research; Central Board of Indirect Taxes and Customs; the Reserve Bank of India; the Central Board of Direct Tax; SEZs (Special Economic Zones), BIRAC (Biotechnology Industry Research Assistance Council) and all other government agencies for their support during FY23 and look forward to their continued support in future.

**For and on behalf of the Board**

**Kiran Mazumdar Shaw**

Place: Bangalore  
Date: April 26, 2023

Chairperson  
DIN: 00347229



# Annexure 1

## Form AOC-1

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

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

#### PART A: Subsidiaries

(Rs. in Mn.)

S. No	Particulars			
1.	Name of the subsidiary	Syngene USA Inc	Syngene Scientific Solutions Limited	Syngene Manufacturing Solutions Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Same as Holding Company	Same as Holding Company
3.	Reporting currency	US\$	INR	INR
4.	Exchange rate on March 31, 2023	INR 82.18	NA	NA
5.	Share capital	US\$ 50,000/ ₹4.10	210	10
6.	Reserves & surplus	US\$ 9,90,383/ ₹81.38	(41.64)	Nil
7.	Total assets	US\$ 21,83,257/ ₹179.42	237.99	10
8.	Total Liabilities	US\$ 11,42,874/ ₹93.92	69.63	Nil
9.	Investments	Nil	Nil	Nil
10.	Turnover	US\$ 55,17,593/ ₹453.43	0.24	Nil
11.	Profit before taxation	US\$ 5,01,472/ ₹41.21	(41.64)	Nil
12.	Provision for taxation	US\$ 1,58,364/ ₹13.01	Nil	Nil
13.	Profit after taxation	US\$ 3,43,108/ ₹28.19	(41.64)	Nil
14.	Proposed Dividend	Nil	Nil	Nil
15.	% of shareholding	100%	100%	100%
16.	Country	USA	India	India

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

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

Part B : **Not Applicable**

# Annexure-2

## Form AOC-2

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

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

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

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

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

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

**For and on behalf of the Board**

**Kiran Mazumdar Shaw**

Chairperson

DIN: 00347229

Place: Bangalore

Date: April 26, 2023

# Annexure 3

## Conservation of energy, technology absorption and foreign exchange earnings and outgo

(Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2023)

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

## A. Conservation of energy

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

### (a) Conservation of energy –

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

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

#### (ii) the steps taken by the company for utilizing alternate sources of energy; Green power projects with 26% equity share model (10.4MW-Wind power plant & 27.45mwdc Solar power plant) were commissioned. 250KW Roof top plant was commissioned. This helped to address 75% of energy from renewable sources, thereby avoiding 52,834 metric tons of CO<sub>2</sub> emission. Energy conservation projects are ongoing every year. During FY23 3.75 million units of energy were saved thereby avoiding 2,683 metric tons of CO<sub>2</sub> emission.

#### (iii) the capital investment on energy conservation equipments.

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

## B. Technology absorption, adoption and innovation

No technology imported.

#### (i) the efforts made towards technology absorption;

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

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

##### a) details of the technology imported;

##### b) the year of import;

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

#### (iv) the expenditure incurred on Research and Development.

## C. Foreign exchange earnings and outgoings

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

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

**For and on behalf of the Board**

Kiran Mazumdar Shaw  
Chairperson  
DIN: 00347229

Place: Bangalore  
Date: April 26, 2023

## Annexure 4

### Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2023)

(1) Ratio of the remuneration of each Director/Key Managerial Personnel (KMP) to the median remuneration of all the employees of the Company for the FY23:

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

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

The remuneration does not include perquisite value on account of stock options. Jonathan Hunt's remuneration is paid in GBP. The increase in remuneration includes currency rate fluctuation also.

#### Notes:

- [1] **The ratio of remuneration to median remuneration is based on remuneration paid during the period April 1, 2022 to March 31, 2023.**

The percentage increase in the median remuneration of employees in the Financial Year 2.9%

The number of permanent employees on the rolls of Company as on 31st March, 2023 6847

- [2] **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Average percentage increase in salary of the Company's employees was at 8% during the merit cycle of 2023. Increase in managerial remuneration is already shown in the data presented above.

- [3] **Affirmation**

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

**For and on behalf of the Board**

Place: Bangalore  
Date: April 26, 2023

Kiran Mazumdar Shaw  
Chairperson  
DIN: 00347229



# Annexure 5

## Independent Auditors' certificate on compliance with the corporate governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

TO THE MEMBERS OF SYNGENE INTERNATIONAL LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated 14 September 2021 and addendum to the engagement letter dated 28 March, 2023.
2. We have examined the compliance of conditions of Corporate Governance by Syngene International Limited ("the Company"), for the year ended 31 March 2023, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

### Management's Responsibility

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

### Auditors' Responsibility

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

### Opinion

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

### Restriction on use

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

**For B S R & Co. LLP**

Chartered Accountants

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

**Sampad Guha Thakurta**

Partner

Membership No: 060573

ICAI UDIN: 23060573BGYNDC3310

Place: Bengaluru

Date: 26 April 2023

# Annexure 6

## FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

#### For the Financial Year Ended March 31, 2023

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Syngene International Limited** having a CIN: L85110KA1993PLC014937 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2023 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

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

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

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

- a. Drugs and Cosmetics Act 1940.
- b. Bio Medical Waste Management Rules, 2016.
- c. ICH Guidelines (this is the base on which US FDA/ EU Guidelines etc. are created on).
- d. UCPMP (Currently voluntary – however proposed to be made mandatory).
- e. Narcotic Drugs and Psychotropic substance Act, 1985.
- f. Ethical Guidelines for Biomedical Research on Human Participants, 2006.
- g. The Poisons Act, 1919.
- h. Prevention of Cruelty to Animals Act, 1960 and the Breeding of and Experiments on Animals (Control and Supervision) Rules, 1998.
- i. Atomic Energy Act, 1962 and Atomic Energy (Radiation Protection) Rules, 2004.

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

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

- a. Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.
- b. Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited (NSE).

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

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

We further report that:

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

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

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

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

#### For V SREEDHARAN & ASSOCIATES

(Devika Sathyanarayana)

Partner

FCS: 11323; CP No.17024

Peer Review Certificate No.: 589/2019

Address: No. 291, 1st Floor, 10th Main Road,  
3rd Block, Jayanagar, Bengaluru - 560011.

Place: Bengaluru

Date: April 26, 2023

UDIN: F011323E000194321

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

**'Annexure'**

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

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

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

For **V SREEDHARAN & ASSOCIATES**

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

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

# Annexure 7

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

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

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

Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorised representatives during the conduct of Secretarial Review, we hereby report that in our opinion, the listed entity has, during the review period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder and also that the listed entity has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined:

- (a) all the documents and records made available to us and explanation provided by **Syngene International Limited** ("the listed entity");
- (b) the filings/ submissions made by the listed entity to the stock exchange;
- (c) website of the listed entity;
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification;

For the year ended March 31, 2023 ("Review Period") in respect of compliance with the provisions of:

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

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

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



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

And circulars/ guidelines issued thereunder;

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

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ remarks by PCS
1.	<b>Secretarial Standards:</b> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI) as notified by the Central Government under Section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	
2.	<b>Adoption and timely updation of the Policies:</b> <ul style="list-style-type: none"> <li>All applicable policies under SEBI Regulations are adopted with the approval of the Board of Directors of the listed entity.</li> <li>All the policies are in conformity with SEBI Regulations and has been reviewed &amp; timely updated as per the regulations / circulars / guidelines issued by SEBI.</li> </ul>	Yes  Yes	
3.	<b>Maintenance and disclosures on Website:</b> <ul style="list-style-type: none"> <li>The Listed entity is maintaining a functional website.</li> <li>Timely dissemination of the documents/ information under a separate section on the website.</li> <li>Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website.</li> </ul>	Yes Yes Yes	
4.	<b>Disqualification of Director:</b> None of the Directors of the Company are disqualified under Section 164 of the Companies Act, 2013 as confirmed by the listed entity.	Yes	
5.	<b>Details related to Subsidiaries of listed entities have been examined w.r.t:</b> <ul style="list-style-type: none"> <li>(a) Identification of material subsidiary companies.</li> <li>(b) Disclosure requirement of material.</li> </ul>	Not applicable	Your company has no material subsidiaries. Hence, this point is not applicable during the review period.

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ remarks by PCS
6.	<b>Preservation of Documents:</b> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	
7.	<b>Performance Evaluation:</b> The listed entity has conducted performance evaluation of the Board, Independent Directors, and the Committees at the start of every financial year/ during the financial year as prescribed in SEBI Regulations.	Yes	
8.	<b>Related Party Transactions:</b> (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions. (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved / ratified / rejected by the Audit committee.	Yes  Not applicable	All the related party transactions have been taken place with the prior approval of audit committee. Hence, point 8(b) is not applicable during the review period.
9.	<b>Disclosure of events or information:</b> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	
10.	<b>Prohibition of Insider Trading:</b> The listed entity is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	
11.	<b>Actions taken by SEBI or Stock Exchange(s), if any:</b> No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.	Yes	
12.	<b>Additional Non-compliances, if any:</b> No additional non-compliance observed for all SEBI regulation / circular / guidance note etc.	Yes	

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

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

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS*
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019.	<b>Not applicable</b>	The auditors of the listed entity have not resigned during the audit period.

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

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

### Assumptions & Limitation of scope and review:

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

For **V SREEDHARAN & ASSOCIATES**  
Company Secretaries

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

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

# Annexure 8

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

### 1. Brief outline on CSR Policy of the Company

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

The details of our CSR Policy are available on our website [www.syngeneintl.com](http://www.syngeneintl.com).

### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR
1	Prof. Catherine Rosenberg	Chairperson/Non-Executive Director	04	04
2	Ms. Vinita Bali	Member / Independent Director	04	04
3	Prof. Vijay Kuchroo	Member / Independent Director	04	04

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company.	CSR committee <a href="https://www.syngeneintl.com/investors/corporate-governance/committees-to-the-board/">https://www.syngeneintl.com/investors/corporate-governance/committees-to-the-board/</a>
	CSR Policy <a href="https://www.syngeneintl.com/investors/corporate-governance/governance-reports-policies/">https://www.syngeneintl.com/investors/corporate-governance/governance-reports-policies/</a>
	CSR projects <a href="https://www.syngeneintl.com/investors/share-holder-services/">https://www.syngeneintl.com/investors/share-holder-services/</a>

4. Provide the executive summary along with web-link(s) of impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.	Not applicable However, a voluntary third-party impact assessment was conducted for eLAJ Smart Clinics program. URL to Executive Summary: <a href="https://www.bioconfoundation.org/reports/eLAJ%20Smart%20Clinics_%20Impact%20Assessment_Executive%20Summary.pdf">https://www.bioconfoundation.org/reports/eLAJ%20Smart%20Clinics_%20Impact%20Assessment_Executive%20Summary.pdf</a>
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5. (a) Average net profit of the company as per sub-section (5) of section 135	Rs. 4,882 Mn
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(b) Two percent of average net profit of the company as per sub-section (5) of section 135	Rs. 97.7 Mn
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(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	NIL
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(d) Amount required to be set-off for the financial year, if any	NIL
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(e) Total CSR obligation for the financial year [(b)+(c)-(d)]	Rs. 97.7 Mn
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<b>6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)</b>		Rs. 81.8 Mn	
<b>(b) Amount spent in administrative overheads</b>		NIL	
<b>(c) Amount spent on impact assessment, if applicable.</b>		NIL	
<b>(d) Total amount spent for the financial year [(a)+(b)+(c)]</b>		Rs. 81.8 Mn	
<b>(e) CSR amount spent or unspent for the financial year:</b>			
<b>Total Amount Spent for the Financial Year (in Rs. Mn)</b>	<b>Amount Unspent (in Rs. Mn)</b>		
	<b>Total Amount transferred to Unspent CSR Account as per sub section (6) of section 135</b>	<b>Amount transferred to any fund specified under Schedule VII as per second proviso to sub section (5) of section 135</b>	
81.8	<b>Amount.</b>	<b>Date of transfer</b>	<b>Amount</b>
	15.9	To be transferred before April 30, 2023	Not Applicable
		<b>Name of the Fund</b>	<b>Date of transfer</b>

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

Sl. No.	Particular	Amount (in Rs. Mn)
<b>(1) (2)</b>		<b>(3)</b>
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	97.7
(ii)	Total amount spent for the financial year	81.8
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

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

1	2	3	4	5	6	7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in Rs. Mn)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs. Mn)	Amount Spent in the Financial Year (in Rs. Mn)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in Rs. Mn)	Deficiency, if any
					Amount (in Rs. Mn)	Date of Transfer	
1	FY-1 (2021-2022)	52.7	Nil	40.9	NIL	11.8	NIL
2	FY-2 (2020-2021)	20.8	6.9	3.8	NIL	3.1	NIL
3	FY-3 (2019-2020)	NIL	NIL	NIL	NIL	NIL	NIL

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

No

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

**9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135:**

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

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

**Catherine Rosenberg**  
**(Chairperson CSR Committee)**  
**DIN: 06422834**