

Board's Report

Dear Members,

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

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

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

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

FINANCIAL REVIEW

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

(Rs in Mn)

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

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

- Revenue from operations, excluding export incentives, increased by 12% (from Rs 19,465 Mn to Rs 21,753 Mn) driven by steady performance across all divisions
- Total Revenue increased by 7% (from Rs 20,935 Mn to Rs 22,440 Mn)
- Earnings from operations (excluding export incentives, other income, depreciation, finance costs, exceptional items and tax expense) increased by 21% (from Rs 5,513 Mn to Rs 6,659 Mn) mainly driven by lower material costs
- Profit after tax excluding exceptional gains increased by 4% (from Rs 3,656 Mn to Rs 3,809 Mn)
- Profit for the year after exceptional gains declined by 2% (from Rs 4,115 Mn to Rs 4,037 Mn)

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

OPERATIONAL REVIEW

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

DISCOVERY SERVICES

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

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

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

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

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

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

- Collaboration with the Centre for Cellular and Molecular Biology to deliver high throughput next generation sequencing
- Collaboration with the National Centre for Biological Sciences to develop a novel human ACE 2 transgenic mouse that is anticipated to phenocopy the full spectrum of human COVID-19
- Collaboration with the Foundation for Neglected Disease Research to facilitate SARS-CoV-2 in vitro and in vivo research to develop monoclonal antibodies against COVID-19

DEVELOPMENT SERVICES

The Development Services division reported a steady performance for the year. New clients were added across the various development disciplines while existing clients established broader relationships by accessing more services. The scientific highlights for the year include critical contributions to the development of a drug to treat a genetic liver disease mainly found in children and progress the drug to phase III clinical trials/Food and Drug Administration (FDA) approval stage for

biopharmaceutical client Albireo Pharma. In terms of capability enhancement, a noteworthy milestone was the setting up and commissioning the Highly Potent Active Pharmaceutical Ingredient (HPAPI) laboratory in Bangalore.

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

MANUFACTURING SERVICES

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

DEDICATED R&D CENTERS

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

SUBSIDIARY COMPANY/JOINT VENTURE

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

Pursuant to the first proviso to Section 129(3) of the Companies Act, 2013 ('the Act') and Rules 5 and 8(1) of the Companies (Accounts) Rules, 2014, salient features of the financial statements, performance and financial position of subsidiary is given in Form AOC-1 as Annexure 1 to this Report. The Consolidated Financial Statements presented in this Annual Report include the financial results of the subsidiary.

DIVIDEND

Owing to the continuing uncertainty created by the second wave of COVID-19 pandemic in India, the Board of Directors has deemed it prudent not to declare a dividend for the financial

year 2020-21 in order to prioritise cash and maintain liquidity, continuing the prudent management approach adopted during the last financial year.

In compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("SEBI Listing Regulations"), the dividend distribution policy of the Company is available on the Company's website at <https://www.syngeneintl.com/investors/corporate-governance/governance-reports-policies/>. A copy of the policy is annexed to this Report as Annexure 2.

RELATED PARTY CONTRACTS OR ARRANGEMENTS

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

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

The Company has formulated the policy on 'Materiality of Related Party transactions and on dealing with Related Party Transactions', and this is available at <https://www.syngeneintl.com/investors/corporate-governance/governance-reports-policies/>

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

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

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

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

CHANGE IN NATURE OF BUSINESS

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

LOANS, GUARANTEES OR INVESTMENTS

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

DEPOSITS

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

CREDIT RATING

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

PAID UP CAPITAL

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

MATERIAL CHANGES AND COMMITMENTS

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

HUMAN RESOURCES

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

PARTICULARS OF EMPLOYEES

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

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

EMPLOYEE STOCK OPTION PLAN /RESTRICTED STOCK UNITS PLAN

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

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

allotment of further equity shares to the Trust over a period of time for the purpose of implementation of the RSU Plan.

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

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

The details of both plans form part of the notes to accounts of the Financial Statements in this Annual Report. The Company has obtained a certificate from the statutory auditors of the Company that both the plans have been implemented in accordance with SEBI (SBEB) Regulations, 2014 and are in accordance with the resolutions passed by the shareholders. As required under Regulation 14 of the above-mentioned regulations, the applicable disclosures as on 31st March, 2021 with respect to both the plans are available on the website of the Company at <https://www.syngeneintl.com/investors/shareholder-services/>

CORPORATE GOVERNANCE REPORT

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

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

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

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

DIRECTORS

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

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

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

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

KEY MANAGERIAL PERSONNEL

As on 31st March 2021, the Key Managerial Personnel (KMP) of the Company appointed under the provisions of Section 203 of the Companies Act, 2013, are Jonathan Hunt, Managing Director and Chief Executive Officer, Sibaji Biswas, Chief Financial Officer and Priyadarshini Mahapatra, Company Secretary and Compliance Officer.

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

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

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

DECLARATION BY INDEPENDENT DIRECTORS

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

BOARD DIVERSITY

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

BOARD EVALUATION

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

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

NUMBER OF MEETINGS OF THE BOARD

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

AUDIT COMMITTEE

The Audit Committee has reviewed the accounts for the year ended 31st March, 2021. The Board accepted all recommendations made by the Audit Committee.

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

ADEQUACY OF INTERNAL FINANCIAL CONTROL

The Company has laid down guidelines, policies, processes and structures to enable implementation of appropriate internal financial controls across the organisation, commensurate with its size and the nature of its operations. These control processes enable and ensure the orderly and efficient conduct of the Company's business, and provide reasonable assurance with regard to safeguarding of assets, prevention and detection of fraud and errors, the accuracy and completeness of the accounting records, timely preparation of reliable financial information, compliance with applicable statutes, executing transactions with proper authorization and ensuring compliance with corporate policies. There are control processes both in manual and IT applications, including ERP applications, wherein the transactions were approved and recorded. Review and control mechanisms are built in to ensure that such control systems are adequate and operating effectively.

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

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

RISK MANAGEMENT POLICY

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls established and maintained by the Company, work performed by the internal, statutory and secretarial auditors, reviews performed by the management and the relevant Board Committees, the Board, in concurrence with the Audit Committee, is of the opinion that the Company's internal financial controls were adequate and effective as on 31st March, 2021.

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

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with a proper explanation of material departures.
- (b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) The Directors have prepared the annual accounts on a going concern basis.
- (e) The Directors have laid down internal financial controls to be followed by the Company which are adequate and operating effectively.

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

AUDITORS

STATUTORY AUDITORS

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

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

The Auditors' Report on the Financial Statements of the Company for the year ended 31st March, 2021 does not contain any qualifications, reservations or adverse remarks. The Auditor's Report is enclosed with the Financial Statements and forms part of the Annual Report.

INTERNAL AUDITORS

The Board, at its meeting held on 22nd October, 2019, had re-appointed Ernst & Young LLP as the Company's Internal Auditors for a tenure of three years ending on 30th September, 2022.

SECRETARIAL AUDITORS

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

Pursuant to the SEBI circular no. CIR/CFD/CMD/1/27/2019 dated 8th February, 2019, the Annual Secretarial Compliance Report for the financial year ended 31st March, 2021, issued by V. Sreedharan & Associates, Practising Company Secretaries

is attached as Annexure 7 to this Report and shall also be submitted to the stock exchanges where the shares of the Company are listed.

REPORTING OF FRAUD BY AUDITORS

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

ANNUAL RETURN

In compliance with Section 92 and Section 134 (3) (a) of the Companies Act, 2013 read with applicable Rules made thereunder, the Annual Return as on 31st March, 2021 is available on the Company's website at <https://www.syngeneintl.com/investors/share-holder-services/>.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

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

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

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

BUSINESS RESPONSIBILITY REPORT

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

COVID-19 PANDEMIC

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

WHISTLEBLOWER POLICY/VIGIL MECHANISM

The Company's whistleblower policy allows employees, Directors and other stakeholders to report genuine grievances, corruption, fraud, misconduct, misappropriation of assets, and non-compliance with the code of conduct of the Company or any other unethical practices. The policy provides adequate safeguard against victimisation to the whistleblower and enables them to raise concerns to the Integrity Committee and provides an option of direct access to the Chairman of

the Audit Committee. In order to maintain the highest level of confidentiality and foster an environment of honesty, the Company has appointed an outsourced agency Navex Global to receive the complaints and co-ordinate with the whistleblower, if required. During FY 2020-21, no individuals have been denied access to the Chairman of the Audit Committee.

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

SIGNIFICANT AND MATERIAL ORDERS BY THE REGULATORS OR COURTS OR TRIBUNALS

During FY 2020-21 there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

STATUTORY DISCLOSURES

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

SECRETARIAL STANDARD DISCLOSURE

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

GREEN INITIATIVE

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

ACKNOWLEDGMENTS

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

We also thank the Government of India, the Government of Karnataka, Government of Telangana, the Ministry of Information Technology and Biotechnology, the Ministry of Commerce and Industry, the Ministry of Finance and Corporate Affairs, the Department of Scientific and Industrial Research, Central Board of Indirect Taxes and Customs, the Reserve Bank of India, the Central Board of Direct Tax, SEZs (Special Economic Zones), BIRAC (Biotechnology Industry Research Assistance Council) and all other government agencies for their support during FY 2020-21 and look forward to their continued support in future.

For and on behalf of the Board

Kiran Mazumdar Shaw
Non-Executive Chairperson
DIN: 00347229

Place: Bangalore
Date: 27th April, 2021