

# CORPORATE GOVERNANCE REPORT

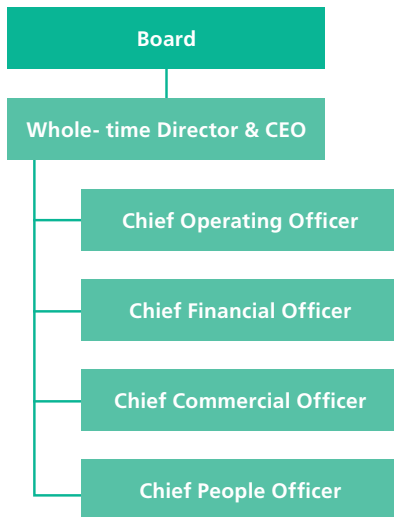
Our Corporate Governance Report reveals the philosophy of the Company and its unceasing dedication to ethical business practices across the organisation. The Report further defines the processes, controls and limits within which the Company functions.

The detailed report on corporate governance for the financial year ended March 31, 2018, 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:

We believe that timely reporting, transparent accounting policies and a strong and Independent Board go a long way in preserving shareholders' trust and maximising long-term corporate value. Our stakeholders view our business operations through the ethical prism and a robust corporate governance framework only strengthens their confidence in us.

The corporate governance framework of Syngene is guided by its core values of professionalism, integrity and excellence. The Company is committed to continually evolve and adopt the best corporate governance practices.

## GOVERNANCE STRUCTURE



■ Comprises Executive Committee ("EC")

The Board is the apex body constituted by shareholders to oversee the Company's overall functioning. It provides strategic guidance to the management, reviews operations and ensures shareholders' long-term value.

The Whole-time Director & CEO, to whom the Company's affairs are entrusted, functions under the guidance of the Board.

He is supported by the Executive Committee (EC), comprising the Chief Operating Officer, Chief Financial Officer, Chief Commercial Officer and Chief People Officer. The CEO, together with the EC, provides strategic direction leading to a stronger and healthier organisation. They drive company-wide processes, systems and policies and act as role models for leadership development within the organisation. Additionally, they provide cross-functional and cross-business perspectives on organisational issues.

## BOARD OF DIRECTORS

### Board Composition and Category of Directors

The Company has an appropriate mix of Executive Directors, Non-Executive Directors and Independent Directors to maintain the Board's independence and separate its functioning of governance and management. Currently, the Board comprises of ten members, including three women directors. The detailed profile of our Directors is available on the Company's website at [www.syngeneintl.com](http://www.syngeneintl.com).

Composition of the Board as on March 31, 2018 is as follows:

Category	Number of Directors	Percentage
Executive Directors	2	20
Non-Executive Directors	2	20
Independent Directors	6	60
<b>Total</b>	<b>10</b>	<b>100</b>

### Role of Board of Directors

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

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

- Regular business updates, strategic opportunities and diversification plans of the Company, if any;
- Updates of Corporate Social Responsibility (CSR) activities;
- 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 Personnel just below the level of Board of Directors including appointment or removal of Chief Financial Officer and Company Secretary.
- Annual operating plans, major borrowings, investments and any updates thereof;
- Quarterly and annual consolidated and standalone results for the Company;
- Update of capital structure;
- Update on investor relations;
- Minutes of meetings of the Board and other Board level committees and resolutions passed;
- Materially important show cause, demand, prosecution 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 goods sold by the Company;
- Issues that involve possible public or product liability claims of substantial nature, including any judgement or order that may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company, if any;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour, employee and Industrial Relations issues;
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material; and
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer and so on.

### Board Procedure

The Board and its Committees meet at regular intervals to discuss and decide on the Company business policies and strategies apart from statutory and other matters. The Board and Committee meetings are pre-scheduled and a tentative annual calendar of the meetings are circulated to the Directors well in advance to help them plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed in the subsequent Board meeting. The

Company Secretary drafts the agenda for each meeting, along with explanatory notes, in consultation with the Chairperson and Management and circulates to the Directors as per timelines. 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 consent of a majority of Board members/Committee members.

The Company Secretary records minutes of each Board and Committee meeting. The draft minutes are circulated to Board/Committee members within 15 days from the meeting for their comments. Directors communicate their comments, if any, in writing on the draft minutes within 7 days from the date of circulation. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting and signed by the Chairperson 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.

The guidelines for Board and Committee meetings facilitate an effective post-meeting follow-up, review and reporting process for decisions taken by the Board and Committees thereof. Important decisions taken at Board/Committee meetings are communicated promptly to the concerned departments.

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

### Meetings of the Board

During the financial year four meetings of the Board were held i.e. on April 27, 2017; July 27, 2017; October 25, 2017 and January 23, 2018. The gap between two Board meetings did not exceed 120 days.

The information on attendance of Directors at the Board meetings either in person or through audio visual mode during the financial year ended March 31, 2018 and at the last Annual General Meeting (AGM) is given below.

Name of the Director	Category	Number of Meetings Held	Number of Meetings Attended <sup>(1)</sup>	Attendance at AGM held on July 28, 2017
Kiran Mazumdar Shaw	Executive Director	4	4	Yes
Jonathan Hunt <sup>(2)</sup>	Executive Director & CEO	3	3	Yes
John Shaw	Non-Executive Director	4	4	Yes
Prof. Catherine Rosenberg	Non-Executive Director	4	3	Yes
Peter Bains <sup>(3)</sup>	Non-Executive Director	1	1	NA
Russell Walls	Independent Director	4	4	Yes
Suresh Talwar	Independent Director	4	4	Yes
Paul Blackburn	Independent Director	4	4	Yes
Bala S. Manian	Independent Director	4	4	No
Vijay Kuchroo	Independent Director	4	3	No
Vinita Bali <sup>(4)</sup>	Independent Director	2	2	NA

Note:

<sup>(1)</sup> Includes meetings attended through audio visual mode.

<sup>(2)</sup> Inducted on Board as Whole-time Director w.e.f. May 1, 2017.

<sup>(3)</sup> Director up to April 27, 2017.

<sup>(4)</sup> Inducted on Board of the Company w.e.f. July 31, 2017.

Composition of the Board and details of Directorship and Committee Membership/Chairmanship held in other Companies as on March 31, 2018 are as follows:

Name of the Director	DIN	Designation	Directorship <sup>(1)</sup>		
			Indian Public Companies	Chairmanship	Membership
<b>Executive Director</b>					
Kiran Mazumdar Shaw	00347229	Managing Director	8	-	-
Jonathan Hunt	07774619	Whole-time Director	1	-	-
<b>Non-Executive Directors</b>					
John Shaw	00347250	Director	4	-	1
Prof. Catherine Rosenberg	06422834	Director	1	-	-
<b>Independent Directors</b>					
Russell Walls	03528496	Director	3	1	3
Suresh Talwar	00001456	Director	5	2	3
Paul Blackburn	06958360	Director	1	1	1
Bala S. Manian	01327667	Director	1	-	-
Vijay Kuchroo	07071727	Director	2	-	-
Vinita Bali <sup>(2)</sup>	00032940	Director	3	-	2

Note:

<sup>(1)</sup> Inducted on Board of the Company w.e.f. July 31, 2017.

<sup>(2)</sup> Directorship in companies includes Syngene International Limited.

As per regulation 26 of SEBI Listing Regulations, 2015 membership/chairmanship of Audit Committee and Stakeholders Relationship Committee in all Indian Public Limited Companies, whether listed or not, have been considered and reported. Further, none of the Directors of the Company holds membership of more than ten Committees nor is any Director the Chairman of more than five Committees across all companies where he/she holds Directorships.

### Disclosure of Relationships between Directors Inter se

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

### Shareholding of Non-Executive Directors

As on March 31, 2018, the following Non-Executive Directors of the Company i.e. Russell Walls, Suresh Talwar, Paul Blackburn, Vijay Kuchroo and Bala S. Manian, held 25,000 equity shares each, while Prof. Catherine Rosenberg, jointly with Prof. Ravi Mazumdar, held 1,060 equity shares of the Company. None of the other Non-Executive Directors hold any equity shares or non-convertible instruments in the Company.

### Independent Directors Meeting

All Independent Directors of the Company meet the definition of "Independent Directors" given by the Companies Act, 2013 and SEBI Listing Regulations. At the time of appointment, and thereafter at the beginning of each financial year, the Independent Directors submit a self-declaration confirming their independence and compliance with various eligibility criteria, among other disclosures. All such declarations are placed before the Board for information and noting.

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 Listing regulations. The draft letter of appointment is available on the Company's website at [www.syngeneintl.com](http://www.syngeneintl.com).

Companies Act, 2013 and Rules thereunder mandate that the Independent Directors of the Company hold at least one meeting in a year, without the attendance of Non-Independent Directors and members of Management. The Independent Directors, at its meeting held on January 23, 2018, evaluated the performance of the Chairperson, Non-Independent Directors and the Board. Independent Directors also reviewed the quality, quantity and timeliness of flow of information between the management and board of directors.

### Details of Familiarisation Programmes Imparted to Independent Directors

Complying with rule 25(7) of SEBI Listing Regulations, familiarisation programmes to empower Independent Directors with the knowledge of Syngene's business and operations were conducted during the financial year. Further, under the 'Director's Education Programme', latest developments affecting the Company and the Contract Research Organisation ("CRO") industry and functions of various business units/verticals were presented to the Directors by the Senior Management team. Further, under the 'Director Induction Programme', newly appointed directors are appraised to the organisation structure, operational overview, financial overview, board matters and procedures, key risk issues and its mitigation strategy, facility tour, among others. The details of such programmes are available at <http://www.syngeneintl.com/investor-relations/corporate-governance>.

### Board Evaluation

In compliance with Section 134 of the Companies Act, 2013 and SEBI Listing Regulations, the Board has carried out an annual evaluation of its own performance as well as the working of its Committees as per the criteria laid down by the Nomination and Remuneration Committee, which includes the following:

- The Board: Composition, structure, meetings, functions, management and professional development, among others.

- The Committees: Composition, effectiveness, structure, meetings, independence of the committee, contribution to decision making of the Board, among others.
- Individual Directors (including Chairperson, Independent Directors and Non-Independent directors): Leadership, Commitment, Contribution, Experience, Expertise, Independence, Integrity, Attendance, Responsibility, among others.

A structured questionnaire was used to capture responses online.

A 360-degree feedback-cum-assessment of individual Directors, the Board and its Committees was discussed by Independent Directors and Board at their meeting held on January 23, 2018 and collective action points for improvement were put in place. The Directors acknowledged the effective functioning of the Board and its Committees. They also acknowledged the efforts and contributions made by the Chairperson, Executive, Non-Executive and Independent Directors towards the Company's performance.

## BOARD COMMITTEES

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

The various Board-level committees are:

- Audit and Risk Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee

## AUDIT AND RISK COMMITTEE

The Board, on October 19, 2011, constituted the Audit and Risk Committee in accordance with Section 177 of the Companies Act, 2013 and SEBI Regulations 2015. Our Audit and Risk Committee comprises three Independent Directors as on March 31, 2018.

The composition of the Committee and the attendance details of the members are given below:

Name of the Member	Category	Designation	Number of Meetings Held	Number of Meetings Attended
Paul Blackburn	Independent Director	Chairman	4	4
Russell Walls	Independent Director	Member	4	4
Suresh Talwar	Independent Director	Member	4	4

## Terms of Reference

The Audit and Risk Committee directs the audit function and monitors the quality of internal and statutory audits with an objective of moving towards a regime of unqualified financial statements. The Committee functions according to the provisions of the Companies Act, 2013 and SEBI Listing Regulations. The roles and responsibilities of the Committee include:

- Overseeing the Company's financial reporting process and the disclosure to ensure that the financial statement is correct, sufficient and credible;
- Recommending appointment, remuneration and terms of appointment of auditors of the Company;
- Approving payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for their approval;
- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- Evaluating internal financial controls and risk management systems;
- Reviewing with the management, performance of statutory and internal auditors and the adequacy of internal control systems;
- Reviewing the adequacy and effectiveness of internal audit function, reporting structure coverage and frequency of internal audits;
- Reviewing and approving related party transactions, including any modification;
- Reviewing and approving foreign exchange transactions;
- Scrutinising inter-corporate loans and investments;
- Conducting valuation of undertakings or assets of the listed entity, wherever it is necessary;
- Approving appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- Reviewing the functioning of the whistle-blower/vigil mechanism; and
- Any other matters as specified by law.

The Audit and Risk Committee shall also mandatorily review the following information:

- Management Discussion and Analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters/letters of internal control weaknesses issued by the statutory auditors;

- Internal audit reports relating to internal control weaknesses; and
- Review of appointment, removal and terms of remuneration of the Chief Internal Auditor
- Statement of deviations, if any.

The Company has in place an enterprise-wide risk management framework. This holistic approach provides the assurance that to the best of its capabilities, the Company identifies, assesses and mitigates risks that could materially impact its performance in achieving the stated objectives. The Audit and Risk Committee, on a quarterly basis, reviews critical risks along with its mitigation plans. The Committee also ensures that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities. The Committee, on a regular basis, reviews the Company's portfolio of risks and considers it against the Company's risk appetite. The Committee also recommends changes to the risk management technique, associated frameworks, processes and practices of the Company.

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

During the financial year, four meetings of the Committee were held i.e. on April 26, 2017; July 26, 2017; October 25, 2017 and January 23, 2018.

The Executive Committee, Statutory Auditors and Internal Auditors attended all meetings of the Audit and Risk Committee. The Company Secretary acts as Secretary to the Committee. The Internal Auditor reports functionally to the Audit and Risk Committee. The Board accepted all recommendations made by the Audit and Risk Committee during the financial year.

Paul Blackburn, Chairman of the Audit and Risk Committee, was present at the AGM of the Company held on July 28, 2017.

## STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board, on July 23, 2014, constituted Stakeholders Relationship Committee in accordance with Section 178 (5) of the Companies Act, 2013 and SEBI Listing Regulations. Our Stakeholders Relationship Committee comprises three Independent Directors as on March 31, 2018.

The composition of the Committee and the attendance details of the members are given below:

Name of the Member	Category	Designation	Number of Meetings Held	Number of Meetings Attended
Suresh Talwar	Independent Director	Chairman	4	4
Russell Walls	Independent Director	Member	4	4
Paul Blackburn	Independent Director	Member	4	4

## Terms of Reference

The Stakeholders Relationship Committee looks into the redressal of grievances of investors or other security holders relating to transfer of shares, non-receipt of declared dividends, non-receipt of Annual Reports, among others.

During the financial year, four meetings of the Committee were held i.e. on April 26, 2017; July 26, 2017; October 25, 2017 and January 23, 2018.

Suresh Talwar, Chairman of the Stakeholders Relationship Committee, was present at the AGM of the Company held on July 28, 2017.

## Details of Shareholders Complaints

The details of shareholders' complaints received and resolved during the financial year ended March 31, 2018 are as under:

Opening Balance	Received during the financial Year	Resolved during the financial Year	Outstanding as on March 31, 2018*
Nil	20	19	1

\*Complaint received during last week of March 2018 and resolved in the first fortnight of April 2018.

## Compliance Officer

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

## Role of Company Secretary

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

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In terms of Section 135 of the Companies Act, 2013, the Board, on October 23, 2013, constituted a Corporate Social Responsibility (CSR) Committee. Our CSR Committee comprises four Independent Directors and one Non-Executive Director as on March 31, 2018.

The composition of the Committee and the attendance details of the members are given below:

Name of the Member	Category	Designation	Number of Meetings Held	Number of Meetings Attended
Bala S. Manian	Independent Director	Chairman	2	2
Suresh Talwar	Independent Director	Member	2	2
Vijay Kuchroo	Independent Director	Member	2	2
Vinita Bali <sup>(1)</sup>	Independent Director	Member	1	1
Prof. Catherine Rosenberg	Non-Executive Director	Member	2	2

Note:

<sup>(1)</sup> Appointed as member of the Committee w.e.f. July 31, 2017.

### Terms of reference

- To formulate and recommend to the Board, a CSR Policy, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- To recommend the amount of expenditure to be incurred on CSR activities; and
- To monitor the Company's CSR policy from time to time.

Syngene believes and acknowledges its responsibility towards the environment, its consumers, employees and other stakeholders.

Its CSR initiatives are based on the principle of making an enduring impact on the society through programmes that promote social and economic inclusion.

The Company is committed to innovation, affordability and access to healthcare. In line with this commitment, and as a socially responsible organisation, the Company has invested in CSR programmes aimed at making a difference in the lives of marginalised communities.

The Company's CSR activities 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 <http://www.syngeneintl.com/investor-relations/corporate-governance>.

During the financial year, two meetings of the Committee were held i.e. on April 27, 2017 and October 25, 2017. The CSR Report as required under the Companies Act, 2013 for the year ended March 31, 2018 is annexed as Annexure 10 to the Board's Report.

### NOMINATION AND REMUNERATION COMMITTEE

The Board, on April 23, 2014, constituted the Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations, 2015. Our Nomination and Remuneration Committee comprises four Independent Directors and one Non-Executive Director as on March 31, 2018.

The composition of the Committee and the attendance details of the members are given below:

Name of the Member	Category	Designation	Number of Meetings Held	Number of Meetings Attended
Bala S. Manian	Independent Director	Chairman	3	3
Suresh Talwar	Independent Director	Member	3	3
Vijay Kuchroo	Independent Director	Member	3	3
Vinita Bali <sup>(1)</sup>	Independent Director	Member	2	2
Prof. Catherine Rosenberg	Non-Executive Director	Member	3	1

Note:

<sup>(1)</sup> Appointed as member of the Committee w.e.f. July 31, 2017.

### Terms of Reference

- To review the Board structure, size and composition and make recommendation for any change;
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- To formulate the criteria for evaluation of performance of Independent Directors and the Board;
- To identify persons who are qualified to become Directors and who may be appointed in the Senior Management team in accordance with the criteria laid down and recommend to the Board their appointment and/or removal;
- Whether to extend or continue the term of appointment of the Independent Directors, based on their performance evaluation report;
- To devise a policy on diversity of Board of Directors;
- To analyse, monitor and review various human resource and compensation matters; and
- To undertake overall supervision and administration of Employee Stock Option Plan of the Company.

The Committee also works with the Board on the Leadership Succession Plan and prepares contingency plans for succession in case of any exigencies.

During the financial year, three meetings of the Committee were held i.e. on April 26, 2017; October 25, 2017 and January 23, 2018.

### Remuneration Policy

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

- The remuneration structure is reasonable and sufficient to attract, retain and motivate employees at all levels in the Company;

- Relationship of remuneration with the performance is clear and meets performance benchmarks; and
- Remuneration to Directors/Senior Management/Key Managerial Personnel involves balance between fixed pay, variable pay and stock options reflecting short and long-term objectives derived from the Company's goal.

For details, refer Annexure 7 of the Board's Report on policy relating to Director's appointment and remuneration.

## REMUNERATION OF DIRECTORS

### Pecuniary Relationship or Transactions of the Non-Executive Directors

There were no pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company, which has potential conflict with the interest of the Company at large.

### Criteria for Making Payment to Non- Executive Directors

The roles of Non-Executive/Independent Directors are not just restricted to corporate governance or outlook of the Company, but they also bring with them significant professional expertise and rich experience across the wide spectrum of functional areas such as marketing, technology, corporate strategy, human capital, legal, finance and other corporate functions. The Company seeks their expert advice on various matters in science, technology, human resource and legal or intellectual property from time to time. Hence, the compensation to the Non-Executive/Independent Directors are recommended. 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 Independent Directors of the Company are paid remuneration as detailed below by way of commission, which was approved by the Board and subsequently by the shareholders at an Extraordinary General Meeting held on September 11, 2014. The overall limit is 1% per annum of net profits of the Company calculated as per the provision of Section 198 of the Companies Act, 2013, for remuneration by way of commission payable to the Non-Executive Independent Directors of the Company.

The details of remuneration and sitting fees paid or provided to all the Directors during the financial year ended March 31, 2018 are as under:

Name of the Director	Salary and Perquisites			Others		Total
	Fixed Pay + Bonus	Stock Options	Retrial Benefits <sup>(1)</sup>	Commission	Sitting Fees	
Kiran Mazumdar Shaw	-	-	-	-	-	-
Jonathan Hunt <sup>(2)</sup>	46.65	47.17	-	-	-	93.82
John Shaw	-	-	-	-	-	-
Prof. Catherine Rosenberg	-	-	-	-	0.30	0.30
Russell Walls	-	-	-	2.58	0.40	2.98
Suresh N Talwar	-	-	-	2.12	0.40	2.52
Paul F Blackburn	-	-	-	2.84	0.40	3.24
Bala S. Manian	-	-	-	2.71	0.40	3.11
Vijay Kuchroo	-	-	-	2.07	0.30	2.37
Vinita Bali	-	-	-	1.29	0.30	1.59

Note: The details above are as on accrual basis.

<sup>(1)</sup> 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.

<sup>(2)</sup> Remuneration includes contribution towards provident fund of Rs. 3 mn relating to prior period.

Sl. No.	Particulars	Amount in USD
1	Board meeting fee	5,000
2	Chairperson fee – Audit and Risk Committee	3,000
3	Member fee – Audit and Risk Committee	2,000
4	Chairperson fee – Nomination and Remuneration Committee; CSR Committee	2,000
5	Member fee – Nomination and Remuneration Committee; CSR Committee	1,000

Besides the above commission, Foreign Independent Directors are also paid travel allowance of USD 4,000 in case of travel from the US and USD 3,000 in case of travel from any other country for attending Board meetings. The Directors are entitled to reimbursement of all expenses for participation in the Board and Committee meetings. Further, the Non-Executive Directors were paid a consolidated sitting fee of Rs. 1 Lac each quarter for attending the Board and Committee meetings.

### Compensation to Executive Directors

Kiran Mazumdar Shaw and Jonathan Hunt are the Company's Executive Directors and all others are Non-Executive Directors. Kiran Mazumdar Shaw does not draw any remuneration from the Company.

The shareholders, at their 24th AGM held on July 28, 2017, had appointed Jonathan Hunt as the Whole-time Director of the Company, not liable to retire by rotation and for a period of five years effective from May 1, 2017. His appointment is on such terms and conditions, including remuneration, subject to the limit of 5% of the net profit of the Company. The remuneration includes annual base pay subject to performance-linked increment, variable pay linked to Company's performance, long-term incentives, including stock options, and perquisites and other allowances as per the Company's policy and approved by the Board.

During the financial year, no stock options were granted to any Executive/Non-Executive Directors of the Company.

Any annual pay, variable pay or incentives payable to Executive Directors is determined keeping in view their performance on various financial and non-financial parameters approved by the Board.

## Service Contracts, Notice Period and Severance Fees

As on March 31, 2018, the Board comprised ten members, including two Executive Directors and eight Non-Executive Directors, of which six are Independent Directors. Kiran Mazumdar Shaw, Managing Director, is not an employee of the Company. Hence, there is no separate provision for payment of severance fees to her. Additionally, Jonathan Hunt, being in employment, as per terms of appointment will be eligible for severance fees equivalent to three months' notice. However, other Directors are not subject to any notice period and severance fees.

## GENERAL BODY MEETINGS

### Location and Time of the Last Three AGMs

The location and time of the last three AGMs are as detailed below:

Sl. No.	Financial Year	Date and Time	Location	Special Resolution Passed
1	2014-15	June 22, 2015 10:00 a.m.	Walter Gilbert Room, Biocon Limited, 20KM, Hosur Road, Bengaluru – 560 100	Amendment to Syngene Employee Stock Option Plan – 2011
2	2015-16	June 30, 2016 2:00 p.m.	Tyler Jacks Auditorium, Biocon Park SEZ, Bommasandra Industrial Area, Phase IV, Jigani Link Road, Bengaluru – 560 099	-
3	2016-17	July 28, 2017 2:00 p.m.	Tyler Jacks Auditorium, Biocon Park SEZ, Bommasandra Industrial Area, Phase IV, Jigani Link Road, Bengaluru – 560 099	Re-appointment of Russell Walls as Independent Directors for a period of three year. i.e. till the conclusion of the 27 <sup>th</sup> AGM

### Details of Postal Ballot during the Financial Year along with Voting Pattern

During the financial year, there was no resolution passed through postal ballot.

## MEANS OF COMMUNICATION

The quarterly, half-yearly and annual financial results are sent to the Stock Exchanges immediately after the Board's approval. These results are also published in Financial Express, a national daily, and Vijayavani, a regional daily. The results along with presentations made by the Company to analysts are also posted on the Company's website at [www.syngeneintl.com](http://www.syngeneintl.com). The website also displays all official news releases from time to time. The Company organises investor conference calls to discuss its financial results every quarter where investor queries are answered by the Management of the Company. The transcripts of these conference calls are available on our website.

## GENERAL SHAREHOLDER INFORMATION

Day and Date of Annual General meeting	Wednesday, July 25, 2018
Time	2:30 p.m.
Venue	Tyler Jacks Auditorium, Biocon Research Centre, Biocon Park, Special Economic Zone, Bommasandra, Jigani Link Road, Bengaluru – 560 099
Financial year	1 <sup>st</sup> day of April to 31 <sup>st</sup> day of March in the next calendar year
Remote E-voting period	July 20, 2018 to July 24, 2018
Dividend payment date	August 1, 2018
Date of Book Closure / Record Date / Cut-off	July 18, 2018
Listing of Stock Exchanges	National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051 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 results calendar for FY 2018-19 (tentative dates)	
<b>Quarter ending</b>	<b>Meeting date</b>
June 30, 2018	July 25, 2018
September 30, 2018	October 24, 2018
December 31, 2018	January 22, 2019
March 31, 2019	April 24, 2019



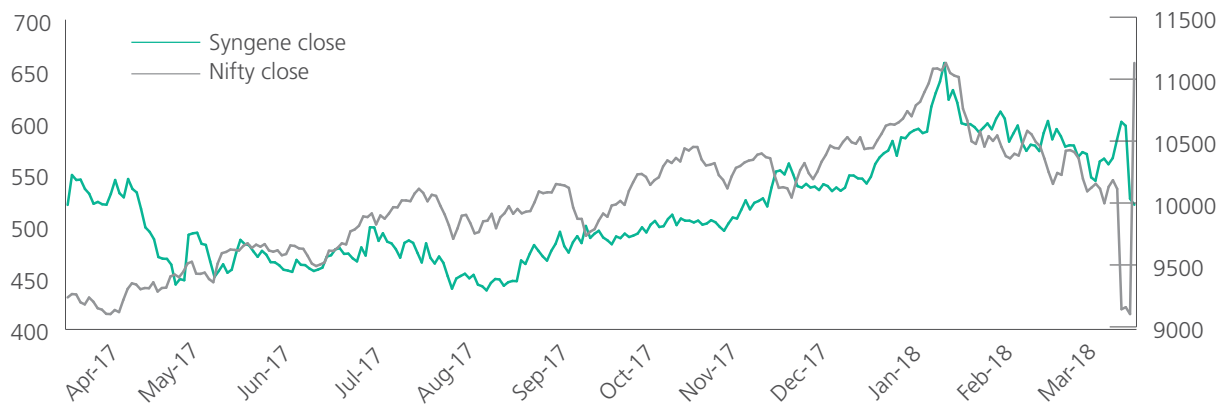
### Market Price Data for FY18

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, 2017 to March 31, 2018 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/17	564.00	508.00	2,091,487	564.00	508.60	389,116
May/17	518.35	441.25	4,615,717	524.75	441.10	9,806,955
Jun/17	493.35	451.05	2,421,572	492.75	452.25	451,192
Jul/17	509.00	464.75	2,840,943	508.00	465.00	1,115,567
Aug/17	484.00	430.10	1,393,061	483.55	430.00	224,419
Sep/17	511.80	442.10	2,560,497	510.00	441.00	5,396,896
Oct/17	517.90	481.00	1,759,485	518.65	480.20	266,746
Nov/17	559.00	488.70	3,159,343	558.00	491.75	3,659,014
Dec/17	578.30	514.70	2,794,067	570.15	514.95	271,302
Jan/18	672.00	538.70	6,293,479	670.00	539.40	1,510,763
Feb/18	615.00	560.00	1,466,031	615.60	545.00	198,426
Mar/18	624.70	535.90	2,492,342	623.95	534.30	368,660

### Relative Movement Chart

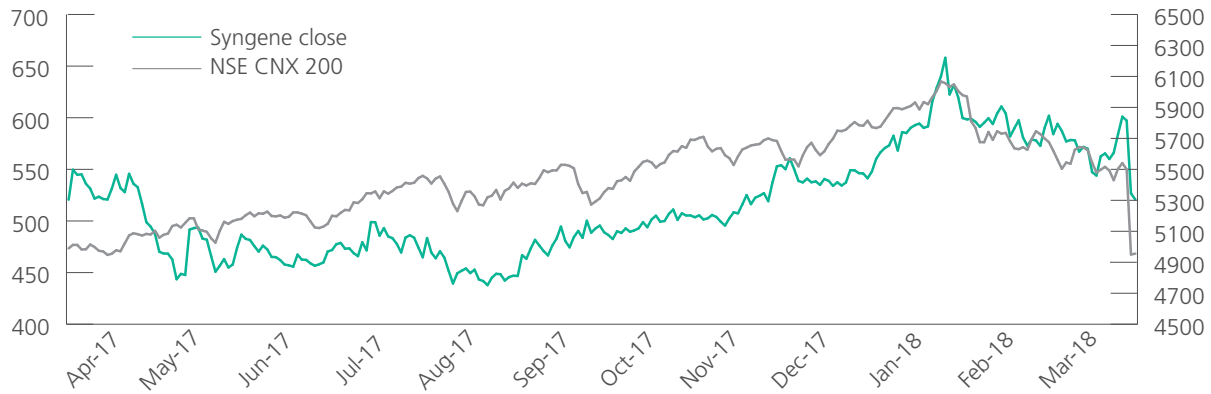
Syngene and S&P Nifty Share Price Movement from April 1, 2017 to March 31, 2018



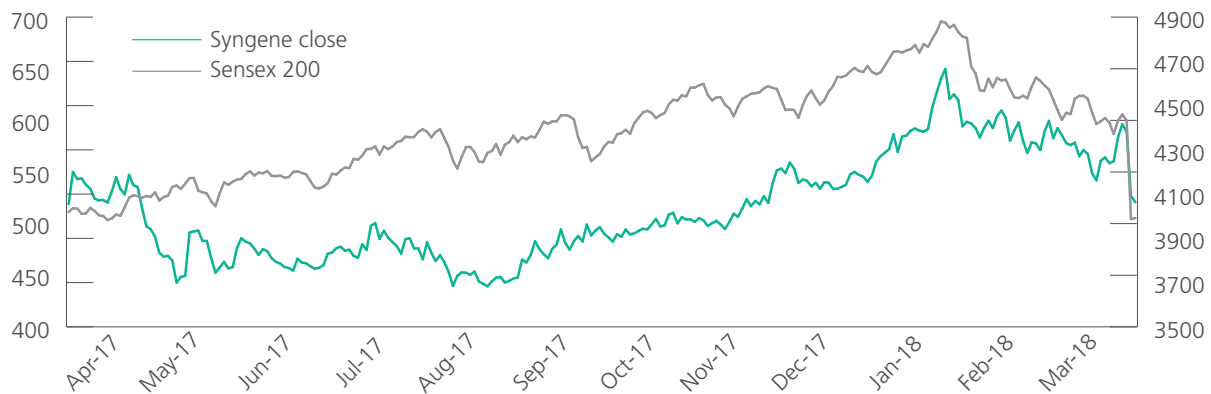
Syngene and BSE Sensex Share Price Movement from April 1, 2017 to March 31, 2018



Syngene and S&amp;P CNX 200 Share Price Movement from April 1, 2017 to March 31, 2018



Syngene and BSE S&amp;P 200 Share Price Movement from April 1, 2017 to March 31, 2018



As on March 31, 2018, the securities of the Company is not suspended from trading.

### Registrar to an Issue and Share Transfer Agents

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

#### Karvy Computershare Private Limited

(Unit: Syngene International Limited), Plot 31-32,  
Karvy Selenium, Tower B, Gachibowli, Financial District,  
Nanakramguda, Hyderabad – 500 032  
E-mail id: [inward.ris@karvy.com](mailto:inward.ris@karvy.com)

### Share Transfer System

All the Company's shares are held in dematerialised form, except for 110 shares that were in physical form as on March 31, 2018. The Stakeholders Relationship Committee approves the transfer of shares in the physical form as per the time limits and procedure specified in Regulation 40 of SEBI Listing Regulations. There are no shares in demat suspense account and unclaimed suspense account as on March 31, 2018.

### Distribution of Shareholding by Number of Shares

Sl. No.	Category	Number of Shares	% to Equity
1	Promoters	148,890,611	74.45
2	Foreign Institutional Investors	31,989,370	15.99
3	NRI & Foreign Nationals	406,046	0.20
4	Mutual Funds, Banks and Foreign Investors	4,095,401	2.05
5	Directors	125,000	0.06
6	Corporate Bodies	2,212,639	1.11
7	Indian Public and Others	9,214,969	4.61
8	Non-Promoter Non-Public	3,065,964	1.53
	<b>Total</b>	<b>200,000,000</b>	<b>100.00</b>

### List of Shareholders Holding More than 1% of the Paid-up Share Capital as on March 31, 2018

Sl. No.	Name	Shareholding	% to Paid-up Capital
1	Biocon Limited	145,217,843	72.61
2	Theleme Master Fund Limited	9,000,000	4.50
3	Camas Investments PTE Limited	4,785,000	2.39
4	Syngene Employee Welfare Trust	3,065,964	1.53
	<b>Total</b>	<b>162,068,807</b>	<b>81.03</b>

### Distribution of Shareholding by Number of Shares

Sl. No.	Category	No. of Shareholders	Total Shares	% to Shareholders	% to Paid-up Share Capital
1	Upto 1-5000	40,944	3,197,949	94.31	1.60
2	5001-10000	1,369	981,786	3.15	0.49
3	10001-20000	423	623,066	0.97	0.31
4	20001-30000	148	373,433	0.34	0.19
5	30001-40000	93	324,977	0.21	0.16
6	40001-50000	64	300,534	0.15	0.15
7	50001-100000	157	1,115,355	0.36	0.56
8	100001 and above	217	193,082,900	0.50	96.54
	<b>Total</b>	<b>43,415</b>	<b>200,000,000</b>	<b>100.00</b>	<b>100.00</b>

### Dematerialisation of Shares and Liquidity

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

### Other Outstanding Instruments

There are no outstanding GDR/ADR/warrants/any convertible instruments as on March 31, 2018.

### Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company has Foreign Exchange Risk Management Policy and 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 on March 31, 2018

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, dividend, which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account, is required to be transferred by the Company to Investor Education and Protection Fund (IEPF), established by the Central Government under the provisions of Section 125 of the Companies Act, 2013. The Company under investors initiatives has sent the reminder letters to all stakeholders to claim the below-mentioned unclaimed amount during March 2018. 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 on March 31, 2018 (in Rs.)	Due Date for Transfer of Unclaimed Dividend Amount to IEPF (IEPF rule 3(1))
1	2015-16	IPO Refund	NA	1,109,400	August 5, 2022
2	2015-16	Interim Dividend	1.00	65,483	April 16, 2023
3	2016-17	Final Dividend	1.00	55,288	September 1, 2024

### Plant Locations

Biocon SEZ, Biocon Park, Plot No. 2 & 3, Bommasandra Industrial Area, Phase IV, Jigani Link Road, Bengaluru – 560099

113-C – 2, Bommasandra Industrial Area, Attibele, Hobli, Anekal Taluk, Bengaluru – 560099

### Address for Correspondence

#### Financial Disclosure Correspondence

M.B. Chinappa  
President – Finance & Chief Financial Officer  
Tel: 91 80-2808 3901  
E-mail id: mb.chinappa@syngeneintl.com

#### Media and Corporate Communications

Sandeep Nair  
Corporate Communications  
Tel: 91 80-6775 8775  
E-mail id: sandeep.nair@syngeneintl.com

#### Correspondence Address

Registered Office  
Syngene International Limited  
Biocon Park SEZ, Biocon Park, Bommasandra Industrial Area, Phase IV, Jigani Link Road, Bengaluru – 560 099  
Tel: 91 80-6775 5000  
E-mail id: investor@syngeneintl.com

#### Corporate Governance and Compliance

Mayank Verma  
Company Secretary and Compliance Officer  
Tel.: 91 80-6775 8781  
E-mail id: mayank.verma@syngeneintl.com

#### Investor Relations Correspondence (Investors and Research Analysts)

Chanderlekha Nayar  
Investor Relations  
Tel: 91 80-6775 8821  
E-mail id: chanderlekha.nayar@syngeneintl.com

#### Registrar and Share Transfer Agent

Karvy Computershare Private Limited  
(Unit: Syngene International Limited),  
Plot 31-32, Karvy Selenium, Tower B, Gachibowli, Financial District,  
Nanakramguda, Hyderabad – 500 032  
Tel: 91 040-6716 1518  
E-mail id: einward.ris@karvy.com

### OTHER DISCLOSURES

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

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

All transactions entered with the 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. It did not attract provisions of Section 188 of the Companies Act, 2013, relating to approval of shareholders. However, prior approval from the Audit and Risk Committee were obtained for transactions, which are repetitive and normal in nature. Further, disclosures are made to the Committee and the Board on a quarterly basis. Details of related party transactions are also presented in the notes to financial statements.

The Company has formulated the policy on materiality of related party transactions and on dealing with related party transactions and it is available on the Company website at <http://www.syngeneintl.com/investor-relations/corporate-governance>

#### 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, since it got listed on Stock Exchanges on August 11, 2015. Additionally, there were no non-compliance, penalties or strictures imposed on the Company by the Stock Exchange(s) or the Board or any other statutory authority.

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

The Company's Whistle Blower Policy allows employees, directors and other stakeholders to report matters such as genuine grievances, corruption, fraud, misconduct, misappropriation of assets, non-compliance of code of conduct of the Company or any other unethical practices. The Policy provides adequate safeguard against victimisation to the Whistle Blower and enables them to raise concerns to the Integrity Committee and also provides an option of direct access to the Chairperson, Audit and Risk Committee. Syngene has engaged "In Touch India, Ernst & Young" to provide online platform to raise complaints by the

whistle blower. During the year, none of the personnel have been denied access to the Chairman of the Audit and Risk Committee.

The Whistle Blower Policy is available on the Company's website at <http://www.syngeneintl.com/investor-relations/corporate-governance>.

#### **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. It has also complied with few non-mandatory/discretionary requirements as specified in Part E of Schedule II.

#### **Adoption of discretionary requirements as specified in Part E of Schedule II**

The Company fulfills 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 and Risk Committee.
- Separate persons hold the post of Chairperson & Managing Director and Chief Executive Officer.

#### **Disclosure of Accounting Treatment**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

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

These financial statements have been prepared for the Company as a going concern based on relevant Ind AS that are effective at the Company's annual reporting date, March 31, 2018. These financial statements were authorised for issuance by the Board on April 25, 2018.

#### **CEO and CFO Certification**

As required under Regulation 17(8) of the SEBI Listing Regulations, the CEO and CFO have given compliance certificate on financial statements to the Board of the Company. The certificate is annexed with this report.

#### **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 6.

#### **Code of Conduct**

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

All the members of the Board and Senior Management have affirmed compliance to the Code as on March 31, 2018.

#### **Declaration by the CEO on 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 the Code is available on the Company's website.

I hereby confirm that all the members of the Board and Senior Management Personnel of the Company have affirmed compliance with the Code of Ethics and Business Conduct in respect of the financial year ended March 31, 2018.

For **Syngene International Limited**

Date: April 25, 2018  
Place: Bengaluru

**Jonathan Hunt**  
Whole-time Director & CEO