

Syngene

Ref: Syn/Acts/CS/SE/Ltrs-BSE/NSE/AGM-2016

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Biocon Special Economic Zone
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June 3, 2016

www.syngeneintl.com

To, The Manager Listing Bombay Stock Exchange Limited Corporate Relationship Department Dalal Street, Mumbai – 400 001 Scrip Code: 539268	To, The Manager Listing National Stock Exchange of India Limited Corporate Communication Department Bandra (EAST), Mumbai – 400 051 Scrip Symbol: SYNGENE
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Dear Sir/Madam,

Subject: Annual Report for the FY 2015-16

Please find attached the Annual Report 2016 of the Syngene International Limited.

Further, the Annual Report is also available on the website of the Company i.e. www.syngeneintl.com.

Request to kindly take this intimation on record.

Yours faithfully,

For **SYNGENE INTERNATIONAL LIMITED**

Mayank Verma

Mayank Verma

Company Secretary

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Enclosed: Annual Report 2016

Syngene



Engage



Expand




Extend

Syngene International Limited
Annual Report 2015-16



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At Syngene, our teams of scientists work in world-class laboratories and manufacturing facilities putting the science of our clients to work and developing innovative solutions for them. We do this by:

Engaging with clients at multiple points on the discovery, development and commercialisation journey of their molecules

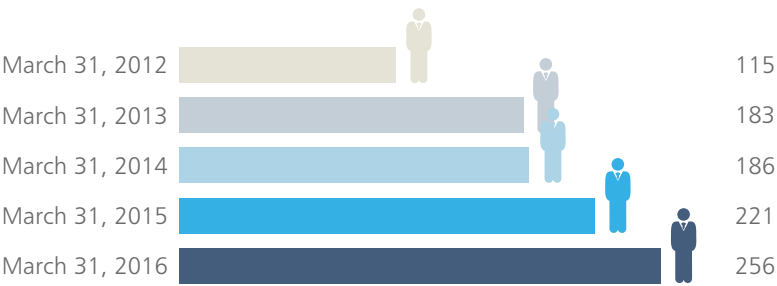
Expanding capacities and enhancing capabilities to serve their growing needs

Extending a business association to a strategic partnership.

Engage. Expand. Extend.



Number of clients





A flexible business model that allows multiple engagement opportunities with clients and builds enduring relationships.

Syngene is India's leading contract research organisation offering a range of integrated end-to-end discovery and development services for novel molecular entities (NMEs).

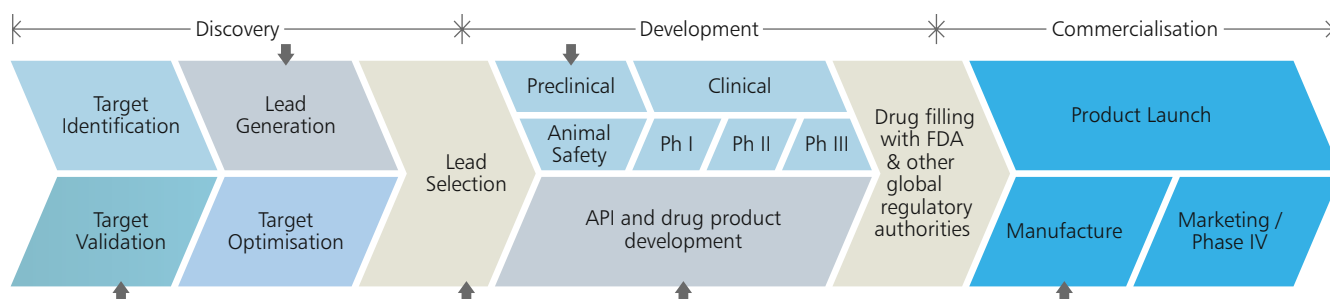
Our 'plug-and-play' business model provides clients with multiple entry points across an integrated operating structure.

Depending on their requirements, they can choose to engage with us for a component service or for a cluster of services or for a fully-integrated discovery-dedicated service, with dedicated infrastructure and teams.

This flexible business model is integral to our strategy of strengthening our client relationships and has translated into an appreciable growth in our customer base. We place great emphasis on maintaining frequent and open dialogue with our clients and our long-term association with many of them helps us better understand their future requirements and thereby open up new avenues to engage with them further.

The result: Eight of the top-10 global pharmaceutical companies are engaging with Syngene today for their research requirements.

Plug-and-play business model





Expand

Expanding business capabilities into a predictable revenue driver.

Syngene started out in 1994 as a provider of discovery chemistry and discovery biology services. Over the years, we have made strategic investments in capacity expansion and enhancing our capabilities to meet the growing requirements of our clients.

Our flexible business model ranges from full time equivalent (FTE) to fee-for-services (FFS) or a combination of both, which can be customised as per the client's requirement.

In FY 2015-16, Syngene invested in...

- Expanding its R&D laboratory space
- Added new services in stability, analytical & bio-analytical services as well as viral testing
- Invested in new platforms like Small Interfering RiboNucleic Acid (SiRNA) and Antibody-Drug Conjugates (ADCs)



Extend

Extending a strategic response into a core business strategy.

Through an ongoing engagement with clients and continuous expansion of service offerings, Syngene aspires to extend its association with clients: from just being a contract research and manufacturing service provider to becoming a strategic partner in their overall business growth.

Our impeccable track record of quality and regulatory compliance, world-class infrastructure and talent pool to position ourselves as an extension of our customer's business operations.

It is this aspiration that is reflected in our multi-year, multi-disciplinary partnerships with some of the leading global organisations like Bristol-Myers Squibb Co., Abbott Laboratories (Singapore) Pte. Ltd. and Baxter International Inc., among others.

Syngene International.

Indian Intellect. Global Contribution.



Leading India-based
Contract Research
and Manufacturing
player

Focus on Novel
Molecular Entities

Employing more
than
2,500
scientists

Servicing the
growing needs of
more than
250
clients

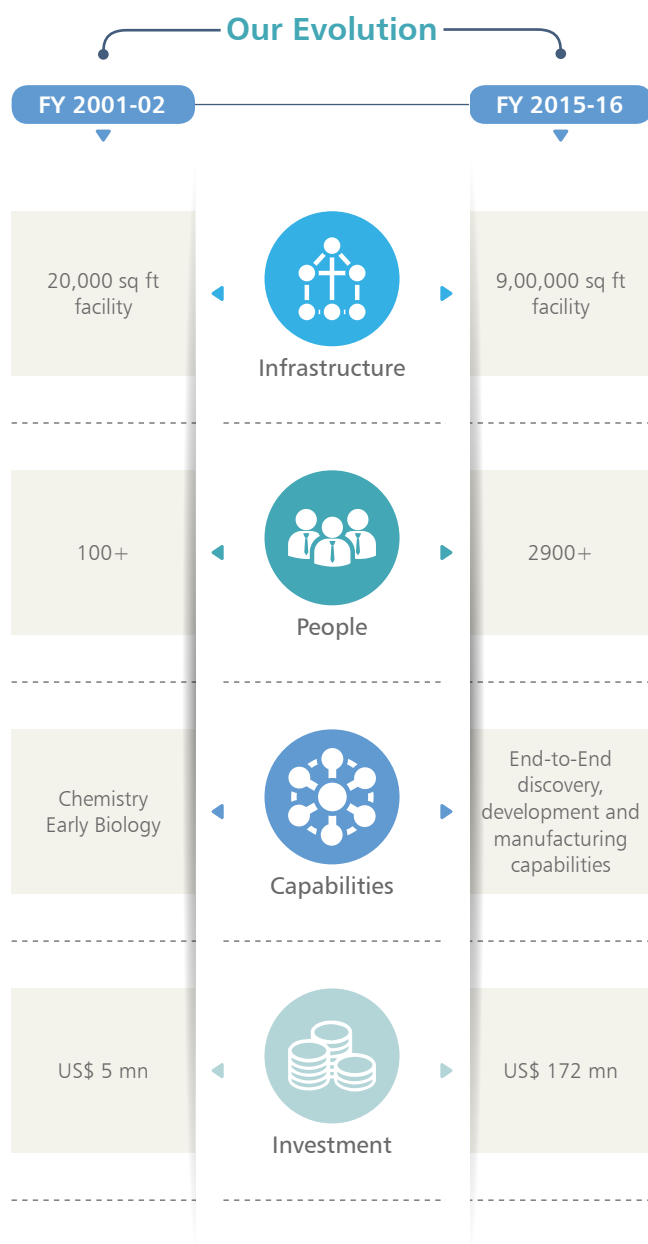
Deriving
95%
revenues from
outside India

Our visiting card

- India's first Contract Research Organisation (CRO), established in 1994
- Rich experience in novel molecule discovery and development services
- Providing an Integrated Service Platform for small and large molecules
- World-class infrastructure, audited successfully by US FDA, EMA, AAALAC and major life sciences partners

Our Differentiators

- Combining superior intellect and world-class infrastructure around an Indian cost advantage
- Transforming large fixed research costs into variable costs
- Focus on novel molecule development and increasing R&D productivity



Our vision

Syngene's vision is to be a world-class partner delivering innovative, scientific solutions.

- **World-class:** Infrastructure and team
- **Partner:** Building long-term strategic relationships
- **Delivering:** Flawless execution at every project stage
- **Innovative scientific solutions:** Provide innovative services as per client requirements

Our values

Integrity: To be ethical, honest and transparent in all we do

Excellence: To commit ourselves to the highest levels of scientific and operational excellence

Professionalism: To practice the highest degree of professionalism by encompassing attributes such as accountability, reliability and customer focus

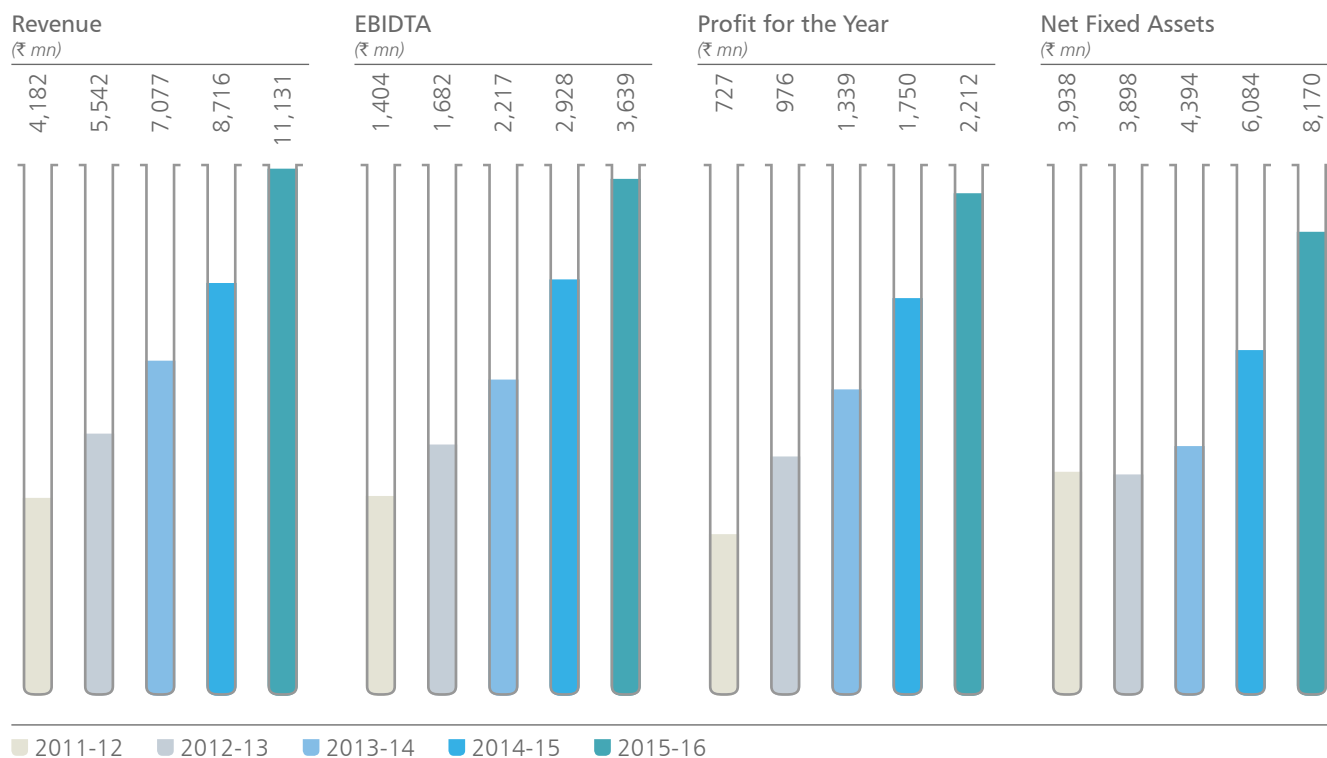
Corporate achievements, 2015-16

- IPO was subscribed 31 times; Syngene shares were listed at ₹ 295 on the BSE and National Stock Exchange, an 18% premium over the offer price
- Cleared three USFDA audits of our Clinical Development facilities
- Won the CIO 100 Networking Pioneer Special Award and the Organisation with Innovative HR Practices Award

Business achievements, 2015-16

- Added 35 new clients
- Invested in new capabilities (Antibody Drug Conjugates, oligonucleotides and viral testing)
- Commenced operations at our new state-of-the-art Stability Centre
- Completed expansion of our manufacturing facilities in Bengaluru, India

Good research is good business





How we grew our business in 2015-16

	Q1	H1	9M	FY16
Revenue (₹ mn)	2,358	4,982	7,789	11,131
Net Profit (₹ mn)	436	959	1,547	2,212
EBIDTA (₹ mn)	770	1,638	2,581	3,639

The Syngene Advantage



Rich Experience

Over two decades of experience in the CRO space across discovery and development services for novel molecular entities with a strong track record of quality and regulatory compliance.

Intellectual Capital

Our ~2500 research scientists (more than 90% with Doctorate or Master degrees) reflects our rich intellectual capital, making it possible to undertake complex and integrated projects across multiple segments.

Services

Syngene provides the entire services basket comprising discovery (from 'hit' to candidate selection), development (pre-clinical and clinical studies, analytical and bio-analytical evaluation, formulation development and stability studies) and manufacturing (scale-up, pre-clinical and clinical supplies), making us a 'one-stop' solution provider for R&D-focused organisations.

Flexibility

Our integrated discovery, development and manufacturing platform provides our clients with multiple entry points.

Multi-sector

Over the years, we have developed sound expertise in novel molecule development for diverse industrial sectors spanning pharmaceutical, biotechnology, agrochemicals, nutrition, animal health and speciality chemicals.

Infrastructure

Our world-class infrastructure has been successfully audited by USFDA, EMA, AAALAC and major life science partners. Our laboratory and manufacturing space successfully cleared five USFDA audits in the last three years.

Diverse Clientele

Our 250-plus clients comprising large multinationals, mid-sized enterprises and small companies, reflects our flexibility in customising services around diverse client needs.

Project Delivery

Our track record of on-time delivery without compromising quality or regulatory compliances positions us as a dependable partner for our clients.

28%

Revenue growth (5-year CAGR)

27%

EBIDTA growth (5-year CAGR)

32%

Net profit growth (5-year CAGR)

25%

Net cash from operating activities growth (5-year CAGR)

Business Performance



Syngene's business revolves around three key verticals – dedicated R&D centres, discovery services and development and manufacturing services. These three verticals underpin our integrated service platform and help us support our clients as their molecules move through the discovery-development stages towards commercialisation.

Dedicated R&D Centres

Our dedicated R&D Centres involve long-term strategic collaborations usually five years or longer and entail setting up dedicated customised infrastructure with a dedicated team of scientists. We currently have dedicated centres for Bristol-Myers Squibb, Abbott Nutrition and Baxter International.

Syngene's Dedicated R&D Centres

	Biocon BMS Research Centre (BBRC)	Baxter Global Research Centre (BGRC)	Abbott Nutrition Research & Development (ANRD)
Client	Bristol-Myers Squibb	Client: Baxter International Inc.	Client: Abbott Laboratories (Singapore) Pte. Ltd.
Infrastructure	Largest R&D centre in Asia for BMS set up in 2009.	Dedicated research centre in India for Baxter set up in 2013.	Abbott Nutrition's first R&D centre in India set up in 2012.
Facilities	Equipped with world-class facilities.	State-of-the-art facility capable of providing best-in-class R&D services (medical products and devices).	Dedicated research centre supporting the development of affordable, nutrition products.
Team	Over 400 scientists engaged in the search for small and large molecules.	Engages a multifaceted team of ~150 scientists.	~30 multi-disciplinary scientists engaged in various activities across the product development lifecycle.
Activities	Developed nine drug candidates for further study and received approvals for human trials.	R&D activities centred on product development and preclinical evaluation of molecules in the parenteral nutrition and the renal therapy categories.	Focus on maternal, paediatric and neo-natal nutrition and providing diabetic care, in line with emerging market needs.

Revenue growth from this vertical was on account of expansion in the services that we provide under the integrated model.

Discovery Services

The discovery services vertical consists of multiple client engagements across discovery chemistry and discovery biology based service offerings. It entails an in-depth understanding of discovery chemistry and discovery biology pertaining to small and large molecules.

The Discovery Services vertical has grown on the back of strong traction in Discovery Biology, which mirrors the growing interest of pharmaceutical and biotechnology companies in Large Molecules, within their own pipelines. Syngene's investment in this vertical over the last five years has allowed us

to expand our capabilities and, through this, add more clients from across the globe.

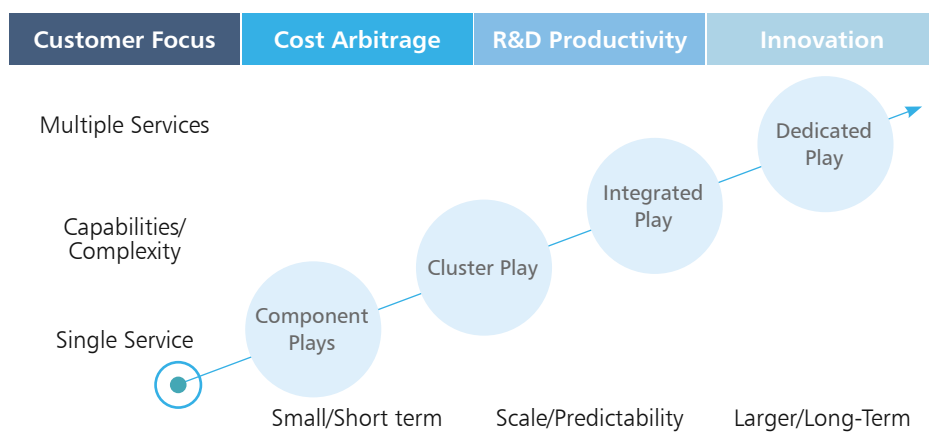
Continuing with our philosophy of engaging the best scientific minds, during the year, we strengthened our scientific leadership across the discovery vertical by recruiting senior research professionals with substantial experience of having worked with global R&D-oriented organisations.

Development and Manufacturing Services

The development and manufacturing segment encompasses the services, which support a molecule once it moves beyond in-vivo testing to preclinical studies and clinical development. It also includes manufacturing of molecules for clinical supplies and commercialisation.

It requires a comprehensive knowledge of pre-clinical, small and large molecule manufacturing for clinical supplies, formulation development, stability and clinical development services.

The Company's growth in development and manufacturing services during the year was driven by a strong performance in the chemical development segment because a large number of client projects successfully moved into the later phases of development. This opened new opportunities for the Company to engage with these clients and expand the scope of work done for them as the Company supported their journey through development towards commercialisation.



Syngene enjoys an integrated presence across the discovery, development and commercialisation value chain. This has allowed it to enter into flexible contracts and attract several esteemed international clients. Over the last four years, the Company has amply diversified and more than doubled its client base (from 183 in FY13 to 256 in FY16).

New capital expenditure projects



Our continuous engagement with clients helps us gain a better understanding of their requirements. It is this insight that guides us in proactively investing in expanding capacities and enhancing capabilities. We earmarked a capex of USD 200 mn to be invested over the next two to three years.

Mangalore Manufacturing Facility

We will invest USD 100 mn in the upcoming commercial scale manufacturing facility taking shape at Mangalore. This facility is spread across 40 acres in the Mangalore SEZ. It will manufacture Active Pharmaceutical Ingredients and Intermediates (API); non-pharma novel molecules including advanced intermediates, agro chemicals and performance / speciality chemicals meant for supplies in various scales. The API facility will be designed to develop processes for pre-clinical, clinical and

commercial launch scale material. Other capabilities will include scale-up of the product from lab to pilot and commercial manufacturing. The facility will meet national and international regulations and shall be built as per cGMP and other appropriate regulatory guidelines. We are currently in the process of obtaining necessary permits and regulatory approvals to commence building and this facility is expected to be operational by FY19.

Syngene Research Centre

This facility was undertaken to address the anticipated increase in demand for our discovery services. The 200,000 sq. ft centre will be a versatile state-of-the-art research facility that will support integrated discovery programs in chemistry and biology. The first phase comprising 50,000 sq. ft. is scheduled for commissioning in Q1 FY2016-17.

Formulation Centre

Our upcoming Formulation Centre, taking shape at Bangalore, will have capabilities to manufacture solid oral dosage forms (tablets, Pellets/Capsules/Granules/Powders/NDDS), parenteral dosage forms (Liquids/Lyophilisation) as well as liquid orals and semisolids (Solution/Suspension/ Emulsion, Cream/Ointment/Gel). The facility includes a development lab, cGMP manufacturing facilities, analytical and development stability labs. The first phase of the Centre is scheduled to commence operations by H2 FY 2016-17.

Biologics Manufacturing Facility

Large molecule development has tremendous growth potential in the coming years. In order to access this potential, we are in the process of expanding our large molecule (or Biologics) manufacturing capacity by establishing a new unit in Bangalore. This will deliver a five-fold increase in the existing capacity and will be equipped with cutting-edge technology including single-use bio reactors. This project is progressing well and is in the final phase of commissioning. We expect the facility to be operational by H1 FY2017-18.

Our upcoming Oligonucleotide and Viral Testing Centre will be the first of these kind of facilities to be set up in India and will significantly expand Syngene's capabilities.

Quality and Regulatory Compliance



One critical factor that help us in engaging with our clients and extending our relationships into strategic partnerships is our impeccable track record of quality and regulatory compliance. As a global CRAMs player catering to large number of multinational clients, quality compliance is integrated into every stage of our activities - clinical research, where testing in humans is conducted under Good Clinical Practices (GCP), laboratory

research, where nonclinical testing is done to determine safety / toxicity in animal systems under Good Laboratory Practices (GLP) and manufacturing, regulated by Good Manufacturing Practices (GMP). During the year, we successfully cleared three USFDA inspections of our clinical development facility without any major observations or 483s. With this, we have successfully cleared five USFDA audits in the last three years.

In addition to these inspections, the facility has also been inspected by ANVISA (Brazil), PMDA (Japan), CAP (USA), EMA (Austria and Spain) and NABL (India). The GLP-testing facility has also been inspected twice by National GLP Compliance Monitoring Authority (NGCMA).

BUSINESS ENABLER

Human Resource

The HR philosophy at Syngene reflects the corporate philosophy to engage, expand and extend relationships with key stakeholders. It is this philosophy that guides our HR practices aimed at 'Hiring-Training-Retaining' of a skilled talent pool. Our innovative HR practices, collaborative work environment, driving leadership and developing a 'Values-based culture' has helped us bag the 'Organisation with Innovative HR Practices' award at the 14th Annual Asia Pacific HRM Congress. We have steadily increased our scientific pool at an average 15% per year in the past few years and are able to stay well below the market average in terms of attrition.

During 2015-16, we inducted ~800 employees into our work force from various disciplines. In order to overcome the challenges of attracting the right talent pool, we have a well-defined and strategic approach towards manpower planning. About 5% of our talent base are freshers hired from some of the leading educational institutes across India who are groomed through well-crafted training programs at the Syngene Training Academy, the 'finishing school' course preparing them to be deployed across our various projects.

We also reach out to some of the best-in-class domestic and international universities and colleges to ensure a rich and versatile scientific talent pool of post-graduates and post-doctorates. Social media tools like Facebook, LinkedIn and Glassdoor are also

used to attract and engage potential candidates.

Learning & Development

Learning and development is an important ingredient of our talent management and development that helps us expand the knowledge and capabilities of our employees. While we focus on in-house soft-skill and behavioural learning interventions through contemporary learning methodologies like simulation, team building, case studies or theatre-based delivery, we also participate in certification or external technical up-gradation seminars, conferences and symposiums to build capabilities in a holistic way. We have developed three high-impact training modules that aim at leadership development across levels. These are EXCEED (for junior managers), Step-up Managers (for middle managers) and LEAD (for future leaders).

Performance Management

Our performance management is driven by the philosophy of driving high performance. Our robust performance management system, called R.O.A.D (Review of Objectives Appraisal and Development), focuses not only on SMART objective-setting but also rigorous performance management, coaching and review methodologies.

Gender Diversity

At Syngene, we are committed to ensuring gender diversity amongst our workforce. During the year, we

launched Stree@Syngene, an internal forum that will enhance diversity and inclusion at the workplace. It will create an enabling environment that supports and facilitates female employees to pursue their professional careers without compromising personal responsibilities.

Engaging the Workforce

At Syngene, we support a culture of collaboration, teamwork, learning and engagement. We take pride in our young workforce with an average age of 28 years. Our endeavour is to create a work environment that helps employees bring out the best in them. A host of facilities like cafeteria, transport facility, childcare facility, annual health check, medical insurance, holiday benefits, relocation allowance, shift allowance, well-equipped gym and other amenities ensure a safe and pleasant work environment.

Various internal committees, comprising cross-function teams, like the Syngene Swachh Sammiti that organises various activities aimed at spreading civic awareness, and the Syngene Sports Club, that periodically conducts sports events, help employees connect with each other outside of their work and contribute to employee and social welfare.

Information Technology



A robust IT infrastructure, information systems and processes are crucial at every stage of our operations. Our IT infrastructure comprises world-class data centres with state-of-the-art equipment and virtualised servers, a robust Local Area Network (LAN) with structured cabling and fibre backbone connectivity, firewall and intrusion prevention systems and a 72 Mbps Internet Gateway. Seamless communication within our internal teams and clients is enabled through IP-supported video and audio conferencing systems. A centralised automated instrument data backup system ensures no data loss. All backups are stored off-site in fire-proof

cabinets to ensure business continuity and information retrieval in case of any eventuality.

Syngene entered into strategic alliances with some of the global IT leaders to engage them for their services. These include Enterprise Agreement with Microsoft for Office products (Office O365), SAP for ERP support across the organisation and alliance with EMC VMware for Server Virtualisation & Citrix for Desktop Virtualisation. All the scientific teams have authorisation-based access to online Electronic Lab Notebooks, Library Information Management Systems and Chromatographic Data Systems. Client-specific dashboards and virtual e-rooms,

secured using 128-bit encryption enable safe and secure interaction with clients across the virtual platform in real-time.

Syngene is the first CRO in India to implement SAP ERP that provides a comprehensive transactional backbone with an enterprise wide software foundation to enable operational excellence and innovation. Our IT team regularly conducts IT security awareness programs to sensitise employees on issues related to cyber security.

BUSINESS ENABLER

Environment Health and Safety



Syngene is committed to maintain the highest standards of EHS by complying with applicable local, national as well as international laws and regulations. To minimise the environmental impact of our operations, we have a comprehensive EHS Policy and are continually implementing EHS systems and programs through a dedicated EHS team. We have been certified ISO 14001:2004 and OHSAS 18001: 2007 by TUV Nord. During the year, we completed over 10 mn accident-free person-hours. We initiated a system of cross-unit audits of all R&D and manufacturing units. A total of 52 audits were conducted during the year including client and regulatory audits.

EHS Training

Regular training programs are

conducted to sensitise employees on the importance of following safety procedures and systems. During the year under review, we implemented an integrated training program for our employees that consists of six modules - Chemical safety, Laboratory safety, Operation of emergency safety equipment, EHS systems, Emergency response procedure and Contractor safety trainings. Also, external training was conducted on fire-fighting, first aid and pest management.

Industrial Hygiene

Special focus on industrial hygiene was embedded into our existing and new product development processes. The objective of the initiative to make our manufacturing processes safer, especially pertaining to the health

of our employees. Annual medical examinations were conducted for all employees and contract workers across Syngene.

Environment Conservation

At Syngene, reduce, reuse and recycle is an ingrained philosophy in all our activities. We have zero-liquid discharge facility with world-class environment management practices. Solid waste is sent to a third party for reuse and recycling whereas liquid waste is recycled. The hazardous waste is sent to either a landfill site or incineration as the case may be.

Corporate Information

Board of Directors

1 Ms. Kiran Mazumdar Shaw
Managing Director

2 Mr. John Shaw
Non-Executive Director

3 Mr. Peter Bains
Director and CEO
(*Non-Executive Director*
from April 1, 2016)

4 Prof. Catherine Rosenberg
Non-Executive Director

5 Mr. Russell Walls
Independent Director

6 Mr. Suresh Talwar
Independent Director

7 Mr. Paul Blackburn
Independent Director

8 Dr. Bala S. Manian
Independent Director

9 Mr. Daniel Bradbury
Independent Director



Senior Leadership Team

- 1 Jonathan Hunt
*Chief Executive Officer
(from April 1, 2016)*
- 2 Manoj Nerurkar, Ph.D.
Chief Operating Officer
- 3 M. B. Chinappa
Chief Financial Officer
- 4 Dola Mukherjee
Head-Human Resources
- 5 Thomas Privette, Ph.D.
*Head-Global Business
Development*
- 6 Srinivasa Prahalada, Ph.D.
Head-Safety Assessment
- 7 Dhananjay Patankar, Ph.D.
*Head-Pharmaceutical and
Biopharmaceutical Development*
- 8 Chetan Tamhankar, Ph.D.
Head-Clinical Development
- 9 Jegadeesh Thampi, Ph.D.
Head-Chemical Development
- 10 Ajit Manocha
Head-IT
- 11 Jayashree Aiyar, Ph.D.
Head-Biology
- 12 Ajit Simh
*Head-Corporate Quality /
Regulatory Compliance*
- 13 Gregory Bisacchi, Ph.D.
Head-Synthetic Chemistry
- 14 Purushottam Singnurkar, Ph.D.
Research Director
- 15 Mayank Verma
*Company Secretary and
Compliance Officer*



Audit and Risk Committee

Mr. Russell Walls, *Chairman*

Mr. Paul Blackburn

Mr. Suresh Talwar

Nomination and Remuneration Committee

Dr. Bala S. Manian, *Chairman*

Mr. Daniel Bradbury

Prof. Catherine Rosenberg

Stakeholders' Relationship Committee

Mr. Suresh Talwar, *Chairman*

Mr. Russell Walls

Mr. Paul Blackburn

Corporate Social Responsibility Committee

Dr. Bala S. Manian, *Chairman*

Mr. Suresh Talwar

Prof. Catherine Rosenberg

Chief Executive Officer

Mr. Jonathan Hunt (from April 1, 2016)

Chief Operating Officer

Mr. Manoj Nerurkar

Chief Financial Officer

Mr. MB Chinappa

Company Secretary and Compliance Officer

Mr. Mayank Verma

Registered and Corporate Office

Syngene International Limited

Biocon SEZ, Biocon Park

Plot No. 2 & 3, Bommasandra Industrial Area IV Phase

Jigani Link Road, Bommasandra

Bengaluru 560 099

Karnataka, India

Tel: (+91 80) 2808 2023

E-mail: investor@syngeneintl.com

Website: www.syngeneintl.com

CIN No.: L85110KA1993PLC014937

Statutory Auditors

S. R. Batliboi & Associates LLP

Chartered Accountants

12th & 13th floor, UB City, Canberra Block

No. 24, Vittal Malliya Road, Bengaluru 560001

Karnataka, India

Secretarial Auditors

V. Sreedharan & Associates

Company Secretaries

No. 32/3, 1st & 2nd Floor, GNR Complex,

8 Cross, Wilson Garden, Bengaluru 560027

Karnataka, India

Registrar and Share Transfer Agents

Karvy Computer Share Private Limited

(Unit: Syngene International Ltd.)

Karvy Selenium, Tower- B, Plot No 31 & 32.,

Financial District, Nanakramguda,

Hyderabad, 500032, India.

Email Id: einward.ris@karvy.com

Statutory and Financial Section



Director's Report

Dear Members,

We are pleased to present the 23rd Annual Report of your company on business and operations along with the Audited Financial Statements and the Auditor's Report for the Financial Year ended March 31, 2016.

FINANCIAL HIGHLIGHTS

(₹ in mn)

Particulars	March 31, 2016	March 31, 2015
Total revenues	11,131	8,716
Total expenditure	7,492	5,788
Profit before interest depreciation and tax	3,639	2,928
Depreciation & Interest	1,057	893
Profit before tax	2,582	2,035
Provision for tax	370	285
Profit after tax	2,212	1,750
Total Profit available for Appropriation	7,395	5,424

State of Company's Affairs/Performance Overview

The highlights of the Company's performance are as under:

- Revenues increased by 28% (From ₹ 8,716 mn to ₹ 11,131 mn)
- Operational Margin (EBITDA) increased by 24% i.e. from ₹ 2,928 mn to ₹ 3,639 mn
- Profit after tax increased by 26% from ₹ 1,750 mn to ₹ 2,212 mn for the year.

In April 2015, Syngene filed a Draft Red Herring Prospectus

(DRHP) with the Securities and Exchange Board of India (SEBI) seeking approval for an Initial Public Offer (IPO) through an offer for sale by Biocon Limited for a part of its shareholding in the Company.

Subsequently, in July, 2015 the company came up with an Initial Public Offer (IPO) of 22,000,000 equity shares of face value of ₹ 10 each for cash at a price of ₹ 250 per equity share (including a premium of ₹ 240 per equity share) through an offer for sale by Biocon Limited aggregating to ₹ 5,500 mn including a reservation of 2,000,000 equity shares for subscription by Biocon shareholders for cash at a price of ₹ 250 per equity share aggregating to ₹ 500 mn. The total offer constituted 11%

of Company's post-offer paid-up equity share capital.

Thereafter, the company received the listing and trading approval from the National Stock Exchange of India Limited and Bombay Stock Exchange Limited on August 11, 2015.

The Board of Directors appointed Mr. Jonathan Hunt as Chief Executive Officer–Designate of the Company effective from January 4, 2016. Subsequently, on January 21, 2016 the Board approved the appointment of Mr. Jonathan Hunt as Chief Executive Officer of the Company effective from April 1, 2016, in place of Mr. Peter Bains, Chief Executive Officer who retired on March 31, 2016.

Material Changes and Commitments

Mr. Jonathan Hunt, resumed the responsibility as Chief Executive Officer of the Company effective from April 1, 2016 in place of Mr. Peter Bains who retired on March 31, 2016. However, Mr. Bains will continue to act as a Non-Executive Director on the Board of the Company.

Apart from the above, there were no material changes and commitments that occurred subsequent to the end of the financial year till the date of this report, which affects the financial position of the Company.

Change in Nature of Business

There has been no change in the nature of business of the company. Your Company continues to be one of the leading Contract Research and Manufacturing Services (CRAMS) in the country.

Paid up capital

During the year, the equity shares paid up capital stood at ₹ 2000 mn.

Employees

Syngene has strong knowledge base with a total strength of 2,967 employees as on March 31, 2016. With the focused and collaborative efforts of its employees, Syngene has

achieved greater heights during the year and has built a strong international reputation.

Dividend

The Board on March 11, 2016 approved the Interim Dividend of Re 1/- per share (10%) for the financial year ended March 31, 2016. The Interim Dividend, was subsequently paid to the shareholders on March 29, 2016 and no further dividend was recommended by the Board.

Transfer of unpaid and unclaimed amount to IEPF

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, dividend and Refund of Share application Money due for refund which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend/unclaimed 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. During the year, no amount was due for transfer to IEPF.

Employee Stock Option Plan

As required under Securities and Exchange Board of India (Share Based Employee Benefits) Regulation 2014, the applicable disclosures as on March 31, 2016 are annexed to this Report as Annexure 1.

During the financial year under review, pursuant to regulation 12(1) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulation 2014, the Company has obtained the approval of the members through postal ballot on "Ratification of Syngene Employee Stock Option Plan 2011 ("ESOP 2011"), the pre-IPO plan.

There is no material change in the Syngene Employee Stock Option Plan - 2011 (the Plan) and the Plan is in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulation 2014.

Loans, Guarantees or Investments

There were no Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013.

Deposits

During the financial year under review, the company did not accept any deposits covered under chapter V of the Companies Act, 2013.

Credit Rating

CRISIL upgraded its rating on the banking facilities to be availed by Syngene from various bank/financial institution to 'CRISIL AA/Stable' from 'CRISIL AA-/Positive'. The rating on the short-term facilities were reaffirmed at 'CRISIL A1 +'.

Details of Directors or KMPs appointment or resignation during the year

I. Appointment

During the year, Dr. Bala S Manian (DIN: 01327667) was appointed as an additional Independent director of the company effective from June 24, 2015 and who shall hold office up to the date of ensuing Annual General Meeting. Thereafter, subject to member's approval he will be appointed for a term of 5 years commencing from the date of Board's appointment and not liable to return by rotation.

Subsequently, Mr. Suresh N Talwar (DIN: 00001456) was appointed as an additional Independent director of the company effective from October 09, 2015 and who shall hold office up to the date of ensuing Annual General Meeting. Thereafter, subject to member's approval he will be appointed for a term of 3 years commencing from the date of Board's appointment and not liable to return by rotation.

II. Re-appointment of Managing Director

At the members meeting held on December 14, 2011, Ms. Kiran Mazumdar Shaw, was appointed as Managing Director of the Company. The Board of Directors at their meeting held on April 26, 2016 approved the re-appointment of Ms. Kiran Mazumdar Shaw as Managing Director for a term of five years, subject to the member's approval. Accordingly, approval of

the members is sought for her re-appointment as Managing Director of the Company for a period of five years effective from December 14, 2016.

The brief resume of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting, in Pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Annual General Meeting Notice.

III. Retirement

During the year the tenure of Prof. Charles Cooney, as Independent Director came to an end on June 22, 2015 and Mr. Peter Bains, Chief Executive Officer retired on March 31, 2016.

Mr. John Shaw, shall retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Meetings of the Board

A calendar of Meetings is prepared and circulated in advance to the Directors. The Board met four times during the financial year, the details of which are given in the Corporate Governance Report which is annexed and forms a part of this report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Declaration by Independent Directors

The Company has received the necessary declaration from each Independent Director, in accordance with Section 149(7) of the Companies Act, 2013, that he/she met the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 and the Regulation 16(1)(B) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Composition of Audit Committee

The Audit Committee of the Company comprises entirely of Independent members. The current members of the committee are Mr. Russell Walls, Chairman, Mr. Paul F Blackburn and Mr. Suresh N Talwar. The Board has accepted all recommendations

made by the Audit Committee during the year.

The composition and other relevant details of other board level committees i.e. Audit & Risk Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee & Corporate Social Responsibility Committee are disclosed separately in the Corporate Governance Report which is annexed to and forms a part of this Report.

Policy on Directors' Appointment and Remuneration

The policy of the Company on Director's appointment and remuneration, including criteria for determining qualifications, independence and other matters as provided under subsection (3) of Section 178 of the Companies Act, 2013 is annexed to this Report as Annexure 2.

Board Diversity

A diverse Board enables efficient functioning through differences in perspective and skill, and also fosters differentiated thought processes at the back of varied industrial and management expertise, gender, knowledge and geographical background. The Board recognises the importance of a diverse composition and has adopted a Board Diversity Policy which sets out the approach to diversity.

Board Evaluation

As per the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the formal annual evaluation was carried out for the Board's own performance, its committee & Individual directors. The manner and detail in which evaluation was carried out is stated in the Corporate Governance Report which is annexed and forms a part of this report.

Adequacy of Internal Financial Control

The Company had laid down guidelines, policies, procedures and structure to enable implementation of appropriate internal financial controls across the company. These control processes enable and ensure the orderly and efficient conduct of 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 & disclosure of financial statements.

There are control processes both on 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.

Risk Management Policy

The Company had put 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 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 reviews strategic decisions of the Company and on 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 and / or associated frameworks, processes and practices of the Company.

Vigil Mechanism Policy

The Company had implemented a vigil mechanism, whereby employees, directors and other stakeholders can report matters such as generic grievances, corruption, misconduct, fraud, misappropriation of assets and non-compliance of code of conduct to the Company. The policy safeguards the whistle blowers to report concerns or grievances and also provides a direct access to the Chairman of the Audit Committee. During the year under review none of the personnel has been denied access to the Chairman of Audit Committee.

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

Disclosure under Section 22 of the Sexual Harassment of Women at Workplace

(Prevention, Prohibition and Redressal), Act, 2013

The Company's policy on prevention of sexual harassment of women provides for the protection of women employees at the workplace and for prevention and redressal of such complaints. There were no complaints pending for the redressal at the beginning of the year and no complaints received during the financial year.

Corporate Governance Report

The Company is committed to observe good corporate governance practices. The report on Corporate Governance for the financial year ended March 31, 2016, as per regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms a part of this Annual Report. The requisite Certificate from the Statutory Auditors of the Company confirming compliance with the conditions of Corporate Governance is annexed to this Report.

Management Discussion and Analysis Report

Management Discussion and Analysis forms a part of this annual report and is annexed to this report.

Director's Responsibility Statement

Based on the framework of internal financial controls established and maintained by the Company, reviews performed by Management in concurrence with the Audit Committee, is of the opinion that the Company's internal financial controls were adequate and effective as on 31 March, 2016.

In Compliance with section 134(5) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and 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 had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as 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 and loss of the company for that period;

- (c) The directors had 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 had prepared the annual accounts on a going concern basis;
- (e) The Directors had 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 have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Statutory Auditors

Members at its 22nd Annual General Meeting held on June 22, 2015 approved the appointment of M/s. S R Batliboi & Associates LLP, Chartered Accountants, [Firm Registration Number: 101049W] as Statutory Auditors for a period of two years i.e. until the conclusion of 24th Annual General Meeting to be held in 2017. The Company had received a notice from statutory auditors stating their unwillingness to continue as statutory auditors of the Company from the conclusion of 23rd Annual General Meeting.

Hence, we propose to appoint M/s. BSR & Co., LLP, Chartered Accountants, [Firm Registration Number: 101248W/W100022] as Statutory Auditors for a period of five years, from the conclusion of 23rd Annual General Meeting scheduled on June 30, 2016 till the conclusion of 28th Annual General Meeting to be held in 2021, which shall be ratified in every annual general meeting. Further, the Company received an intimation from M/s. BSR & Co., LLP, Chartered Accountants to the effect that if they will be appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013 and the Rules framed thereunder for appointment as Statutory Auditors of the Company.

Secretarial Auditors

Section 204 of the Companies Act, 2013 read with rules made thereunder inter-alia requires every listed company to annex

with its Board's report, a Secretarial Audit Report given by a Company Secretary in Practice, in the Form MR-3.

The Board of Directors has appointed M/s V. Sreedharan & Associates, Practicing Company Secretaries, as Secretarial Auditor to conduct the Secretarial Audit of the Company for the Financial Year 2015-16. The report did not contain any qualification, reservation or adverse remark. The Board of Directors at its meeting held on April 26, 2016 approved the appointment of M/s V. Sreedharan & Associates, Practicing Company Secretaries, as Secretarial Auditor to conduct a Secretarial Audit of the Company for the Financial Year 2016-17. The Secretarial Audit Report of the Company for the Financial Year 2015-16 is annexed to this Report as Annexure 3.

Board's response on the remarks made by Statutory Auditors and Secretarial Auditors

There were no qualifications, reservations and adverse remarks made by the statutory auditors in their Audit Report and by the Company Secretary in practice in their Secretarial Audit report.

Significant and material orders by the regulators or courts or tribunals impacting the Company's going concern status and operations in future

During the period under review, no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in the future.

Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, the Company constituted a Corporate Social Responsibility Committee, which comprises of Dr. Bala S Manian, Chairman, Mr. Suresh Talwar, and Prof. Catherine Rosenberg. The Committee monitors and oversees various CSR initiatives and activities of the Company.

Syngene's CSR initiatives are based on the principle of making enduring impact through programs 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 organization, the Company invested in CSR programs aimed at making a difference to the lives of marginalized communities.

The Company's CSR activities are implemented through Biocon Foundation. Biocon Foundation develops and implements healthcare, educational, and infrastructure projects for marginalized sections of society.

The CSR policy of the Company is available on the Company's website at <http://www.syngeneintl.com/investor-relations/corporate-governance>. A detailed report on CSR activities is annexed to this Report as Annexure 4.

Related Party Contracts or Arrangements

There were no materially significant related party transactions entered between the Company, Directors, management, or their relatives except for those disclosed in the financial statements.

All the contracts/arrangements/transactions entered into by the Company with the related parties during the financial year 2015-16 were in the ordinary course of business and on an arm's length basis.

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contract or arrangement in Form AOC-2 does not form a part of this report.

The company has formulated a policy on "Materiality of Related Party transactions and on dealing with Related Party Transactions" and the same is on the company's website at <http://www.syngeneintl.com/investor-relations/corporate-governance>.

The details of related party disclosure form a part of the notes to the financial statements provided in the annual report.

Conservation of energy, technology absorption and 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 5.

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 6.

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 a part of this report. Considering first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report, excluding the said information, was sent to the members of the Company and others entitled thereto. The said information is available for inspection at the registered office of the Company during working hours up to the date of ensuing annual general meeting. Any member interested in obtaining such information may write to the Company Secretary in this regard. The said information is also available on the website of the company at www.syngeneintl.com.

Extract of Annual Return

An extract of the Annual Return in Form MGT-9 in compliance with Section 92 of the Companies Act 2013 read with applicable Rules made thereunder is annexed to this Report as Annexure 7.

Statutory Disclosures

None of the Directors of your 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 Companies Act, 2013 and Listing Regulation.

Acknowledgment

The Board appreciates the commitment and dedication of its employees across all the levels who have contributed to the growth and sustained success of the Company. We would like to thank all our clients, vendors, bankers and other business associates for their continued support and encouragement during the year.

We also thank the Government of India, Government of Karnataka, Ministry of Information Technology and Biotechnology, Ministry of Commerce and Industry, Ministry of Finance, Department of Scientific and Industrial Research, Customs and Excise Departments, Income Tax Department, CSEZ, LTU Bengaluru and all Other Government Agencies for their support during the year and look forward to the same in the future.

For and on behalf of the Board

Sd/-

Date: April 26, 2016

Place: Bengaluru

Ms. Kiran Mazumdar Shaw

Managing Director

DIN: 00347229

ANNEXURE 1

Annexure pursuant to Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations' 2014

SI No.	Particulars	Grant 2013 #	Grant 2014 #	Grant 2015
a	Total options granted	57,53,925	2,12,683	9,30,583
b	Number of options granted during the year	-	-	9,30,583
c	Number of options forfeited / lapsed	11,45,795	24,580	23,200
d	Number of options vested	11,95,275	-	
e	Number of options exercised	7,60,781	-	-
f	Number of shares arising as a result of exercise of options	7,60,781	-	-
g	Money realized by exercise of options, if scheme is implemented directly by the Company (₹ in mn)	-	-	-
h	Loan repaid by the Trust during the year from exercise price received (₹ in mn)	17	-	-
i	Number of options outstanding	38,47,349	1,88,103	9,07,383
j	Number of options exercisable	4,34,494	-	-
k	Exercise price	22.50	22.50	22.50
l	Variation in terms of options	None	None	None
	Employee wise details of options granted during the year			
	a. Senior Management Personnel 1. Mr Jonathan Hunt - CEO - Designate	None		5,40,812
	b. Employees who have received a grant in any one year of options amounting to 5% or more of options granted during that year. 1. Mr Jonathan Hunt - CEO - Designate	None		5,40,812
	c. Employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital of the company at the time of grant.	None		
Note:	# Pre-IPO grants			
	The Syngene ESOP Scheme was approved by the members at the extra ordinary general meeting held on December 14, 2011. Further at the Annual General Meeting held on June 22, 2015 the Scheme was approved in compliance with SEBI (Share Based Employee Benefits) Regulation 2014. Later the Company vide Postal Ballot has obtained the members approval on "Ratification of Syngene Employee Stock Option Plan 2011 ("ESOP 2011"), the pre-IPO plan, on December 5, 2015.			
	Please refer note to accounts for other ESOP related disclosures/details			

ANNEXURE 2

Policy on Director's Appointment and Remuneration

The policy on appointment and remuneration of directors and key management personnel provides an underlying basis and guide for human resource management, thereby aligning plans for strategic growth of the Company. The policy is pursuant to Section 178(4) of the Companies Act, 2013.

A brief summary of the policy in relation to the Objective, appointment criteria, remuneration and general matters as administered by the Nomination and Remuneration Committee are reproduced herewith –

BACKGROUND

Section I

The Key Objectives of the Committee / Policy would be:

- To guide the Board in relation to appointment, retention and removal of Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel & and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component.
- To devise a policy on Board diversity.
- Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws.
- Analysing, monitoring and reviewing various human resource and compensation matters.

Composition and Meetings

The Board has constituted a Nomination and Remuneration Committee in line with the requirements of the Companies Act, 2013 which oversees the functions related to appointment

and Remuneration of Directors, Key Managerial Personnel and Senior Management Personnel.

The terms of composition and requirements as to the meeting of the Committee are as below-

- The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- Minimum two (2) members shall constitute a quorum for the Committee meeting.
- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.

Definition

'Act' means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

'Board' means Board of Directors of the Company.

'Committee' means the Nomination and Remuneration Committee

'Directors' mean Directors of the Company.

'Key Managerial Personnel' means Chief Executive Officer and Managing Director, Whole-time director, Chief Financial Officer, Company Secretary; and such other officer as may be prescribed under the Act.

'Senior Management' means Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors

Section II

This section covers the duties of the Committee in relation to various matters and recommendations to be made by the Committee to the Board.

Role and Responsibility of Committee

Matters to be dealt with, perused and recommended to the Board by the Committee shall include –

- Formulating the criteria for determining qualifications, positive attributes and independence of a director.
- Identifying persons who are qualified to become Director and persons who may be appointed in Key Managerial positions in accordance with the criteria laid down in this policy.
- Recommending to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

Specifically, the responsibilities include

A. Nomination Matters

- Determining the appropriate size, diversity and composition of the Board;
- Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Identifying and recommending Directors who are to be put forward for retirement by rotation;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance, Industry benchmarks and compliance;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- Recommend necessary changes to the Board in line with Board Diversity Policy; and

- Considering any other matters, as may be requested by the Board.

B. Remuneration Matters

- Considering and determining the Remuneration Policy, based on performance with a reasonable and sufficient need to attract, retain and motivate members of the Board.
- To approve the remuneration of key managerial personnel of the Company by maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company, and its growth strategy.
- To consider any other matters as may be requested by the Board and/or are statutorily prescribed under any law to be attended to by such committee.

Section III

This section covers the Policy for appointment, term and retirement of Director and KMP by the Committee.

Appointment Criteria and Qualifications

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP and recommend to the Board his / her appointment.
- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- The Company shall not appoint any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

Term / Tenure

- **Managing Director/Whole-time Director:** The Company shall appoint or re-appoint any person as its Managing Director or Executive Director for a term not exceeding such term as may be specified under the Act. No re-appointment shall be made earlier than one year before the expiry of term, and which shall be done with the approval of the shareholders of the Company.
- **Independent Director:** - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular intervals and at least on an annual basis.

Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

Retirement

The Director and KMP shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director or KMP in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Section IV

This Section of the Policy covers provisions relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

General

- The remuneration to the Whole-time Director and KMP will be determined by the Committee and recommended to the Board for approval. Wherever required, the remuneration / compensation / commission etc. shall be subject to approval of the shareholders of the Company and Central Government.
- The remuneration and commission including increments recommended to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down as per the provisions of the Act. These would be subject to approval of the shareholders of the Company.

Remuneration to Whole-time / Executive / Managing Director and KMP

- Fixed pay:** The Whole-time Director / Managing Director shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board and approved by the shareholders and Central Government, wherever required. The Committee shall approve the remuneration for the KMP.
- Minimum Remuneration:** If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.
- Long-term rewards:** These long-term rewards are linked to contribution to the performance of the Company based on relative position of the personnel in the organisation. These rewards could be in the form / nature of stock options and

are based on level of employees and their criticality.

- d) Provisions for excess remuneration: If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration to Non- Executive / Independent Director:

- a) Remuneration/Commission: The remuneration/commission shall be fixed as per as per the limits mentioned in the Act, subject to approval from the shareholders as applicable.
- b) Sitting Fees: The Non- Executive / Independent Director shall receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed such amount as may be prescribed by law from time to time.
- c) Stock Options: An Independent Director shall not be entitled to any stock option of the Company.

The remuneration structure for Independent directors per meeting of the Board / Committee effective April 1, 2014 is as follows

Particulars	Currency	Amount
Board Sitting Fees	₹	100,000
Board Remuneration	US\$	5,000
Travel Allowance for Overseas Directors (Non US)	US\$	3,000
Travel Allowance for Overseas Directors (US)	US\$	4,000
Chairperson of Audit and Risk Committee	US\$	3,000
Chairperson of other Committees	US\$	2,000
Members of Audit and Risk Committee	US\$	2,000
Members of other Committees	US\$	1,000

Amendments and updations

The Nomination and Remuneration Committee periodically shall review this Policy and may recommend amendments to this Policy from time to time as it deems appropriate, which shall be in accordance with the provisions of the Companies Act, 2013. In case of any modifications, amendments or inconsistencies with the Act, the provisions of the Act and the rules made thereunder would prevail over the Policy.

sd/-

Bengaluru
April 26, 2016

Ms. Kiran Mazumdar Shaw
Managing Director
DIN: 00347229

ANNEXURE 3

Form No.: MR-3 Secretarial Audit Report

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

For the financial year ended: March 31, 2016

To,
The Members,
Syngene International Limited
Bengaluru

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year ended on March 31, 2016 (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, Overseas Direct Investment and External Commercial Borrowings;
- (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, 2009;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;(Not Applicable to the Company during the Audit Period);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not Applicable to the Company during the Audit Period);
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period);

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

- a. Drugs and Cosmetics Act 1940
- b. Bio Medical Waste (Management & Handling) Rules, 1998
- c. ICH Guidelines (this is the base on which US FDA/ EU Guidelines etc. are created on).
- d. UCPMP (Currently voluntary – however proposed to be made mandatory).
- e. National Biodiversity Act 2002
- f. Drugs & Magical Remedies (Objectionable Advertisements) Rules, 1955
- g. Budapest Treaty 1977 - on the International Recognition of the Deposit of Microorganisms
- h. Narcotic Drugs and Psychotropic substance Act
- i. Drugs (Control) Act, 1950
- j. Ethical Guidelines for Biomedical Research on Human Participants, 2006
- k. The Poisons Act, 1919
- l. Prevention of Cruelty to Animals Act, 1960 and the Breeding of and Experiments on Animals (Control and Supervision) Rules, 1998
- m. Atomic Energy Act, 1962 and Atomic Energy (Radiation Protection) Rules, 2004
- n. Radiation Protection Rules, 1971
- o. Radiation Surveillance Procedures for Medical Application of Radiation, 1989

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

- a. Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.
- b. Listing Agreements (till November 30, 2015) entered into by the Company with BSE Limited and National Stock Exchange of India Limited and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (From December 01, 2015 to March 31, 2016)

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, agenda and detailed notes on agenda were sent at least seven days in advance, 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 based on Compliance Report/Certificate of the Company Secretary (CS) of the company which was then on record by the board of directors, that 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.

We further report that during the audit period, except the Offer of 22 mn equity shares held in the company by its holding Biocon Limited, for sale to public, there was no event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.,

For V. Sreedharan & Associates
sd/-

Bengaluru
April 26, 2016

Pradeep B. Kulkarni
Partner

FCS: 7260; CP No. 7835

ANNEXURE 4

Corporate Social Responsibility

[Pursuant to Section 135 of Companies Act, 2013]

Syngene's CSR initiatives are based on the principle of making enduring impact through programs 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 organization, the Company invested in CSR programs aimed at making a difference to the lives of marginalized communities.

The Company's CSR activities are implemented through Biocon Foundation. Biocon Foundation develops and implements healthcare, educational, and infrastructure projects for marginalized sections of society. Visit our website: www.syngeneintl.com for more details related to our CSR Policy.

CSR committee

The CSR Committee of our Board provides oversight of CSR Policy and monitors execution of various activities to meet the set CSR objectives.

The members of the CSR Committee are-

- a) Dr. Bala S Manian, Chairperson
- b) Prof. Catherine Rosenberg
- c) Mr Suresh N Talwar

Financial Details

The provisions pertaining to Corporate Social Responsibility as prescribed under Section 135 of the Companies Act, 2013 are applicable to the Company. A summary of the financial details as sought by the Companies Act, 2013 are as follows -

In ₹ mn

Particulars	Amount
Average net profit before tax of the Company for last three financial years*	1,537
Prescribed CSR expenditure (2% of the average net profit as computed above)	30.73
Details of CSR spent during the financial year:	
Total amount to be spent for the financial year	30.73
Total amount spent	30.73
Amount unspent, if any	-

The details of the amount spent during the financial year is detailed below:

₹ in mn

SI No	CSR project / program name	Sector	Location of project / program	Amount outlay (budget)	Amount spent on the projects or programs	Cumulative spend up to the reporting period.	Amount spent: direct/ through external agency
(i)	Expenditure on Projects & Programs						
1	ARY Primary Healthcare Clinics	Healthcare and medical facilities	Karnataka – At nine Arogya Raksha Yojana Primary Healthcare Outpatient Clinics	4.30	6.12	6.12	Biocon Foundation
2	Cancer Screening Program	Healthcare and medical facilities	Various districts in Karnataka	1.13	1.14	1.14	Biocon Foundation
3	E-Health – Rajasthan & Karnataka	Healthcare and medical facilities	Rajasthan & Karnataka	3.38	1.54	1.54	Biocon Foundation
4	Chinnara Ganitha	Improving quality of education	Various districts in Karnataka	2.32	2.59	2.59	Biocon Foundation
5	Project Once	Clean Drinking Water and Rain water harvesting	Bengaluru (Huskur)	0.93	0.62	0.62	Biocon Foundation
6	Women's Hostel	Rural development	Haliyal, Karnataka	0.93	0.48	0.48	Biocon Foundation
7	Rural development project	Rural development	Karnataka	11.10	4.11	4.11	Biocon Foundation
8	International School of Business	Improving quality of education	Hyderabad	1.56	1.90	1.90	Biocon Foundation
9	Grant to NGO	Grant to NGO	Karnataka, Telengana	3.11	2.32	2.32	Biocon Foundation
(ii)	Administrative Expenses	Office expenses	Bengaluru	1.97	2.92	2.92	Biocon Foundation
(iii)	Corpus #			-	6.99	6.99	Biocon Foundation
	Total			30.73	30.73	30.73	

₹ 6.99 is lying with Biocon Foundation as corpus.

Responsibility statement

We hereby confirm that the implementation of the Policy and monitoring of the CSR projects and activities is in compliance with CSR objectives and CSR Policy of the Company.

Bengaluru
April 26, 2016

sd/-
Ms Kiran Mazumdar Shaw
Managing Director
DIN: 00347229

sd/-
Dr. Bala S Manian
Chairperson, CSR Committee
DIN: 01327667

ANNEXURE 5

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, 2016)

Power and Fuel Consumption

In ₹ mn

Power and Fuel Consumption Details	FY 16	FY15
1 Electricity		
a) Purchased		
Million Unit	36	31
Total amount (₹ mn)	328	295
Rate/Unit (₹)	8.73	9.85
b) Captive generation		
HSD Quantity, KL	55	15
Million Units	0.16	0.05
Units / Litre	3.0	3.0
Cost/Lit (₹)	51	58
Generation cost, Rate / Unit (₹)	17	19
2 Steam		
a) Furnace Oil		
HSD Quantity, KL	72	68
Total amount (₹ mn)	4	4
Average rate (₹)	51	58
Technology Absorption, Adoption and Innovation		
No Technology was imported by the Company during the year.		

Energy Conservation details:

Sl. No.	Energy conservation measure	Investment (₹) mn	Energy saved per Annum Unit	(₹) mn
1	Installation of variable frequency drive for cooling towers Pumps 50HP (6no's) results 20% energy saving	0.82	2,46,540	2.09
2	Sharing the chiller loads from step control to step less control for power optimization (60KW)			
3	Changing 3W LED lamps with timer instead of 60W for reactor Vessel lamps			
4	Regulation in usage of office lighting and comfort AC			

Foreign exchange earnings and outgo

In ₹ mn

Foreign exchange earnings and outgo for the year:	FY 16	FY15
Foreign Exchange Earnings	10,579	8,168
Foreign Exchange Outgo	2,708	2,407

* For details please refer information given in the notes to the annual accounts of the company schedule 32 (a) (c) and (d).

On behalf of the Board of Directors
sd/-

Date: April 26, 2016

Place: Bengaluru

Ms. Kiran Mazumdar Shaw
Chairperson & Managing Director
DIN: 00347229

ANNEXURE 6

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

(1) Ratio of the remuneration of each Director/KMP to the median remuneration of all the employees of the Company for the Financial Year 2015-16:

Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for FY 2015-16 (₹ In mn)	% increase in remuneration in the Financial Year 2015-16	Ratio of the remuneration of each Director/KMP to the median remuneration of all the employees
Non-Executive Directors				
1.	Mr. J M M Shaw	-	-	-
2.	Prof. Catherine Rosenberg	0.40	0.00	-
Executive Director				
3.	Ms. Kiran Mazumdar Shaw	-	-	-
4.	Mr. Peter Bains #	44.00	-	82.95
Key Managerial Personnel (KMP)				
5.	Mr. Chinappa MB, CFO	32.52	-	61.31
6.	Mr. Mayank Verma, CS	2.25	11.34	4.26
Median remuneration of all the employees of the Company for the Financial Year 2015-16				₹ 5,30,424
The percentage increase in the median remuneration of employees in the Financial Year				6.17%
The number of permanent employees on the rolls of Company as on March 31, 2016				2,967

Notes:

*. The ratio of remuneration to median remuneration is based on remuneration paid during the period April 1, 2015 to March 31, 2016.

#. Mr. Peter Bains, Director and CEO, appointed w.e.f. February 2, 2015 and tenure as CEO has come to end on March 31, 2016 but he will be continue on board as Non-Executive Director. Mr. Jonathan Hunt was appointed as the Chief Executive Officer with effect from April 1, 2016. Accordingly, the disclosures with respect to median and remuneration is not made.

Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for FY 2015-16 (₹ In mn)	% increase in remuneration in the Financial Year 2015-16	Ratio of the remuneration of each Director/KMP to the median remuneration of all the employees
Independent Director				
1.	Mr. Russell Walls	3.20	-	6.04
2.	Dr. Bala S Manian	3.10	-	5.85
3.	Mr. Paul Frederick Blackburn	2.90	22.88	5.47
4.	Mr. Daniel M. Bradbury	2.20	-	4.15
5.	Mr. Suresh N Talwar	1.70	-	3.20

(2) Relationship between average increase in remuneration and company performance:

The average increase in remuneration during Financial Year 2015-16 was 12% as compared with previous financial year. Net revenues of the Company grew 28% to ₹ 11,131 mn from ₹ 8,716 mn for the financial year ended March 31, 2015. The total employee cost for the Financial Year ended March 31, 2016 was ₹ 2,503 mn against ₹ 2,019 mn for the Financial Year ended March 31, 2015. The total employee cost as a

percentage of net revenues was 22.49% (last year 23.16%).

Average increase in remuneration is guided by factors like inflation, normal salary revisions, external competitiveness and talent retention.

Besides employee costs, other significant internal and external factors impacting performance of the Company are explained in detail in the Management Discussion & Analysis Report.

(3) Comparison of the remuneration of the KMP against the performance of the Company:

Particulars	(₹ mn)
Aggregate remuneration of KMP in Financial Year 2015-16	78.77
Revenue	11,131
Remuneration of KMPs (as% of revenue)	0.71%
Profit before Tax (PBT)	2,582
Remuneration of KMPs (as% of PBT)	3.05%

(4) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Sl. No.	Description	(₹ crores)
1	MARKET CAP VARIATION	
	M Cap at March 31, 2016	7,685
	M Cap at March 31, 2015 #	-
	Variation in M cap in FY 2016 (%)	-
2	PRICE-TO-EARNINGS RATIO	
	- PE as at March 31, 2016 (Mkt Price/EPS)	34.74
	- PE as at March 31, 2015 (Mkt Price/EPS)#	-
	Variation in PE in FY 2016 (%)	-
3	% INCREASE/DECREASE FROM IPO	
	- IPO price per share (August 11, 2015)	250
	- Market price as at March 31, 2016	384.25
	% Increase from IPO	53.70%

#. Details not given as the Company got listed on Stock Exchange on August 11, 2015.

(5) 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 12%. The total managerial remuneration for the Financial Year 2015-16 was ₹ 78.77 mn as against ₹ 39.96 mn during the previous year.

(6) Comparison of the each remuneration of the KMP against the performance of the Company:

(₹ in mn)

Particulars of Remuneration	Key Managerial Personnel (KMP)			
	Ms. Kiran Mazumdar Shaw	Mr. Peter Bains	Mr. Chinappa MB	Mr. Mayank Verma
	MD	CEO	CFO	CS
Remuneration in Financial Year 2015-16	-	44.00	32.52	2.25
Revenue	₹ 11,131 mn			
Remuneration as% of revenue	-	0.40%	0.29%	0.02%
Profit before Tax (PBT)	₹ 2,582 mn			
Remuneration as% of PBT	-	1.70%	1.26%	0.09%

(7) The key parameters for any variable component of remuneration availed by the directors:

Remuneration to the EDs involve balance between fixed and variable pay reflecting short and long-term performance objective appropriate to the working of the Company, its goals, for attracting and retaining the best talent.

Remuneration to NEDs involve sitting fees for attending meetings of the Board/Committees and commission based on the attendance and contribution towards governance practices and discharging fiduciary duties.

(8) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

Not Applicable

(9) Affirmation

I affirm that Remuneration is as per the remuneration policy of the Company.

Date: April 26, 2016

Place: Bengaluru

On behalf of the Board of Directors
sd/-

Ms. Kiran Mazumdar Shaw

Managing Director

DIN: 00347229

ANNEXURE 7

MGT-9

Extract of Annual Return

REGISTRATION & OTHER DETAILS:	
1. CIN	L85110KA1993PLC014937
2. Registration Date	November 18, 1993
3. Name of the Company	SYNGENE INTERNATIONAL LIMITED
4. Category/Sub-category of the Company	Company Limited by Shares
5. Address of the Registered office & contact details	Biocon SEZ, Biocon Park, Plot.No.2 & 3, Bommasandra Industrial Area IV Phase, Jigani Link Rd, Bommasandra Bengaluru – 560099 Contact: Tel +91 80 2808 2023 Email: mayank.verma@syngeneintl.com
6. Whether listed company	Yes
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited Plot 31-32, Karvy Selenium, Tower B, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Contact: Tel +91 40 23312454; Email: einward.ris@karvy.com

Principal Business activities of the Company

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Scientific Research & Development	72	100.00

Particulars of holding, subsidiary and associate companies

S. No.	Name and Address of the Companies	CIN/GNL	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section under Companies Act, 2013
1	Biocon Limited	L24234KA1978PLC003417	Holding	72.61	2(87)

SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

1. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	[As on 31-March-2015]				[As on 31-March-2016]				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	584	0	584	0.00	13198	0	13198	0.01	0.01
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	169,084,516	0	169,084,516	84.54	147,084,516	0	147,084,516	73.54	-11.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other (Trust)	0	2,000,000	2,000,000	1.00	2,000,000	0	2,000,000	1.00	0.00
Sub Total (A-1)	169,085,100	2,000,000	171,085,100	85.54	149,097,714	0	149,097,714	74.55	-10.99
(2) Foreign									
a) NRI Individual	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A-2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A-1 + A-2)	169,085,100	2,000,000	171,085,100	85.54	149,097,714	0	149,097,714	74.55	-10.99
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	558,522	0	558522	0.28	0.28
b) Banks / FI	-	-	-	-	7,319	0	7,319	0.00	0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	20,000,004	0	20,000,004	10.00	-	-	-	-	-10.00
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs/Foreign Portfolio Investor	-	-	-	-	12,672,150	0	12,672,150	6.34	6.34
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Silver Leaf Oak (Mauritius) Ltd.	-	-	-	-	19,850,000	0	19,850,000	9.93	9.93
Foreign National	-	-	-	-	50,000	0	50,000	0.02	0.02
Sub-total (B)(1):-	20,000,004	0	20,000,004	10.00	33,137,991	0	33,137,991	16.57	6.57

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	[As on 31-March-2015]				[As on 31-March-2016]				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.	2,226,659	0	2,226,659	1.11	38,97,907	0	38,97,907	1.95	0.84
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	7,638	599	8,237	0.00	5,687,578	10	5,687,588	2.84	2.84
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	1,512,192	0	1,512,192	0.76	0.76
c) NBFC's registered with RBI	-	-	-	-	4,504	0	4504	0.00	0.00
c) Any Others (specify)	-	-	-	-					
Non Resident Indians	-	-	-	-	3,10,318	0	3,10,318	0.16	0.16
Qualified Foreign Investors	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	4,02,567	0	4,02,567	0.20	0.20
Trusts	-	-	-	-	30,000	0	30,000	0.02	0.02
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	2,234,297	599	2,234,896	1.12	11,845,076	0	11,845,076	5.92	4.80
Total Public Shareholding (B)=(B)(1)+ (B)(2)	22,234,301	599	22,234,900	11.12	44,983,057	10	44,983,067	22.49	11.37
C. Shares held by Custodian for GD₹ & AD₹									
D. Non Promoter non Public	6,680,000	0	6,680,000	3.34	5,919,219	0	5,919,219	2.96	-0.38
Grand Total (A+B+C+D)	197,999,401	2,000,599	200,000,000	100.00	199,999,990	10	200,000,000	100.00	0.00

2. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Biocon Limited	167,217,843	83.61	0	145,217,843	72.61	0	-11.00
2	Biocon Limited Employee Welfare Trust	2,000,000	1.00	0	2,000,000	1.00	0	-
3	Biocon Research Limited	1,866,673	0.93	0	1,866,673	0.93	0	-
4	Kiran Mazumdar Shaw	584	0.00	0	7,638	0.01	0	0.01
5	Yamini R Mazumdar	-	-	-	3,000	0.00	0	0.00
6	Ravi R Mazumdar	-	-	-	60	0.00	0	0.00
7	Dev Mazumdar	-	-	-	2,500	0.00	0	0.00
	Total	171,085,100	85.54	0	149,097,714	74.55	0	-10.99

3. Change in Promoters' Shareholding

SI No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Biocon Limited				
	At the beginning of the year	167,217,843	83.61		
	Transfer of shares Offer for sale Syngene IPO Aug 2015	(22,000,000)	(11.00)	145,217,843	72.61
	At the end of the year	145,217,843	72.61	145,217,843	72.61
2	Biocon Research Limited				
	At the beginning of the year	1,866,673	0.93	1,866,673	0.93
	Transfer/ sale of shares during the year	-	-		
	At the end of the year	1,866,673	0.93%	1,866,673	0.93
3	Biocon Limited Employee Welfare Trust				
	At the beginning of the year	2,000,000	1.00	2,000,000	1.00
	Transfer/ sale of shares during the year	-	-	-	-
	At the end of the year	2,000,000	1.00	2,000,000	1.00
4	Kiran Mazumdar Shaw				
	At the beginning of the year	584	0.00		
	Transfer of shares	7,054	0.00	7,638	0.01
	At the end of the year	7,638	0.01	7,638	0.01
5	Yamini R Mazumdar				
	At the beginning of the year	0	0.00		
	Bought during the year	3,000	0.00	3,000	0.00
	At the end of the year	3,000	0.00	3,000	0.00
6	Ravi R Mazumdar				
	At the beginning of the year	0	0.00		
	Bought during the year	60	0.00	60	0.00
	At the end of the year	60	0.00	60	0.00
7	Dev Mazumdar				
	At the beginning of the year	0	0.00		
	Bought during the year	2,500	0.00	2,500	0.00
	At the end of the year	2,500	0.00	2,500	0.00

4. Shareholding Pattern of Top Ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Silver Leaf Oak (Mauritius) Limited				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year	19,850,000	9.93	19,850,000	9.93
	At the end of the year			19,850,000	9.93
2	Syngene Employees Welfare Trust				
	At the beginning of the year	6,680,000	3.34	6,680,000	3.34
	Transfer during the year	760,781	0.38	5,919,219	2.96
	At the end of the year			5,919,219	2.96
3	Goldman Sachs India Fund Limited				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year	2,172,066	1.09	2,172,066	0.33
	At the end of the year			2,172,066	1.09
4	Canara HSBC Oriental Bank of Commerce Life Insurance				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year	1,660,046	0.83	1,660,046	0.83
	Sold during the year	22,100	0.01	1,637,946	0.82
	At the end of the year			1,637,946	0.82
5	Kunal Kashyap				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year	951,546	0.48	951,546	0.48
	At the end of the year			951,546	0.48

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	Columbia Emerging Markets Fund				
	At the beginning of the year	417,759	0.21	417,759	0.21
	Bought during the year	694,786	0.35	1,112,545	0.56
	Sold during the year	403,634	0.20	708,911	0.35
	At the end of the year			708,911	0.35
7	California Public Employees' Retirement System Managed by Wasatch Advisors, Inc.				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year	796,647	0.40	796,647	0.40
	Sold during the year	107,841	0.05	688,806	0.34
	At the end of the year			688,806	0.34
8	DIL Limited				
	At the beginning of the year	687,224	0.34	687,224	0.34
	Bought during the year	-	-	-	-
	At the end of the year			687,224	0.34
9	Government of Singapore				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year	694,387	0.35	659,340	0.33
	Sold during the year	28,756	0.02	665,631	0.33
	At the end of the year			665,631	0.33
10	The Master Trust Bank of Japan				
	At the beginning of the year	600,000	0.30	600,000	0.30
	Bought during the year	-	-	-	-
	At the end of the year			600,000	0.30

5. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Kiran Mazumdar Shaw				
	At the beginning of the year	584	0.00	-	-
	Purchase/transfer during the year	7,054	0.00	7,638	0.01
	At the end of the year	-	-	7,638	0.01
2	Suresh N Talwar				
	At the beginning of the year	0	0.00	-	-
	Purchase/transfer during the year	25,000	0.01	25,000	0.01
	At the end of the year	-	-	25,000	0.01
3	Russell Walls				
	At the beginning of the year	0	0.00	-	-
	Purchase/transfer during the year	25,000	0.01	25,000	0.01
	At the end of the year	-	-	25,000	0.01
4	Bala S Manian				
	At the beginning of the year	0	0.00	-	-
	Purchase/transfer during the year	25,000	0.01	25,000	0.01
	At the end of the year	-	-	25,000	0.01
5	Paul F Blackburn				
	At the beginning of the year	0	0.00	-	-
	Purchase/transfer during the year	25,000	0.01	25,000	0.01
	At the end of the year	-	-	25,000	0.01
6	Catherine Rosenberg*				
	At the beginning of the year	0	0.00	-	-
	Purchase/transfer during the year	60	0.00	60	0.00
	At the end of the year	-	-	60	0.00
7	Chinappa M B				
	At the beginning of the year	7054	0.00	-	-
	Sale/transfer during the year	7054	0.00	0	0.00
	ESOP acquisition /disposal	1,35,203	0.07	1,35,203	0.07
	Sale/transfer during the year	1,35,203	0.07	0	0.00
	At the end of the year	-	-	0	0.00

* Catherine Rosenberg is holding Share jointly with Mr. Ravi R Majumdar.

INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment. (₹ in mn)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	186	1364	-	1550
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1	-	-	1
Total (i+ii+iii)	187	1364	-	1551
Change in Indebtedness during the financial year				
Addition	8723	0.00	-	8723
Reduction	0.00	-1364	-	-1364
Net Change	8723	-1364	-	7359
Indebtedness at the end of the financial year				
i) Principal Amount	8910	0.00	--	8910
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	8910	0.00	-	8910

Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager: (₹ in mn)

Sl. No.	Particulars of Remuneration	Kiran Mazumdar Shaw (MD)	Peter Bains*	Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	24.00	24.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as% of profit - Others, specify...	-	-	-
5	Others, (Bonus)	-	20.00	20.00
	Total (A)	-	44.00	44.00

*Peter Bains was Director and Chief Executive Officer till March 31, 2016 of the Company.

B. Remuneration to other Directors

(₹ in mn)

Sl. No.	Particulars of Remuneration	Name of Directors						Total
1.	Independent Directors	Russell Walls	Suresh Talwar	Daniel Bradbury	Paul Blackburn	Bala S Manian	Catherine Rosenberg	
	Fee for attending board committee meetings	0.40	0.30	0.40	0.40	0.40	-	1.90
	Commission	2.80	1.40	1.80	2.50	2.70	-	11.20
	Others, please specify						-	
	Total (1)	3.20	1.70	2.20	2.90	3.10	-	13.10
2.	Other Non-Executive Directors							
	Fee for attending board committee meetings	-	-	-	-	-	0.40	0.40
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	0.40	0.40
	Total B (1 + 2)	3.20	1.70	2.20	2.90	3.10	0.40	13.50
	Total Remuneration (A+B)							57.40
	Overall Ceiling as per the Act	₹. 243.32 mn (Being 11% of Net profits of the Company calculated as per Section 198 of the Companies Act, 2013)						

C. Remuneration to Key Managerial Personnel other than MD/Manager/Whole-time Director

(₹ in mn)

Sl. No.	Particulars	CFO	Company Secretary	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25.52	1.94	27.46
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.04	-	0.04
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	6.96	0.31	7.27
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as% of profit	-	-	-
	Others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	32.52	2.25	34.77

Note:

1. Salary of Mr. Peter Bains, CEO is not included above, since he is an Executive Director already included in Section (A) above and Mr. Peter Bains stepped down from the post of CEO w.e.f. March 31, 2016 but will continue on board as Non-Executive Director.

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishment/ compounding of offences for the year ended March 31, 2016.

On behalf of the Board of Directors
sd/-

Date: April 26, 2016

Place: Bengaluru

Ms. Kiran Mazumdar Shaw

Managing Director

DIN: 00347229

Management Discussion and Analysis

2015 witnessed another year of slower than expected growth around the world. The growth is estimated at 2.4% given the backdrop of declining commodity prices, subdued trade and weak capital flows. However, corrective actions have already triggered a stabilising commodity scenario and a gradual tightening of financial conditions. Further, a rebalancing China is anticipated to support growth in the years to come. As per the estimates released by World Bank, the global economy is expected to grow by 3% through 2017-18.

The Pharmaceutical industry saw another year of increase with respect to global spending on medicines. As per IMS, the global spending on medicines is likely to reach \$1.4 trillion by 2020 which is a promising CAGR of ~30% over 2015. The Research activity amongst the pharmaceutical companies is expected to see an acceleration of innovation emerging from the research and development pipeline, as well as a range of technology-enabled transformations that have happened in the industry. Global R&D spending in 2015 is estimated at \$139 billion, of which more than 50% could have potentially been outsourced to the CRO industry.

Contract Research Organisations (CROs) offer outsourced services to support discovery and development for R&D driven organisations across industrial sectors like pharmaceuticals, biotechnology, biopharmaceuticals, nutraceuticals, animal health, agro-chemicals, cosmetics and electronics. Growth in the CRO market has historically been driven by growth in R&D spending and increased outsourcing of R&D activities.

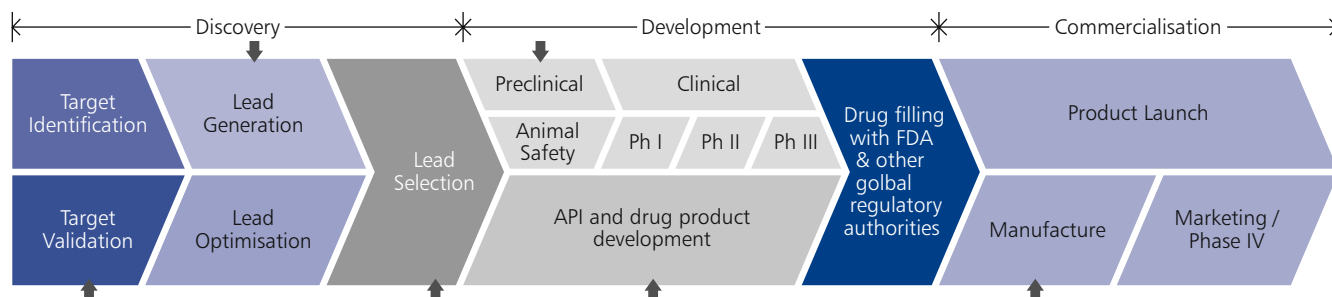
The outsourcing penetration of discovery services, estimated at over 50% of the global pharmaceutical and biotech industry in 2013, is estimated close to 66% in 2015, reflecting a CAGR of 12.5%³. From a standalone development services perspective, the penetration is expected to grow from 27.3% in 2014 to 38.7%³ in 2019, reflecting a CAGR of 12.5%³. The pharma

and biotech industry is moving towards the outsourcing model of their R&D activities and is becoming increasingly reliant on CROs for end to end solutions in order to improve R&D productivity, reduce time to market and cost arbitrage.

The discovery and development process generally involves (1) discovery (target identification, target validation, lead generation, lead optimisation and lead selection), (2) development (pre-clinical testing, clinical testing and regulatory filings with the FDA and other relevant regulators), and (3) manufacture (process development and early stage manufacture) leading to commercialisation (manufacturing and post-marketing follow-up studies on impact and side effects).

Although the CRO industry has grown substantially in recent years, the opportunity to further penetrate potential outsourcing markets remains and should provide an opportunity for the industry to increase its share of global R&D expenditures. The global CRO market for discovery services was estimated to be US\$14.7 billion in 2014 and is expected to reach US\$22.7 billion by 2018, reflecting a CAGR of 11.5% (2014-2018), according to the IQ4I Report. The global CRO market for development services was estimated to be US\$28.8 billion in 2014 and is expected to reach US\$44.6 billion in 2018, reflecting a CAGR (2014-2018) of 11.6%, according to the Frost & Sullivan Report.

There is an increasing trend amongst multinational companies to limit their outsourcing activities to a select group of CROs. This select group of CROs tends to have a broad range of integrated capabilities enabling clients to deepen and strengthen their engagement across multiple services. (Source: IQ4I Report). This trend is becoming more prevalent across the biotechnology and pharmaceutical industries and Syngene's track record of success in growing integrated service platforms positions us to take advantage of such opportunities.



COMPANY REVIEW

Syngene, is one of Asia's leading contract research and manufacturing organisation. It is also the only listed entity in this space in India following its successful IPO during this year. Our services encompass integrated, end-to-end discovery and development services for novel molecular entities (NMEs) across industrial sectors including pharmaceutical, biopharmaceutical, and biotechnology amongst others. We specialise in conducting discovery (from hit to candidate selection), development (including pre-clinical and clinical studies, analytical and bio-analytical evaluation, formulation development and stability studies) and manufacturing (scale-up, pre-clinical and manufacturing supplies) each with a distinctive economic advantage. Unlike the traditional business models, these services are offered through flexible business models ranging from a full-time equivalent ("FTE") to a fee-for-service ("FFS") model or a combination of both customized to suit the client's specific requirement.

With over 2500 scientists and a laboratory base over 900,000 square feet, we currently service 256 clients, ranging from multinational corporations to start-ups, including eight of the top 10 global pharma companies based on their R&D spend. Besides a number of multi-year contracts, Syngene also has three long-duration, multi-disciplinary partnerships, each with a dedicated research centre, with Bristol-Myers Squibb Co. (BMS), Abbott Laboratories (Singapore) Pte. Ltd. (Abbott) and Baxter International Inc. (Baxter). With a proven track record and an effective combination of scientific talent, global accredited systems, R&D infrastructure and continued focus on protection of client's intellectual property, we are well-positioned to benefit from the expected growth in the CRO industry.

FY2016 has been a milestone year for Syngene. While delivering

a robust financial and operating performance, we also had a successful listing on the Indian bourses. The resounding over subscription of our IPO reflected the trust and confidence that investors have had in Syngene's value proposition. The global trends in externalization of research services augur very well for Syngene and given the various aspects of our competitive advantage, we are in a very sound position to deliver on its prospects.

From a financial standpoint, our business revenues grew 28% to ₹ 11,131 mn from ₹ 8,716 mn in the previous fiscal. This growth was driven by robust performances within all three of our key business verticals; dedicated R&D centres, discovery services as well as development & manufacturing services. We registered a PAT growth of 26% to ₹ 2,212 mn from ₹ 1,750 mn in the previous year. Outlined below is a detailed note on each of our verticals (Dedicated R&D Centres, Discovery Services and Development and Manufacturing Service Platform).

Dedicated R&D Centres

For FY16, the growth in the revenues from our three dedicated R&D centres comes from expanding the range of services that we provide through our integrated service model. . We will continue to pursue opportunities to establish more such dedicated centres to meet our clients' long-term R&D requirements. Some key highlights on our three dedicated centres are:

Biocon Bristol-Myers Squibb Research & Development Centre (BBRC)

This facility is the largest R&D centre for Bristol-Myers Squibb (BMS) outside the United States. We have been working closely with BMS since 1998 and in fiscal 2009 established a dedicated research facility for BMS to develop integrated capabilities

in medicinal and process chemistry, biology, biotechnology, biomarkers, drug metabolism and pharmacokinetics, analytical research, and pharmaceutical development. Since its inception, BBRC has produced nine drug candidates for further studies and has also helped BMS reduce the time and costs associated with advancing new compounds to first-in-human studies.

Abbott Nutrition Research and Development Centre (ANRD)

Syngene has set up a dedicated research and development facility exclusively for Abbott Nutrition at its premise in Bengaluru. The facility has a team of about 30 scientists who work closely with the Abbott scientific teams in India and globally. This facility, called Abbott Nutrition Research and Development Centre (ANRD), is Abbott's first nutrition research and development centre in India and focuses on the development of science-based, affordable nutrition products for maternal & child nutrition and diabetes care and enables the expansion of Abbott's nutrition product portfolio.

Baxter Global Research Centre (BGRC)

Syngene and Baxter International Inc., a leading global pharmaceutical company, have collaborated to establish the Baxter Global Research Centre (BGRC) at Syngene's Bengaluru premise. This dedicated Centre, supports Baxter in the Research and Development of medical products and devices to serve patients both in India and around the world. A team of about 150 multidisciplinary Syngene scientists work closely with Baxter scientists in a wide range of R&D activities centered on product and analytical development and pre-clinical evaluation in parenteral nutrition and renal therapy.

Discovery Services

At Syngene, our services initially consisted of simpler discovery chemistry and discovery biology services. As we established credibility and a delivery track record on various technologies we have expanded our offerings extensively across multiple service platforms. We believe our clients value our ability to offer a wide breadth of quality services to meet their R&D needs, and we intend to continue to expand our service offerings in line with the evolving requirements of our clients in the future.

Development and Manufacturing Services

Over the years, a number of our clients' programmes have progressed through the development phase where we have gained significant process knowledge and experience by conducting process development and optimisation activities for these molecules. We believe this would typically make us a partner of choice to manufacture developmental batches and large-scale commercial supplies of these molecules if and when they are commercialised. We thus, intend to evolve from a narrow discovery and development CRO focus to become a full-fledged Contract Research and Manufacturing Services organisation or CRAMS - offering commercial-scale manufacturing capabilities to our innovation focused clients. During the financial year, we entered into two long-term contracts with an existing client for commercial manufacturing of two novel small molecule compounds, which are currently under late stage development. We also intend to attract new clients for commercial manufacturing opportunities. From a capacity development perspective, we have commenced the process of establishing a new commercial-scale facility in Mangaluru to manufacture novel small molecules for innovator companies in pharmaceutical, agrochemical and other industrial sectors. Additionally, we are in the process of expanding our large molecule manufacturing capabilities by establishing a new unit in Bengaluru.

RESOURCE REVIEW

Manufacturing Infrastructure

Syngene has world-class infrastructure with more than 9,00,000 sq. ft. of laboratory and manufacturing space. Some of the key highlights are:

- The Company's research facilities and systems are certified with ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 standards.
- The pre-clinical research facilities are Good Laboratory Practices (GLP) certified and accredited by Association for Assessment and Accreditation of Laboratory Animal Care (AAALAC).
- Clinical facilities are GLP compliant, National Accreditation

Board for Testing and Calibration Laboratories (NABL), College of American Pathologists (CAP) and Central Drugs Standard Control Organisation (CDSCO) accredited and have undergone multiple FDA audits.

In 2015-16, we also successfully completed three USFDA inspections without any major observations.

Capex Plans

The Company intends to invest \$200m through 2019 across the following:

1. Setting up a multi-product, multi-client commercial scale contract manufacturing facility at Mangaluru. The facility is expected to commence construction in FY 2016-17.
2. Setting up the Syngene Research Center spread across a total area of 2,00,000 square feet. The Center will support integrated discovery programs in chemistry and biology. Phase 1 (comprising approximately 50,000 square feet space) will be commissioned in Q1 FY 2016-17.
3. Investing in a state-of-the-art formulation centre for various dosage types.
4. Investing in a new Biologicals Manufacturing facility housed with bioreactors up to 2KL capacity.

Business Development

Our team of business development representatives and support staff market our services to life sciences companies primarily in North America, Europe and Japan. In addition to significant marketing and business development experience, the team also has technical and/or scientific backgrounds. Our business development team works with our senior executives,

functional heads and project team leaders to maintain key client relationships and engage in business development activities. For many of our large clients, we have strategic account management teams with a single point of contact to support delivery and facilitate cultural and process integration opportunities. The Business Development team comprises of 29 members and is led by Mr Thomas Privette, Head – Global Business Development.

Employees

Employees are the cornerstone of our business success. The Company has a co-operative work culture and the employees have a strong affinity for brand Syngene. We have an experienced and qualified team of scientists across multiple disciplines. We believe our position as an industry leader represents a significant competitive advantage in attracting and retaining high-quality scientists required to successfully execute our innovative business model and to differentiate our service offerings. We are also led by a dedicated and experienced executive management team that has a median of 20 years of experience across global clinical research, pharmaceutical and life sciences industries. As of March 31st, 2016, we had 2,967 full-time employees, including 2,571 scientists. With our strong intellectual strength, deep knowledge base and wide network of industry relationships, we intend to drive significant growth in the years to come.

We firmly believe that good employee culture translates performance at an individual level to success for the Company, the industry, clients and to the end users at large. To build on this, we have performance incentives for employees to work on their short term goals and harmonize it with that of the business.

FINANCIAL PERFORMANCE

Balance Sheet

The following table details out the balance sheet as on March 31, 2016(FY16) and March 31, 2015(FY15)

(₹ in mn)

Particulars	FY16	FY15	Change
Equity and Liabilities			
Shareholder's funds			
Share capital	1,992	1,991	0%
Reserves and surplus	8,536	6,458	32%
	10,528	8,449	25%
Non-current liabilities			
Long-term borrowings	7,252	186	3799%
Deferred tax liability (net)	48	49	-2%
Other Long Term Liabilities	526	647	-19%
Long Term Provisions	181	132	37%
	8,007	1,014	690%
Current liabilities			
Short-term borrowings	1,658	1,364	22%
Trade payables	744	692	8%
Other current liabilities	2,764	2,602	6%
Short-term provisions	194	94	106%
	5,360	4,752	13%
Total	23,895	14,215	68%
Assets			
Non-current assets			
Fixed Assets	8,170	6,084	34%
Long Term Loans and advances	1,423	1,142	25%
Other Non-Current Assets	818	1,131	-28%
	10,411	8,357	25%
Current assets			
Current investments	2,764	1,460	89%
Inventories	377	384	-2%
Trade receivables	1,852	1,799	3%
Cash and bank balances	7,199	1,157	522%
Short Term Loans and advances	319	338	-6%
Other Current Assets	973	720	35%
	13,484	5,858	130%
Total	23,895	14,215	68%

Shareholders' Funds

We have an equity share capital comprising of 200,000,000 equity shares of ₹ 10 /- each including shares allotted to the Syngene Employee Welfare Trust. During the year, Syngene Employee Welfare Trust transferred equity shares to eligible employees upon exercise of options by employees under the Syngene Employee Stock Option Plan resulting in increase of Paid up equity share capital of the Company by ₹ 1.

Reserves and Surplus

The total reserves and surplus of the company increased by 32% in FY 16 as compared to FY 15, due to accumulation of profits made during the year net of dividend distribution.

Non-current liabilities

Non-current liabilities increased primarily due to the following reasons:

- Long-term borrowings increased primarily due to drawdown

of the External Commercial Borrowing facility of USD 100 mn for capital expenditure at Bengaluru and Mangaluru premises of the Company.

- Increase in Long-term provisions is towards employee retirement benefit plan.

Non-current assets

Non-current assets grew by 25% primarily due to investments in tangible assets for the Syngene Research Center, payment towards land at Mangaluru SEZ and expansion of facilities across the discovery and development & manufacturing verticals.

Working Capital (Current assets less current liabilities)

Working capital increased from ₹ 1,106 in FY15 to ₹ 8,124 at the end of FY16, on account of External Commercial Borrowing drawdown of USD 100 mn held in Bank deposits, which will be used for funding of Capital expenditure.

Statement of Profit and Loss

The following table details out key components of statement of profit and loss for the fiscals ended March 31, 2016(FY16) and March 31, 2015(FY15)

(₹ in mn)

Particulars	FY 16	FY 15	Change
Total Revenue	11,131	8,716	28%
Expenses			
Cost of chemicals, reagents and consumables consumed	3,104	2,390	30%
Employee benefits expense	2,503	2,019	24%
Other expenses	1,885	1,379	37%
Depreciation & Amortisation expense	973	814	20%
Finance costs	84	79	6%
Total Expenses	8,549	6,681	28%
Profit before tax	2,582	2,035	27%
Tax expenses	370	285	30%
Profit for the year	2,212	1,750	26%

Operating Revenue

The Company's revenue from operations for FY 2015-16 was ₹ 11,131 mn up 28% from the previous fiscal. The Growth in revenue during the fiscal is seen across discovery and development & manufacturing verticals.

Cost of Materials Consumed

The Material costs consist of consumption of raw materials and change in stock. In FY16, material costs as a percentage of our overall revenue from operations have marginally increased by 46 bps, reflecting a change in the composition of our revenues among the key verticals.

Employee Benefit Expenses

The Employee Benefit Expenses comprise of the following items:

- Salaries, wages and bonus
- Contributions to provident fund and other funds
- Contributions towards gratuity provisions
- Amortisation of employee stock compensation expense and
- Welfare expenses (including employee insurance schemes)

The above expenses have increased by 24% in FY16, driven largely by increased employee strength and annual increments to employees.

Other Expenses

This primarily includes Power and fuel, foreign exchange difference, selling expenses like freight outwards, provision for doubtful debts and other general overheads. Overall cost has grown by 37% in FY 16 as compared to FY 15. The expenses have increased mainly on account of growth in operations and hedging cost to cover foreign exchange risk.

Depreciation and Amortization

During this fiscal, the depreciation and amortization increased to Rs 973 mn from Rs 814 mn in FY 15. This increase is on account of expansion of existing facilities.

Finance Costs

The Finance Cost has increased to ₹ 84 mn in FY16 from ₹ 79 mn in FY15, largely due to increase in working capital borrowings.

Tax Expenses

Tax expenses for the fiscal stood at ₹ 370 mn in FY16 compared to ₹ 285 mn in FY15. The effective tax rate has marginally increased by 33 bps.

Earnings Per Share

EPS (Diluted) for the year was at ₹ 11.06 as against ₹ 8.89 in the previous year.

LIQUIDITY

Our primary liquidity requirements are to finance working capital requirements and funding capital expenditure. The financing need is met through a combination of internal accruals, long-

term borrowings and short-term borrowings. A detailed cash flow statement forms part of the financial statements.

RISK & CONCERNS

Risk is a potential event or non-event, the occurrence or non-occurrence of which can adversely affect the objectives of company. Impact of risks could either be monetary that is impact on business profits due to increase in costs, decreasing revenue amongst others or non-monetary which is delay in securing regulatory approvals, reputational damage etc. In addition, we could also be susceptible to risks arising out of our business strategy, decision on innovation or product portfolio. If there is any significant unfavourable shift in industry trend or pattern of demand, our returns on R&D investments might get affected. We also have multiple competitors both in India and overseas and we also stride through risk associated with clients' and prospective clients' dispositions.

As a conscientious organization, we have adopted a risk management framework to ensure early identification and management of various critical risks, which accrue to our business model.

Our contracts are generally terminable on little or no notice. Any delay in the renewal or the termination of a large contract for services or multiple contracts for services could adversely affect our revenue and profitability. However, we adhere to the best of practices to ensure that we de-risk ourselves to a limited business and actions do not affect our business substantially. We are also dependent on the continued outsourcing of R&D by pharmaceutical, biotechnology, agro-chemistry, consumer health, animal health and cosmetic industry companies. Demand for our services may be affected by perceptions of our clients regarding the CRO industry as a whole. For example, other CROs could engage in conduct that could render our clients less willing to do business with us or any CRO. One or more CROs could engage in or fail to detect malfeasance, such as inadequately monitoring sites, producing inaccurate databases or analysis, falsifying patient records, and performing incomplete laboratory work, or take other actions that would reduce the confidence of our clients in the CRO industry. We also depend on a limited number of clients, and a loss of or significant decrease in business from them could affect our

business and have a material adverse impact on our profitability.

We continue to work toward managing this dependency by focussing on diversification of our clientele base and optimization of our business portfolio and strengthen business advantage.

In addition to the above, other key risks relating to our current operations include human capital risk such as loss of key personnel, timely replenishment of critical vacant roles, reliance on third party sole suppliers or service providers including regional supplier reliance, risk arising out of co-development arrangements, disruption of operations from natural disasters, risk arising out of strategic projects, foreign exchange fluctuations, changing landscape of statutory regime etc.

The risk management framework adopted by the Company ensures continuous focus on identifying, assessment & evaluation, and adequate mitigation of various risks affecting the Company. The Audit & Risk committee reviews the Company's critical risks, overall risk exposure and timely changes to overall exposure, and status of various risk mitigation plans on a periodic basis.

INTERNAL CONTROLS

The Company is responsible for establishing and ongoing maintenance of adequate and effective internal controls and for the preparation and presentation of the financial statements, in particular, the assertions on the internal financial controls in accordance with broader criteria established by the Company.

A robust, comprehensive internal control system is a prerequisite for an organization to function ethically and in commensuration with its abilities and objectives. We have established a strong internal control system for the Company, comprising of the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation and presentation of reliable financial information.

This internal control system is aimed at providing assurance on the company's effectiveness and efficiency of operations, compliance with laws and regulations, safeguarding of assets and reliability of financial and management reporting.

Company is staffed with experienced and qualified people who play an important role in designing, implementing, maintaining and monitoring the internal control environment.

An independent body of Chartered Accountants performs periodic internal audits to provide reasonable assurance over internal control effectiveness and advice on industry wide best practices. The Audit committee consisting of independent director's review important issues raised by the Internal and Statutory auditors thereby ensuring that the risk is mitigated appropriately with appropriate rectification measures on a periodic basis.

OUTLOOK

At Syngene, we believe we are well-positioned to capture market opportunities and to benefit from the expected growth in the R&D outsourcing market through our competitive strengths. We have come a long way from being a discovery chemistry and discovery biology-focused CRO to an integrated provider of discovery and development services for NMEs across a range of domains including small molecules, large molecule biologics, ADCs and oligonucleotides. While pharmaceutical and biotechnology companies will continue to remain our core client base, we would also look to broad base our discovery and development capabilities to serve a number of industrial sectors beyond these sectors. This will include sectors such as nutraceuticals, animal health, agro-chemicals, cosmetics etc.

We believe our operational track record in successful delivery of projects, responsiveness, process innovation, turnaround times, and productivity will continue to strengthen our client base and induce new growth opportunities. We are also establishing new capabilities and augmenting our existing services across the discovery and development continuum in line with the changing requirements of the global R&D focussed industries. We remain positive on the business.

Corporate Governance Report

[Pursuant to Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 “Listing Regulations”]

The detailed report on Corporate Governance for the financial year ended March 31, 2016, as per regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out below:

Company's Philosophy on Code of Governance

The Company implements and practices the principles of Corporate Governance based on fairness, transparency, integrity, honesty and accountability consistently being followed in all its business practices and dealings.

The Company is committed to observe good governance by focusing on adequate & timely disclosures, transparent & robust accounting policies, strong & independent Board and endeavours to maximise shareholders benefit.

Board of Directors

The Board of Directors ('the Board') is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance.

Composition and Category of Directors

Composition of Board and Directorship held as on March 31, 2016 and number of meetings held and attended during the year are as follows:

Name	Designation	Directorship		Board Committees		Board Meeting during the year		Attendance at Last AGM
		Other Entities#	Other Indian Listed Entities	Chairmanship	Membership	Held	Attended	
Executive Directors								
Ms. Kiran Mazumdar Shaw	Managing Director	15	4	-	-	4	4	Yes
Mr. Peter Bains	Director & Chief Executive Officer	8	-	-	-	4	4	No
Non-Executive Directors								
Mr. J M M Shaw	Director	10	1	-	-	4	4	Yes
Prof. Catherine Rosenberg	Director	-	-	-	-	4	4	No

Name	Designation	Directorship		Board Committees		Board Meeting during the year		Attendance at Last AGM
		Other Entities#	Other Indian Listed Entities	Chairmanship	Membership	Held	Attended	
Independent Directors								
Mr. Russell Walls	Director	16	1	4	2	4	4	No
Dr. Bala S Manian *	Director	3	0	-	-	3	3	No
Mr. Paul F Blackburn	Director	1	0	-	2	4	4	No
Mr. Suresh N Talwar **	Director	24	5	3	2	2	2	No
Mr. Daniel M Bradbury	Director	15	1	-	3	4	4	No
Prof. Charles Cooney ***	Director	NA	NA	NA	NA	1	1	No

Note:

* Inducted on Board w.e.f. June 24, 2015.

** Inducted on Board w.e.f. October 09, 2015.

*** Ceased to be a Director of the Company on completion of his tenure on June 22, 2015.

Other Directorships include the directorship in Foreign Companies.

As per regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) 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 hold membership of more than 10 committees nor any director is the Chairman of more than 5 committees across all companies where he/she holds directorships.

The Company has a balanced mix of Executive and Non-Executive Directors as on March 31, 2016. The Board comprised of nine members including two Executive Directors, seven Non-Executive Directors, of which five are Independent Directors.

Ms. Kiran Mazumdar Shaw is the Managing Director and Mr. Peter Bains is Director and Chief Executive Officer of the Company. Ms. Kiran Mazumdar Shaw & Mr. Peter Bains conduct the day-to-day management of the Company subject to the supervision and control of the Board of Directors. The independent directors on the Board are management professionals, scientists and technocrats who are senior, competent and highly respected

persons from their respective fields. The brief profiles of the Board of Directors of the Company are as under:

Profile

Ms. Kiran Mazumdar Shaw, age 63 years, is the Managing Director of our Company. She is a first generation entrepreneur with more than 40 years' experience in the field of biotechnology. She holds a bachelor's degree in Science (Zoology Hons.) from Bengaluru University and a master's degree in Malting and Brewing from Ballarat College, Melbourne University. She has been awarded with several honorary degrees including Honorary Doctorate of Science from Ballarat University, National

University of Ireland, Trinity College, Dublin and the University of Glasgow. She is the recipient of several national and global awards, the most noteworthy being the 'PadmaShri' and the 'Padmabhushan' Award in 1989 and 2005, respectively, conferred by the President of India. She was also conferred with 'Ernst & Young Best Entrepreneur: Healthcare & Life Sciences Award (2002)', 'The Economic Times Business Woman of the Year Award (2004)', 'Nikkei Asia Prize for Regional Growth' by Japan's business daily, Nihon Keizai Shimbun, (2009) and most recently, the 'Othmer Gold Medal' by the U.S. based Chemical Heritage Foundation and '2014 Global Economy Prize' by Germany's Kiel Institute both in 2014. The prestigious Foreign Policy magazine has named her among the '100 Leading Global Thinkers of 2014'. She has also been named as one of the '100 Most Influential People in the World' by TIME magazine in 2010, '25 Most Influential People in Biopharma' by Fierce Biotech, Asia-Pacific's 'Heroes of Philanthropy (2013)' and '100 Most Powerful Women (2013) and (2015)' by Forbes magazine and Asia's 50 Power Businesswomen 2016 by Forbes Asia. She is also an Independent director on the board of Infosys Limited, and the Chairperson of the Indian Institute of Management, Bengaluru. She is a part of the U.S. Pharmacopeia Convention (USP) Board of Trustees. She is a member of Karnataka's Vision Group on Biotechnology and currently chairs this forum. She has setup the Association of Biotech Led Enterprises (ABLE) in 2003 and was its first president. She serves on the National Advisory Council of the Government's Department of Biotechnology. She was member of the governing body of the Indian Pharmacopoeia Commission, Ministry of Health and Family Welfare, Government of India. She has been a director of our Company since November 1993. Ms Shaw is also the Chairperson and Managing Director of Biocon Limited.

Mr. Peter Bains, age 58 years, Director and Chief Executive Officer of our Company. He holds a bachelor's degree in Science (Combined honours in Zoology and Physiology) from University of Sheffield, United Kingdom and has almost three decades of experience in the global pharmaceutical space. He was responsible for the daily operations and strategic decisions for our Company. He became Non-Executive Director on April 1, 2016 after retiring from the position of CEO on March 31, 2016. Before his appointment on our Board, Mr. Peter was

with GlaxoSmithKline for 23 years, where he held several roles including head of global marketing and senior vice president of commercial development (international).

Mr. John Shaw, age 67 years, is a Non-Executive Director of the Company. He holds a master's degree in Arts (Economic hons.) in History and Political Economy from Glasgow University, United Kingdom. Prior to joining our Board, he had worked with Coats Viyella plc. for 27 years in various capacities, the last being the Finance Director and Managing Director of Coats Viyella group companies in various locations around the world, before he came on the Board of our Company. He has been a director of our Company since March 2000. Mr. Shaw is the Executive Vice-Chairman of Biocon Limited.

Prof. Catherine P Rosenberg, age 55 years, is a Non-Executive Director of our Company. She holds a 'Diplome d'Ingenieur' from the Ecole Nationale Supérieure des Telecommunications de Bretagne, an M.S. (Computer Science) from the University of California, a 'Doctorat en Sciences' from the Université de Paris XI, is a fellow member of the Institute of Electrical and Electronics Engineers and a fellow member of the Canadian Academy of Engineering. She is a professor in electrical and computer engineering at the University of Waterloo. Since June 2010, she holds the Canada Research Chair in the Future Internet. She has been a Director of our Company since August 2000.

Mr. Russell Walls, age 72 years, is a Non-Executive, Independent Director of our Company. He is a fellow member of the Association of Chartered Certified Accountants, United Kingdom and brings to the Board his experience of more than 45 years in the field of finance. He possesses experience as director across a range of industries such as pharmaceuticals, textiles, transport and leisure. He is currently chairman of Aviva Life Holdings Limited and on the board of Biocon Limited, Mytrah Energy Limited, Aviva Italia Holdings Spa and Signet Jewellers Limited etc. He has been a director of our Company since April 2011.

Mr. Suresh N Talwar, age 78 years, is a law graduate from the Government Law College, Bombay (1961). He is a solicitor of the Incorporated Law Society, Mumbai. Mr. Talwar is enriched with experience across corporate law and other related matters.

He has been the legal counsel to numerous Indian companies, multinational corporations as well as Indian and foreign banks. He served as partner at M/s. Crawford Bayley & Co and then founded Talwar Thakore & Associates, a law firm of repute. He is also on the Board of several leading companies such as Merck Limited, Sandvik Asia, Johnson & Johnson amongst others.

Mr. Paul F Blackburn, age 61 years, is a Non-Executive, Independent Director of our Company. He holds a bachelor's degree in Science (Management Sciences) from Warwick University, United Kingdom and a professional accounting qualification from Institute of Cost and Management Accountants, United Kingdom. He has over 38 years of experience in the field of finance. He has worked as senior finance executive with extensive emerging markets, corporate finance and change experience at GlaxoSmithKline, UK a global healthcare company. He is also on the board of Mereo Biopharma.

Dr. Bala S. Manian, age 70 years, he has been a part of the Silicon Valley entrepreneurial community over the last four decades as an entrepreneur, an investor and as an innovator. Before the Silicon Valley experience, he was an academic between 1971 and 1974, as a member of the teaching faculty at the University of Rochester. In his latest venture, ReaMetrix Inc., Bala Manian has spent more than ten years in the innovation driven solutions to address the unmet human diagnostics needs of emerging economies that are affordable and economically sustainable. While these activities have been centered in India, the lessons learned are applicable globally. An expert in the design of electro-optical systems, Dr. Manian holds a large number (more than 40) of patents, many of which have resulted in successful commercial products. While his educational training is in Physics & Engineering, his contributions have centered predominantly in Life Sciences. As example of cross-discipline convergence, in February 1999 the Academy of Motion Picture Arts and Sciences awarded Bala, a Technical Academy Award for advances in digital cinematography. He has been recognized through several awards for his contributions as an educator, inventor and an entrepreneur.

Mr. Daniel M. Bradbury, age 55 years, is a Non-Executive, Independent Director of our Company. He holds a

postgraduate diploma in Management Studies and a diploma of the Chartered Institute of Marketing from Harrow and Ealing Colleges of Higher Education, United Kingdom and bachelor's degree in Pharmacy (Hons.) from Nottingham University, United Kingdom. He has also completed the Director Training and Certification Program at the University of California, Los Angeles and the Director's College 2010 Executive Education Program from Stanford University and the international executive program from INSEAD, European Institute of Business Administration, France. He has over 30 years of experience in creating and implementing strategies that transform businesses and bring novel medicines to market. He has been honoured with the Corporate Directors Forum Director of the Year Award for Enhancing Economic Value and the Ernst & Young's Entrepreneur of the Year Finalist. He serves on the University of San Diego's Rady School of Management's advisory council and the Keck Graduate Institute's board of trustees. He has been a director of our Company since April 2013.

Meetings of the Board of Directors

During the financial year, the Board met 4 times:

- April 28, 2015
- July 22, 2015
- October 20, 2015
- January 21, 2016

Independent Directors Meeting

The Independent Directors met on January 21, 2016 without the presence of Non- Independent Directors and members of the Management. At this meeting, the Independent Directors inter alia evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company's Management and the Board.

Disclosure of Relationships between Directors Inter-se

None of the Directors are related to each other except Ms Kiran Mazumdar Shaw and Mr J M M Shaw are spouse of each other

and Prof. Catherine Rosenberg is a sister-in-law of Ms. Kiran Mazumdar Shaw and Mr J M M Shaw.

Shareholding of Non-Executive Directors

As on March 31, 2016, Mr. Russell Walls, Mr. Suresh N Talwar, Mr. Paul F Blackburn and Mr. Bala S Manian held 25,000 equity shares each respectively and Prof. Catherine Rosenberg jointly holds 60 equity shares in the equity share capital of the Company. None of the other Non-Executive Directors hold any equity shares in the Company.

Details of Familiarisation Programmes imparted to Independent Directors

Pursuant to regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company should familiarise the independent directors through various programs about the Company. During the financial year, senior management team has from time to time made presentations to Directors giving an overview of the Company's operations, function, strategy and risk management plan of the Company. The details of the familiarisation programs are available at the website of the Company at: <http://www.syngeneintl.com/investor-relations/corporate-governance>

Board Committees

The Syngene 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. All the decisions and recommendations of the Committee are placed before the Board for its approval.

The various Board level Committees are as under:-

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

Audit and Risk Committee

Terms of Reference:

The Board on October 19, 2011 constituted Audit & Risk Committee to provide direction to the audit function and monitors the quality of internal and statutory audit with an objective of moving towards a regime of unqualified financial statements. The Committee functions as per the provisions of Companies Act and listing regulations.

The responsibilities of the Committee include review of the quarterly and annual financial statements before submission to Board, review and approval of related party transactions, review of compliance of internal control system, overseeing the financial reporting process to ensure transparency, sufficiency, fairness and credibility of financial statements, statement of deviations, if any, etc. The Committee also reviews the functioning of whistle blower & Vigil mechanism, adequacy and effectiveness of internal audit function, risk management and control systems and results of operation.

Company has put in place an enterprise wide Risk Management framework. This holistic approach provides the assurance that, to the best of its capabilities, the Company and all its business units identify, assess and mitigate risks that could materially impact its performance in achieving the stated objectives. The Committee ensures that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities. Review strategic decisions of the Company and on regular basis, reviews the Company's portfolio of risks and considering it against the Company's Risk Appetite. The Committee also recommend changes to the Risk Management Technique and / or associated frameworks, processes and practices of the Company.

The composition of the Committee and the attendance details of the members as at March 31, 2016 are given below:

Name of Members	Category	Designation	No. of Meetings Held	No. of Meetings Attended
Mr. Russell Walls	Independent Director	Chairman	4	4
Mr. Paul Blackburn	Independent Director	Member	4	4
Mr. Suresh Talwar*	Independent Director	Member	2	2
Mr. Daniel M Bradbury **	Independent Director	Member	2	1
Prof Catherine Rosenberg **	Non-Executive Director	Member	2	2
Prof. Charles L Cooney ***	Independent Director	Member	1	1

Note:

* Appointed as a member w.e.f. October 9, 2015.

** Members of the Committee till October 8, 2015.

*** Ceased to be a Director of the company on completion of his tenure on June 22, 2015.

All the current members of the committee are independent and non-executive and possess sound knowledge of accounts, finance, audit and legal matters.

During the year 2015-16, the Committee met 4 times on April 28, 2015, July 22, 2015, October 19, 2015 and January 20, 2016. The Senior Management team, Internal Auditors and Statutory Auditors attended all the meetings of the Audit & Risk Committee. The Company Secretary acts as the Secretary to the Audit and Risk Committee.

Audit Committee members are also advised of the work of independent internal auditors, M/s PricewaterhouseCoopers (PwC) who are appointed to review and report whether the internal control processes & systems are in place and they report quarterly to the Audit Committee.

Nomination and Remuneration Committee

Terms of Reference:

The Board on April 23, 2014 constituted the Nomination and Remuneration Committee in terms of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and

Disclosures Requirement) Regulations, 2015. The purpose of the Committee is to formulate the criteria for determining qualifications, positive attributes and independence of a director; recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees; formulate the criteria for evaluation of Independent Directors and the Board, identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal, devising a policy on diversity of Board of Directors, whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors, analysing, monitoring and reviewing various human resource and compensation matters; undertake overall supervision and administration of Employee Stock Option Schemes (ESOSs) of the Company and to review the Board structure, size and composition and make recommendation for any change. The committee also works with the board on the Leadership Succession Plan, and prepares Contingency Plans for succession in case of any exigencies.

The composition of the Committee and the attendance details of the members as at March 31, 2016 are given below:

Name of Members	Category	Designation	No. of Meetings Held	No. of Meetings Attended
Dr. Bala S Manian *	Independent Director	Chairman	1	1
Mr. Daniel M Bradbury	Independent Director	Member	2	-
Prof. Catherine Rosenberg	Non-Executive Director	Member	1	1
Mr. Russell Walls **	Independent Director	Member	1	1
Mr. Paul F Blackburn **	Independent Director	Member	1	1
Prof. Charles Cooney ***	Independent Director	Member	1	1

Note:

* Appointed as a member w.e.f. October 9, 2015.

** Members of the Committee till October 8, 2015.

*** Ceased to be a member on completion of tenure on June 22, 2015.

All the members of the committee are non-executive and majority of them are Independent.

During the year, two meetings of the Committee were held on April 28, 2015 & October 19, 2015.

Board Evaluation

Pursuant to section 134 of the Companies Act, 2013, the Board is responsible for the formal Annual Evaluation of its own performance, of its committee & Individual Directors. Further, as per regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, performance evaluation of the Independent Directors shall be done by entire Board of Directors, excluding directors being evaluated.

During the year, Board in concurrence with Nomination & Remuneration Committee has laid down the evaluation criteria for itself, Committees, Chairperson, Executive and Non-Executive Directors and Independent Directors. The evaluation was carried out through a structured questionnaire covering various aspects of the functioning of the Board of Directors through online survey mode.

The following broad parameter were considered to evaluate the performance of the independent Directors:

- Integrity, maintenance of high standard and confidentiality;
- Commitment and participation at the Board & Committee meetings;
- Effective deployment of knowledge and expertise;

- Exercise of independent judgment in the best interest of Company;
- Interpersonal relationships with other directors and management.

The following broad parameter were considered to evaluate the performance of the Board and Committees:

- Size, structure and expertise of the Board/Committees;
- Review of strategies, risk assessment, robustness of policies and procedures by Board;
- Oversight of the financial reporting process & monitoring Company's internal control system;
- Quality of agenda, conduct of meeting, procedures and process followed for effective discharge of functions;
- Effective discharge of functions and duties by Committee as per terms of reference;
- Appropriateness and timeliness of the updates given on regulatory developments;
- Board's engagement with senior management team.

The feedback received on evaluation process was accumulated and discussed in detail by the Chairman of the Board with Directors and, independent and collective action points for improvement put in place.

The Directors recognised that Board and Committees are functioning effectively and acknowledged the efforts and

contributions made by the Chairperson, Executive and Non-Executive Directors and Independent Directors towards the Company's performance.

Remuneration Policy

The remuneration policy of the Company is broadly based on the following criteria:

- Remuneration structure is reasonable and sufficient to attract, retain and motivate employees at all the levels in the Company;
- Relationship of remuneration with the performance is clear and meets performance benchmarks;
- Remuneration to Directors/ senior management/ Key managerial personnel involves balance between fixed and variable pay reflecting short and long term objective derived from the Company's goal.

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 to monitor the Corporate Social Responsibility Policy of the Company and the activities included in the policy.

Syngene believes and acknowledges its responsibility towards

the environment, its consumers, employees, and other stakeholders.

Syngene's CSR initiatives are based on the principle of making enduring impact through programs 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 organization, the Company has invested in CSR programs aimed at making a difference to the lives of marginalized communities.

The Company's CSR activities are implemented through Biocon Foundation. Biocon Foundation develops and implements healthcare, educational, and infrastructure projects for marginalized sections of society. The terms of reference of the Committee are:

- To formulate and recommend to the Board, a Corporate Social Responsibility 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 from time to time the CSR Policy of the Company.

The composition of the Committee and the attendance details of the members as at March 31, 2016 are given below:

Name of Members	Category	Designation	No. of Meetings Held	No. of Meetings Attended
Dr. Bala S Manian *	Independent Director	Chairman	-	-
Mr. Suresh Talwar*	Independent Director	Member	-	-
Prof. Catherine Rosenberg	Non-Executive Director	Member	2	2
Mr. Daniel M Bradbury**	Independent Director	Member	2	1
Ms. Kiran Mazumdar Shaw**	Executive Director	Member	2	2

Note:

* Appointed as a member w.e.f. October 9, 2015.

** Members of the Committee till October 8, 2015.

During the year, two meetings of the Committee were held on April 29, 2015 & July 22, 2015.

Stakeholders Relationship Committee

Terms of Reference:

The Board on July 23, 2014 constituted Stakeholders Relationship Committee in terms of section 178 (5) of the Companies Act, 2013 and listing regulations. The main role of the Committee is to look into the redressal of grievances of investors, or other

security holders relating to transfer of shares; non-receipt of balance sheet; non-receipt of declared dividends; non-receipt of annual reports; non-receipt of interest etc. In addition to this, the Committee also looks into investor relations, share transfer (to the extent not delegated to officials) and monitors servicing of investor requirements.

The composition of the Committee and the attendance details of the members as at March 31, 2016 are given below:

Name of Members	Category	Designation	No. of Meetings Held	No. of Meetings Attended
Mr. Suresh Talwar*	Independent Director	Chairman	2	2
Mr. Russell Walls	Independent Director	Member	2	2
Mr. Paul Blackburn	Independent Director	Member	2	2

Note:

* Appointed as a member w.e.f. October 9, 2015.

During the year 2015-16, the Committee met 2 times on October 19, 2015 and January 20, 2016.

Details of Shareholders Complaints

The Company got listed on August 11, 2015. The details of shareholders complaints received and resolved till March 31, 2016 are as under:

Opening Balance	Complaints received during the year	Complaints resolved during the year	Balance outstanding as on March 31, 2016
-	1028	1028	-

Compliance Officer

Mr. Mayank Verma, Company Secretary has been appointed as Compliance Officer of the Company as per regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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. The Company Secretary is primarily responsible to ensure compliance with all the provisions of Companies Act and provisions of all other applicable laws to the Company. The Company Secretary ensures timely flow of information along with relevant supporting are made available to the directors and the senior management team for effective decision making at the respective meetings. He also assist and advise the Board in following the good corporate governance practises.

Remuneration of Directors

All Pecuniary Relationship or Transactions of the Non-Executive Directors

There were no pecuniary relationship or transactions of the non-executive directors vis a vis the Company.

Criteria for Making Payment to Non- Executive Directors

The role of Non-Executive/Independent Directors of the Company is 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, legal, finance and other corporate functions. The Company seeks their expert advice on various matters in science, technology, legal or Intellectual

property from time to time. Hence, the compensation to the non-executive/independent directors is recommended.

Compensation/Fees Paid to Non-Executive Directors

The Non-Executive Directors were paid sitting fees for attending the Board and Committee Meetings. The Non-Executive Independent Directors of the Company are paid remuneration by way of commission at a sum not exceeding 1% per annum of our net profits as approved by the special resolution passed by the Members of the Company at the Extra Ordinary General Meeting held on September 11, 2014.

Details of Remunerations

The details of remuneration and sitting fees paid or provided to all the directors during the year ended March 31, 2016 are as under:

(₹ in mn)

Name of Director	Salary & Perquisites			Others		Total
	Fixed Pay + Bonus	Perquisites	Retrial Benefits	Commission	Sitting Fees	
Ms. Kiran Mazumdar Shaw	-	-	-	-	-	-
Mr. Peter Bains	44.00	-	-	-	-	44.00
Mr. J M M Shaw	-	-	-	-	-	-
Prof. Catherine Rosenberg	-	-	-	-	0.40	0.40
Mr. Russell Walls	-	-	-	2.80	0.40	3.20
Mr. Suresh N Talwar	-	-	-	1.40	0.30	1.70
Mr. Paul F Blackburn	-	-	-	2.50	0.40	2.90
Mr. Bala S Manian	-	-	-	2.70	0.40	3.10
Mr. Daniel M Bradbury	-	-	-	1.80	0.40	2.20

Ms. Kiran Mazumdar-Shaw and Mr. Peter Bains are Executive Directors and others are Non- Executive Directors of the Company. However, Ms. Kiran Mazumdar-Shaw does not draw any remuneration from the Company, as she is the Chairperson and Managing Director of Biocon Limited.

Mr. Peter Bains, Director and Chief Executive Officer was paid remuneration, including performance bonus, as approved by the shareholders at its Extra-Ordinary General Meeting held on February 12, 2015.

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

Service Contracts, Notice Period, Severance Fees

As at March 31, 2016, the Board comprised nine members including two executive directors, seven non-executive directors, of which five are independent directors. Mr. Peter Bains, Executive Director is employee of the Company and is subject to service conditions as per the Company policy, which is two month notice period or such period as mutually agreed. Ms. Kiran Mazumdar Shaw, Executive Director is not an employee of the Company as she is the employee of our Promoter Company i.e. Biocon Limited. There is no separate provision for payment of severance fees. However, Independent Directors are not subject to any notice period and severance fees.

Code of Conduct

The Company has adopted the Code of Conduct for the Board of Directors and Senior Management of the Company. The Company has received confirmations from Board of Directors and Senior Management regarding compliance of the Code during the year under review. The Code of Conduct is available on the website of the Company.

Declaration by the Chief Executive Officer 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, Officer and Employees of the Company and the Code is available on the Company's website.

I confirm that all the Members of the Board of Directors and Senior Management Personnel of the Company has affirmed Compliance with the Code of Ethics and Business Conduct in respect of the Financial Year ended March 31, 2016.

For Syngene International Limited
Date: April 26, 2016
Place: Bengaluru
Jonathan Hunt
Chief Executive Officer

CEO and CFO Certification

As required by Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO and CFO have given Compliance Certificate on financial statements to the Board of Directors.

General Body Meetings

Location and time of last three Annual General Meetings

The details of location and time last three Annual General Meetings are as detailed below:

Sl. No	Financial Year	Date & Time	Location	Special resolution Passed
1	2012-13	July 24, 2013 5:15 pm	Sune Bergstrom Room, Biocon Limited, 20KM, Hosur Road, Bengaluru 560 100	None
2	2013-14	July 23, 2014 4:15 pm	Walter Gilbert Room, Biocon Limited, 20KM, Hosur Road, Bengaluru 560 100	1
3	2014-15	June 22, 2015 10:00 am	Walter Gilbert Room, Biocon Limited, 20KM, Hosur Road, Bengaluru 560 100	1

The special resolution on "Approval for enhancement of Borrowing Limit and Creation of Charges" was approved by the members at its annual general meeting held on July 23, 2014.

The special resolution on "Amendment to Syngene Employee Stock Option Plan – 2011" was approved by the members at its annual general meeting held on June 22, 2015.

Details of postal ballot during the year along with voting pattern

During the financial year 2015-16, the Company has obtained the approval of the members through postal ballot on "Ratification of Syngene Employee Stock Option Plan 2011 ("ESOP 2011").

The voting rights of the members has been reckoned on the cut-off date i.e. October 23, 2015 and the notice along with Postal Ballot form have been dispatched to all the members by courier or electronically by November 4, 2015.

The Board has appointed Mr. V. Sreedharan, Practicing Company Secretary and partner of M/s V. Sreedharan & Associates, Company Secretaries, Bengaluru, as the Scrutinizer for conducting the postal ballot voting process in accordance with the law and in a fair and transparent manner. M/s. Karvy Computershare Private Limited has been engaged to provide the electronic voting facility to the members of the Company.

The voting (postal & e-voting) period commenced from

Friday, November 6, 2015 (9:00 a.m.) and ended on Saturday, December 5, 2015 (17:00 p.m.).

The resolution was approved on December 5, 2015 and results of the postal ballot were announced at 5:00 pm on Wednesday, December 9, 2015 at the registered office of the Company at Biocon Park, Plot no. 2 & 3, Bommasandra IV Phase, Jigani link road, Bengaluru- 560 099.

The resolution was passed through requisite majority i.e. 95.68% votes were cast in favour of the resolution and 4.32% against it.

There is no special resolution proposed through postal ballot.

Other disclosures

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

There is no materially significant related party transaction that may have potential conflict with the interests of the Company at large have been entered.

During the financial year, all transactions entered into with the Related Parties as defined under Companies Act, 2013, were in the ordinary course of business and on an arm's length basis, and did not attract provisions of Section 188 of Companies Act, 2013, relating to approval of shareholders. However, prior approval from the Audit & Risk Committee are obtained for transactions which are in ordinary course of business and repetitive in nature. Further, on quarterly basis, disclosures are made to the Audit and Risk Committee and to the Board. 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 at the website of the Company 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

The Company got listed on August 11, 2015. During the period, Company has complied with all the requirements of the Stock Exchange (s), SEBI or any other statutory authority on all matter related to capital markets, since listing on the Stock Exchanges. Further, there were no non-compliance, no penalties, no strictures imposed on the Company by the stock exchange(s) or the board or any other statutory authority during the financial year.

Establishment of vigil mechanism and affirmation that no personnel has been denied access to the audit committee

The Company has implemented a Vigil Mechanism Policy, whereby employees, directors and other stakeholders can report matters such as generic grievances, corruption, misconduct, fraud, misappropriation of assets and non-compliance to code of conduct to the Company. The policy safeguards the whistle blowers to report concerns or grievances and also provides a direct access to the Chairman of the Audit Committee. During the financial year none of the personnel has been denied access to the audit committee.

The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted.

The Company fulfills the following discretionary requirement pursuant to section 27 (1) of the Listing regulations read with Part E of Schedule II.

- The Company is in the regime of un-qualified financial statements.
- The Internal Auditors report directly to the Audit Committee
- Separate persons hold the post of Chairperson & Managing Director and Chief Executive Officer.

Corporate Governance Compliance Certificate

Compliance Certificate from M/s S. R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W), as

Statutory Auditors of the Company regarding compliance of conditions of corporate governance is annexed with corporate governance report.

Disclosure of Accounting Treatment

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards, notified under section 133 of the Companies Act, 2013 ("the Act") read together with paragraph 7 of the Companies (Accounts) Rules 2014.

Means of communication

The quarterly, half-yearly and annual financial results are sent to the Stock Exchanges immediately after the Board approves the same. These results are usually published in Financial Express and Kannada newspaper Udayavani. The results along with presentations made by the Company to Analysts are also posted on the website of the Company viz. www.syngeneintl.com. The Company's website also displays all official news releases from time to time. The Company organizes investor conference calls to discuss its financial results every quarter where investor queries are answered by the Management of the Company. The transcripts of the conference calls are posted on our website.

General Shareholder Information

Day and Date of Annual General meeting	Thursday, June 30, 2016
Time	2:00 PM
Venue	Tyler Jacks Auditorium, Biocon Research Centre, Plot no 3, Biocon Special Economic Zone, Bommasandra, Industrial Area Jigani Link Road, Bengaluru 560 099
Financial year	April 1, 2015 to March 31, 2016
Dividend payment date	NA
Date of Book Closure	NA
Listing of stock Exchanges	The National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra – Kurla Complex, Bandra (East), Mumbai- 400 051
	The BSE Limited (BSE) Floor 25, P J Towers, Dalal Street, Mumbai 400 001
Stock Symbol /Code	Syngene (NSE), 539268 (BSE)
International Securities Identification Number (ISIN)	INE398R01022
Face Value per share	₹ 10/-
Date of Listing	August 11, 2015
Payment of Annual Listing Fees	Listing fees paid for the financial year 2015-16
Financial calendar for 2016-17 (tentative dates)	
For the quarter ending June 2016	July 21, 2016
For the quarter ending September 2016	October 20, 2016
For the quarter ending December 2016	January 24, 2017
For the quarter ending March 2017	April 27, 2017

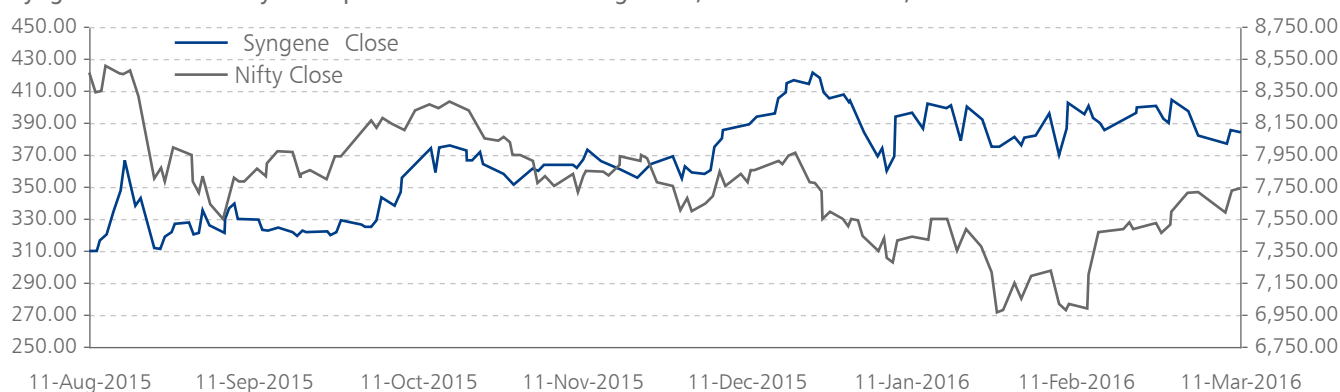
Market Price Data for 2015-16

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 August 11, 2015 to March 31, 2016 is given below:

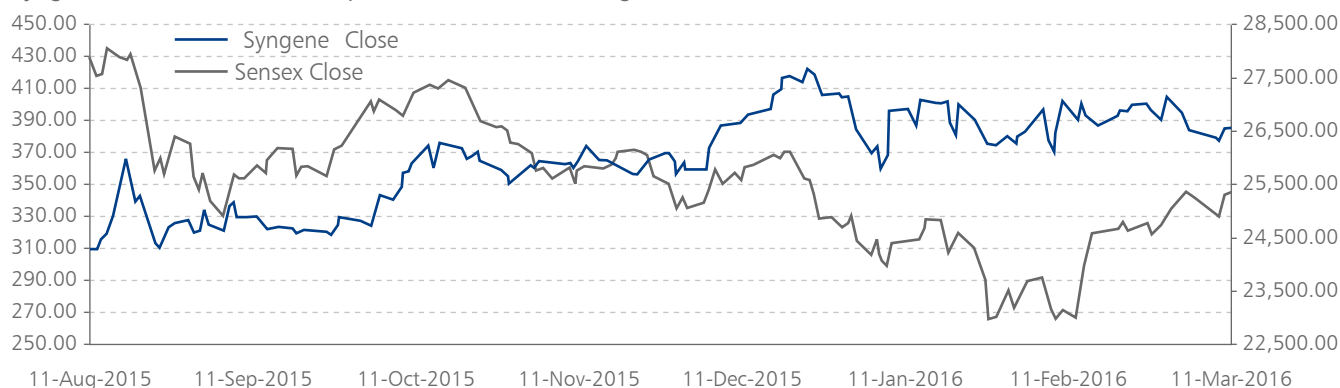
BSE				NSE		
Months	High Price (₹)	Low Price (₹)	Volume of Equity Shares	High Price (₹)	Low Price (₹)	Volume of Equity Shares
Aug/15	371.85	295.00	10,479,583	372.90	295.00	34,895,734
Sep/15	346.40	315.00	1,574,955	346.60	315.10	3,601,064
Oct/15	385.00	322.00	1,495,953	386.00	321.60	4,831,532
Nov/15	377.40	343.70	353,815	377.95	338.00	1,078,440
Dec/15	420.00	350.30	853,003	419.70	352.00	4,694,713
Jan/16	435.60	355.20	880,291	436.00	355.80	3,502,795
Feb/16	411.20	366.55	327,153	411.50	365.50	1,611,720
Mar/16	412.80	374.25	295,177	414.00	371.00	2,796,945

Relative Movement Chart

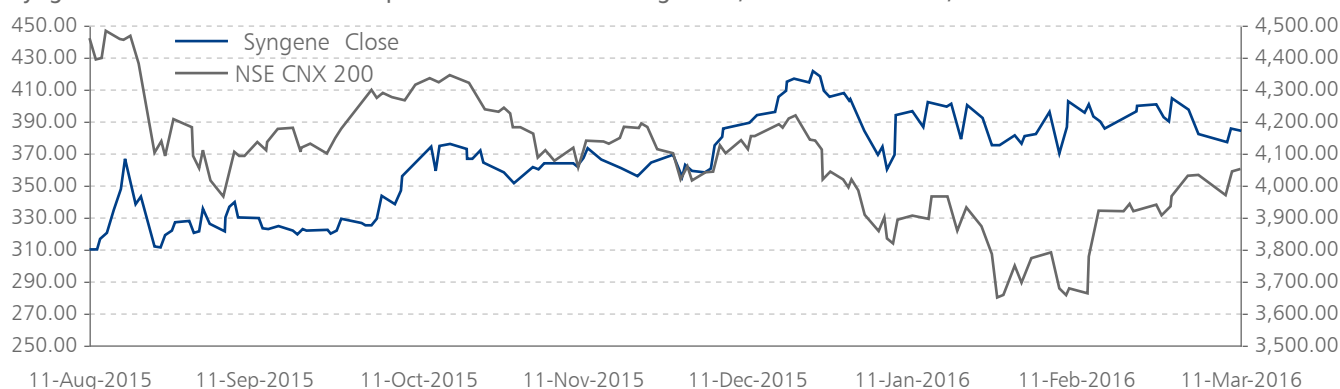
Syngene and S & P Nifty share price movement from August 11, 2015 to March 31, 2016



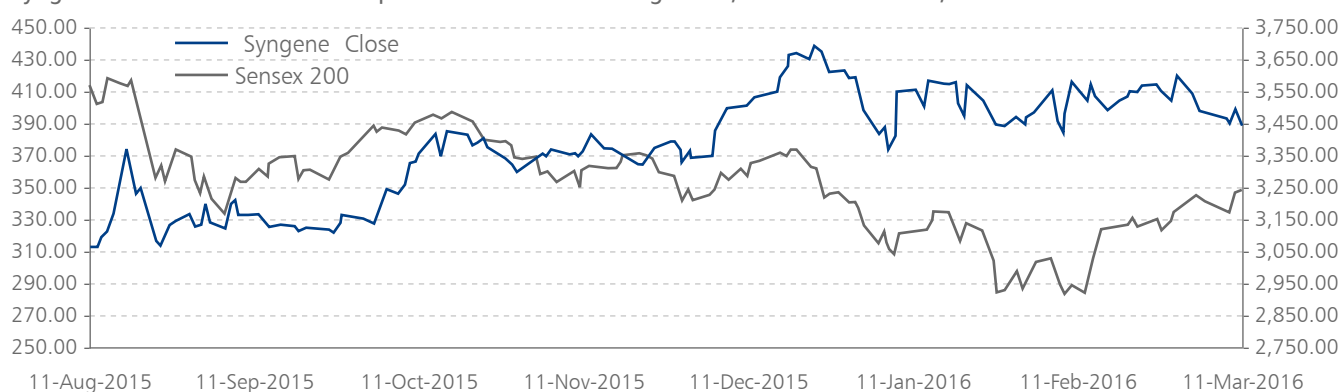
Syngene and BSE Sensex share price movement from August 11, 2015 to March 31, 2016



Syngene and S & P CNX 200 share price movement from August 11, 2015 to March 31, 2016



Syngene and BSE S & P 200 share price movement from August 11, 2015 to March 31, 2016



The securities of the Company were not suspended from trading during the financial year.

Registrar to an Issue and Share Transfer Agents

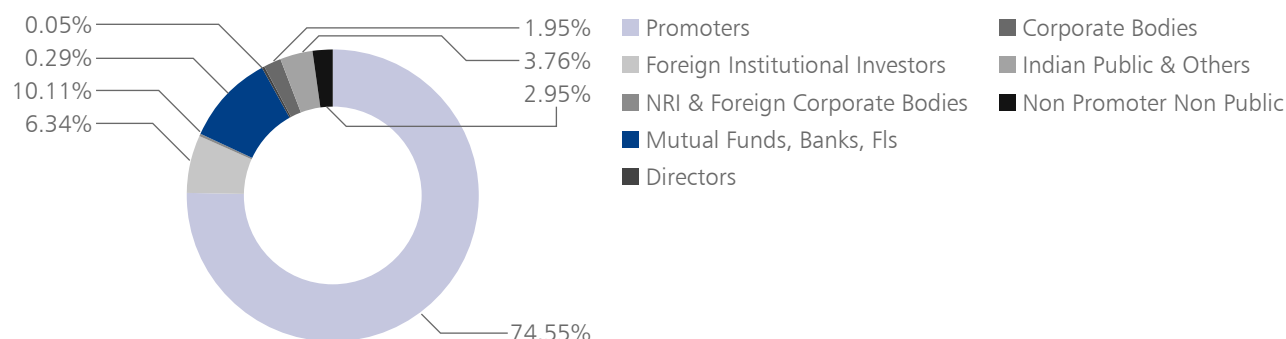
The members of the Company may address all its communication relating to transfer, transmission, Refund order, Dividend, National Electronic Clearing system (NECS) dematerialisation etc. to Company's Share Transfer agent i.e. Karvy Computershare Private Limited at the below address and may also write 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: einward.ris@karvy.com

Distribution of shareholding by number of shares

Sl. No.	Category	No. of Shares	% To Equity
1	PROMOTERS	149,097,714	74.55
2	FOREIGN INSTITUTIONAL INVESTORS	12,672,150	6.34
3	NRI & FOREIGN CORPORATE BODIES	20,212,758	10.11
4	MUTUAL FUNDS, BANKS, FIs	570,345	0.29
5	DIRECTORS	100,060	0.05
6	CORPORATE BODIES	3,897,907	1.95
7	INDIAN PUBLIC & OTHERS	7,529,847	3.76
8	NON PROMOTER NON PUBLIC	5,919,219	2.95
	TOTAL	200,000,000	100.00



Distribution of shareholding by number of shares

Category	No of shareholders	Total Shares	% to shareholders	% to paid up capital
Upto 5000	44,294	3,336,158	95.57	1.67
5001- 10000	1,294	879,707	2.79	0.44
10001- 20000	317	459,106	0.68	0.23
20001- 30000	142	359,383	0.31	0.18
30001- 40000	61	208,133	0.13	0.10
40001- 50000	41	191,938	0.09	0.10
50001- 100000	73	539,871	0.16	0.27
100001 & Above	125	194,025,704	0.27	97.01
Total	46,347	200,000,000	100.00	100.00

List of shareholders holding more than 1% of the paid up share capital as on March 31, 2016:

S.No.	Name	Shareholding	% to Paid-up Capital
1	BIOCON LIMITED	145,217,843	72.61
2	SILVER LEAF OAK (MAURITIUS) LIMITED	19,850,000	9.93
3	SYNGENE EMPLOYEE WELFARE TRUST	5,919,219	2.96
4	GOLDMAN SACHS INDIA FUND LIMITED	2,172,066	1.09
5	BIOCON LIMITED EMPLOYEES WELFARE TRUST	2,000,000	1.00
	Total	175,159,128	87.59

Statement showing unclaimed dividend and share application money as on March 31, 2016

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, dividend and Share application Money due for refund which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend/unclaimed account 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 unclaimed amounts along with their due dates for transfer to IEPF is mentioned below:

Sl. No.	Year	Nature	Dividend Amount per Share (in ₹)	Amount of unclaimed dividend as on March 31, 2016	Due date to transfer unclaimed dividend amount to IEPF (IEPF rule 3(1))
1	2015-16	Interim Dividend	1.00	₹ 5,783	April 16, 2023
2	2015-16	IPO share application money	NA	₹ 18,13,800	Aug 5, 2022

Dematerialization of Shares and Liquidity

Shares of Syngene are tradable compulsorily 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.

Share Transfer System

All the shares of the Company are held in dematerialized form except for 10 shares constituting 0.00% of the paid up share capital of the Company were in physical form as on March 31, 2016. The Stakeholders Relationship Committee approves the transfer of shares in the physical form as per the time limits and procedure specified in the regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There are no shares in demat suspense account and unclaimed suspense account as on March 31, 2016.

Other outstanding instruments

There are no outstanding GDR/ ADR / warrants / any convertible instruments as on March 31, 2016.

Commodity Price risk or foreign exchange risk and hedging activities

Company has Foreign Exchange Risk Management Policy and accordingly, during the year ended March 31, 2016, 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.

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
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Address for Correspondence

Financial Disclosure Correspondence Mr. Chinappa M B President – Finance & Chief Financial Officer Tel: 91 80 - 2808 3901 E-mail id: mb.chinappa@syngeneintl.com	For queries related to Shares / Dividend / Compliance Mr. Mayank Verma Company Secretary and Compliance Officer Tel.: 91 80 - 2808 2023 E-mail id: Mayank.verma@syngeneintl.com investors@syngeneintl.com
Media Correspondence Mr. Sandeep Nair Head-Corporate Communications Tel: 91 80 - 2808 5476 E-mail id: Sandeep.Nair@syngeneintl.com	Investor Relations Correspondence (Investors Relations & Research Analysts) Mr. Dinesh Iyer Head-Investor Relations Tel: 91 80 – 2808 3912 E-mail id: dinesh.iyer@syngeneintl.com
Correspondence Address Regd. Office Syngene International Limited Plot No. 2&3, Biocon Park, Biocon Special Economic Zone, Bommasandra, Industrial Area, Phase IV, Jigani Link Road, Bengaluru 560 099	Registrar and Share Transfer Agents 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: einward.ris@karvy.com

AUDITORS' CERTIFICATE

To
The Members of
Syngene International Limited

We have examined the compliance of conditions of corporate governance by Syngene International Limited, for the year ended on March 31, 2016, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. 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.

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 Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchange(s).

We further 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.

For **S.R. Batliboi & Associates LLP**
ICAI Firm Registration Number: 101049W/E300004
Chartered Accountants

per **Aditya Vikram Bhauwala**
Partner
Membership Number: 208382
Place: Bengaluru
Date: May 27, 2016

COMPLIANCE CERTIFICATE

Ref: Regulation 17(8) of the SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015

April 26, 2016

To,
The Board of Directors
Syngene International Limited
SEZ Unit, Biocon Special Economic Zone,
Bommasandra - Jigani Link Road,
Bengaluru- 560 099

We, Jonathan Hunt, Chief Executive Officer and Chinappa M B, Chief Financial Officer of the Company hereby certify that:

- A. We have reviewed the financial statements and cash flow statement for the year ended March 31, 2016 and that to the best of our knowledge and belief:
 1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2016 are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps have been taken to rectify these deficiencies.
- D. We have indicated to the Auditors and Audit Committee that there are no:
 1. Significant changes in internal control over financial reporting during the year;
 2. Significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

sd/-

Mr. Chinappa M B
Chief Financial Officer

Date: April 26, 2016

Place: Bengaluru

sd/-

Mr. Jonathan Hunt
Chief Executive Officer

Independent Auditor's Report

To the Members of
Syngene International Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Syngene International Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35(b) to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W

per Aditya Vikram Bhauwala

Partner

Membership Number: 208382

Place: Bengaluru

Date: April 26, 2016

Annexure 1 to the Auditor's report

The Annexure referred to in our report to the members of Syngene International Limited ('the Company') for the year ended March 31, 2016. We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification, intended to cover all the fixed assets of the Company over a period, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the Company is in the process of registering the title deeds of immovable properties comprising of (a) land and building acquired during the year ended March 31, 2015, from merger of Clinigene International Limited (an erstwhile wholly owned subsidiary of the Company) amounting to ₹173 million and (b) leasehold land amounting to ₹531 million, included in tangible assets and capital work-in-progress respectively. Also refer note 13(d) to the financial statements pertaining to buildings constructed on leasehold land.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Act, for the products/services of the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount disputed (₹ in million)	Amount paid under protest (₹ in million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	507	289	PY 2009-10, PY 2010-11 and PY 2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	269	-	PY 2004-05 and PY 2005-06	High Court of Karnataka
Finance Act, 1994	Service Tax (including interest)	6	1	March 16, 2005 to February 28, 2007	Customs, Excise and Service Tax Appellate Tribunal
Karnataka Value Added Tax Act, 2003	Non deduction of tax at source	2	-	FY 2009-2010 and FY 2010-2011	Joint Commissioner, Commercial Taxes

- (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. The Company did not have any borrowings by way of debentures or from government.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management and on an overall examination of the balance sheet, we report that monies raised by the Company by way of term loans were applied for the purpose for which the loans were obtained, though idle/surplus funds amounting to ₹6,628 million as at March 31, 2016, which were not required for immediate utilization have been invested in fixed deposit and current account with bank. No monies were raised, during the year, by the Company by way of initial public offer or further public offer (including debt instruments).
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W

per **Aditya Vikram Bhauwala**

Partner

Membership Number: 208382

Place: Bengaluru

Date: April 26, 2016

Annexure 2 to the Auditor's Report of even date on the financial statements of Syngene International Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of Syngene International Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of Company, which comprise the Balance Sheet as at March 31, 2016, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated April 26, 2016 expressed unqualified opinion.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W

per Aditya Vikram Bhauwala

Partner

Membership Number: 208382

Place: Bengaluru

Date: April 26, 2016

Balance Sheet as at March 31, 2016

(All amounts in Indian Rupees million)

	Notes	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	1,992	1,991
Reserves and surplus	4	8,536	6,458
		10,528	8,449
Non - current liabilities			
Long-term borrowings	5	7,252	186
Deferred Tax liability (net)	6	48	49
Other Long-term liabilities	7	526	647
Long-term provisions	8	181	132
		8,007	1,014
Current liabilities			
Short-term borrowings	9	1,658	1,364
Trade Payables	10		
- Total outstanding dues of micro enterprises and small enterprises		15	5
- Total outstanding dues of creditors other than micro enterprises and small enterprises		729	687
Other current liabilities	11	2,764	2,602
Short-term provisions	12	194	94
		5,360	4,752
TOTAL		23,895	14,215
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	13	5,743	4,976
Intangible assets	14	59	57
Capital work-in-progress		2,368	1,051
Long-term loans & advances	15	1,423	1,142
Other non-current assets	16	818	1,131
		10,411	8,357
Current assets			
Current investments	17	2,764	1,460
Inventories	18	377	384
Trade receivables	19	1,852	1,799
Cash and bank balances	20	7,199	1,157
Short-term loans and advances	21	319	338
Other current assets	22	973	720
		13,484	5,858
TOTAL		23,895	14,215
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W

For and on behalf of the Board of Directors of
Syngene International Limited

per Aditya Vikram Bhauwala
Partner
Membership No: 208382

Kiran Mazumdar Shaw
Managing Director
DIN: 347229

JMM Shaw
Director
DIN: 347250

Jonathan Hunt
Chief Executive Officer

Place: Bengaluru
Date : 26 April 2016

M.B. Chinappa
Chief Financial Officer

Mayank Verma
Company Secretary
ACS Number: 18776

Statement of Profit and Loss for the year ended March 31, 2016

(All amounts in Indian Rupees million, except share data and per share data)

	Notes	Year ended March 31, 2016	Year ended March 31, 2015
INCOME			
Revenue from operations	23	11,070	8,599
Other Income	24	61	117
Total Revenue		11,131	8,716
EXPENSES			
Cost of chemicals, reagents and consumables consumed	25	3,148	2,493
(Increase)/ decrease in Inventories	26	(44)	(103)
Employee benefits expense	27	2,503	2,019
Other expenses	28	1,885	1,379
Depreciation & Amortisation expense	13 & 14	973	814
Finance costs	29	84	79
Total Expenses		8,549	6,681
Profit before tax		2,582	2,035
Tax expenses			
Current tax		537	404
Less: MAT credit entitlement		(166)	(117)
Deferred tax		(1)	(2)
Total tax expense		370	285
Profit for the year		2,212	1,750
Earnings per equity share (nominal value of share ₹10/-) (refer note 41)			
Basic (in ₹)		11.40	9.20
Diluted (in ₹)		11.06	8.89
Weighted average number of shares used in computing earnings per share (refer note 41)			
Basic		194,080,781	190,164,803
Diluted		200,000,000	196,844,803
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W

For and on behalf of the Board of Directors of
Syngene International Limited

per Aditya Vikram Bhauwala
Partner
Membership No: 208382

Kiran Mazumdar Shaw
Managing Director
DIN: 347229

JMM Shaw
Director
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Jonathan Hunt
Chief Executive Officer

Place: Bengaluru
Date : 26 April 2016

M.B. Chinappa
Chief Financial Officer

Mayank Verma
Company Secretary
ACS Number: 18776

Cash Flow Statement for the year ended March 31, 2016

(All amounts in Indian Rupees million)

	Year ended March 31, 2016	Year ended March 31, 2015
I CASH FLOWS FROM OPERATING ACTIVITIES :		
Net profit before tax	2,582	2,035
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and Amortisation expense	973	814
Provision for doubtful receivables	9	2
Employee stock compensation expense	86	60
Unrealised exchange (gain)/loss	62	9
Interest expense	80	76
Dividend earned	(59)	(99)
Other operating income	(146)	(133)
Interest Income	(1)	-
Operating profit before working capital changes	3,586	2,764
Movements in working capital :		
Increase/ (decrease) in trade payables	54	(120)
Increase/ (decrease) in other liabilities	110	281
Increase/ (decrease) in provisions	61	39
Decrease/ (increase) in trade receivables	(109)	(784)
Decrease/ (increase) in inventories	7	(235)
Decrease/ (increase) in loans & advances	(236)	(178)
Decrease/ (increase) in other assets	55	(1,161)
Cash generated from/ (used in) operations	3,528	606
Direct taxes paid (net of refunds)	(404)	(421)
Net cash flow from/ (used in) operating activities	3,124	185
II CASH FLOWS FROM INVESTING ACTIVITIES :		
Purchase of Tangible assets, including capital work in progress and capital advances and net of reimbursement from customers	(2,902)	(1,970)
Purchase of Intangible assets	(18)	(69)
Proceeds from sale of Tangible assets	2	-
Investment in Bank deposits (having original maturity of more than 3 months)	(3,326)	-
Dividend received	59	99
Interest received	1	-
Proceeds from current investments	8,516	6,277
Purchase of current investments	(9,820)	(4,217)
Net cash flow from/ (used in) investing activities	(7,488)	120

	Year ended March 31, 2016	Year ended March 31, 2015
III CASH FLOWS FROM FINANCING ACTIVITIES :		
Proceeds from issuance of share capital	-	1,334
Recovery of loan from ESOP Trust	22	40
Proceeds from long term borrowings	7,074	185
Proceeds/ (Repayment) from/of short term borrowings, net	319	(252)
Dividend paid on equity shares	(200)	(1,138)
Tax on equity dividend paid	(41)	(193)
Interest paid	(80)	(77)
Net cash flow from/ (used in) financing activities	7,094	(101)
IV NET INCREASE IN CASH AND CASH EQUIVALENTS (I+II+III)	2,730	204
Effect of exchange difference on cash & cash equivalents held in foreign currency	(14)	35
Cash and cash equivalents at the beginning of the year	1,157	916
Cash and cash equivalents acquired on merger (refer note 1.1)	-	2
V CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	3,873	1,157
COMPONENTS OF CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR (refer note 20)		
Balance with Banks:		
In current accounts	3,873	1,157
	3,873	1,157
Summary of significant accounting policies 2.1		

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W

per Aditya Vikram Bhauwala
Partner
Membership No: 208382

Place: Bengaluru
Date : 26 April 2016

For and on behalf of the Board of Directors of
Syngene International Limited

Kiran Mazumdar Shaw
Managing Director
DIN: 347229

M.B. Chinappa
Chief Financial Officer

JMM Shaw
Director
DIN: 347250

Mayank Verma
Company Secretary
ACS Number: 18776

Jonathan Hunt
Chief Executive Officer

Notes to the Financial Statements for the year ended March 31, 2016

(All amounts in Indian Rupees millions, except share data and per share data and unless otherwise stated)

1. Corporate information

Syngene International Limited ('Syngene' or 'the Company') was incorporated at Bangalore in 1993. On March 30, 2002, the Company became the subsidiary of Biocon Limited ('Biocon').

The Company is engaged in providing contract research and manufacturing services in early stage drug discovery and development to pharmaceutical and biotechnology companies worldwide. Syngene's services include discovery chemistry and biology services, toxicology, pharmaceutical development, process development /manufacture of advanced intermediates, active pharmaceutical ingredients and bio-therapeutics. Pursuant to merger as discussed in note 1.1, the Company also undertakes clinical research activities on discovering new biomarkers and discovering new diseases subsets and novel data based on pharmacogenomics.

During the year ended March 31, 2016, the Company completed the Initial Public Offering (IPO) through an offer for sale of 22,000,000 equity shares of ₹10 each at a price of ₹250 per equity share, by Biocon Ltd, the Company's holding company aggregating upto ₹5,500 and the equity shares of the Company were listed on the BSE Limited and the National Stock Exchange of India Limited on August 11, 2015.

1.1 Scheme of arrangement

The Honourable High Court of Karnataka ('the Court') approved the scheme of amalgamation ('the Scheme') of Clinigene International Limited ('Clinigene'), a wholly owned subsidiary, with the Company under the Companies Act, 1956 with Appointed date as April 01, 2014 vide the order dated February 5, 2015 ('the Order').

The Scheme was accounted by the Company under the Pooling of Interest method as prescribed by Accounting Standard 14 - Accounting for Amalgamation, with effect from April 1, 2014. Accordingly, the results of the Company include the operations and balances of Clinigene with effect from April 1, 2014 and the assets and liabilities, and balance in reserves and surplus of Clinigene as at Appointed Date have been recorded at their carrying values in the books of Syngene under the Pooling of Interest method as prescribed by Accounting Standard 14 - Accounting for Amalgamation ('AS 14').

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 as amended time to time. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1 Summary of significant accounting policies

a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Tangible fixed assets and depreciation

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, the cost of replacing part of the fixed assets and directly attributable cost of bringing the asset to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated

separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.

The Company adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated 09 August 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Assets funded by third parties are capitalised at gross value and the funds so received are recorded as deferred revenue and amortised over the useful life of the assets/period of contract.

The Company has determined the following useful lives to provide depreciation on its fixed assets on straight line basis:

Classes of Assets	Useful lives estimated by the management (years)	Useful lives stated in Schedule II (years)
Buildings	25	30
Plant and machinery	9	10 – 15
Computers and servers	3	3 – 6
Office equipment	3	5
Furniture and fixtures	6	10
Vehicles	6	8

Used assets acquired from third parties are depreciated on straight line basis over their remaining useful life of such assets.

Management's estimates of useful lives of certain fixed assets are lower than those stated in Schedule II to the Companies Act, 2013. Management has estimated these useful lives after taking into consideration technical advice, prior asset usage experience and the risk of technological obsolescence.

c. Intangible assets and amortization of intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Computer Software which is not an integral part of the related hardware is classified as an intangible asset.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5, Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

Computer Software is amortised over a period of five years, being its estimated useful life

d. Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognised in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

e. Inventories

Inventories comprising chemicals, reagents and consumables are valued at the lower of cost and net realisable value. Cost is determined on a first in first out basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a first in first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Consumables in the nature of column are amortised over useful life estimated to be a period of 12 months from the date of issue for consumption.

f. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

Contract research and manufacturing services income

In respect of contracts involving research services, in case of 'time and materials' contracts, contract research fee are recognised as services are rendered, in accordance with the terms of the contracts.

Revenues relating to fixed price contracts are recognised based on the percentage of completion method determined based on efforts expended as a proportion to total estimated efforts. The Company monitors estimates of total contract revenue and cost on a routine basis throughout the contract period. The cumulative impact of any change in estimates of the contract revenue or costs is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.

In respect of contracts involving sale of compounds arising out of contract research, revenue is recognised when the significant risks and rewards of ownership of the compounds have passed to the buyer.

The Company collects service tax and sales taxes, as applicable, on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Dividends

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.

Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

g. Investments

Investments which are readily realisable and intended to be held for not more than twelve months from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Long term investments are stated at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments. Current investments are carried at lower of cost and fair value and determined on an individual investment basis.

On the disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

h. Retirement and other employee benefits

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the employees rendered the related service and the contributions to the government funds are due. The Company has no obligation, other than the contribution payable to the provident fund authorities.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The gratuity benefit of the Company is administered by a trust

formed for this purpose through the group gratuity scheme. Actuarial gains and losses are recognised in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer the settlement for 12 months after the reporting date.

i. Foreign currency translation

Foreign currency transaction and balances

(a) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(b) Conversion

Foreign currency monetary items are retranslated using exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(c) Exchange Differences

The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

- i. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over remaining useful life of the asset.
- ii. Exchange differences arising on other long term foreign currency monetary items are accumulated in "the Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
- iii. All other exchange differences are recognized as income or as expenses in the year in which they arise.

For the purpose of (i) and (ii) above, the Company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated August 09, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

(d) Forward exchange contracts are entered into to hedge foreign currency risk of an existing asset/liability

The premium or discount arising at the inception of forward exchange contracts is amortised and recognised as an expense / income over the life of the contract. Exchange differences on such contracts, except the contracts which are long term foreign currency monetary items, are recognised in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or as expense for the period. Any gain/loss arising on forwards contracts which are long-term foreign currency monetary items is recognised in accordance with paragraph (c)(i) and (c)(ii) above.

j. Income tax

Tax expense comprises current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

In the situation where the Company is entitled to a tax holiday under the Income-tax Act, 1961 no deferred tax (assets or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax assets can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax relate to the same taxable entity and the same taxation authority.

Minimum Alternate tax (MAT) paid in a year is charged to the statement of the profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

k. Borrowing cost

Borrowing cost includes interest, amortization of ancillary cost incurred in connection with the arrangement of borrowings

and exchange differences arising from short term foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition and construction of a fixed asset which takes substantial period of time to get ready for its intended use are capitalised as a part of the cost of the asset, to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are recognised as an expense in the year in which they are incurred.

l. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year. The weighted average number of equity shares outstanding during the year are adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

For the purpose of calculating Basic EPS, shares allotted to the ESOP Trust pursuant to the employee share based payment plan is not included in the shares outstanding till the employees have exercised their right to obtain shares, after fulfilling the requisite vesting conditions. Till such time, the shares so allotted are considered as dilutive potential equity shares for the purpose of calculating Diluted EPS.

m. Employee stock compensation costs

Employees (including senior executives) of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method and recognized, together with a corresponding increase in the "Stock options outstanding account" in reserves. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total intrinsic value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

n. Operating lease

Where the Company is a Lessee

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

o. Segment reporting

Identification of segments

The Company's operating businesses are organised and managed separately according to the nature of products

manufactured and services provided, with each segment representing a strategic business unit that offers different products and services to different markets. The analysis of geographical segments is based on the areas in which the major operating divisions of the Company operate.

Inter-segment Transfers

The Company generally accounts for inter-segment sales and transfers at current market prices.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

p. Provision

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

q. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the Financial Statements.

r. Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

s. Derivative instruments

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the statement of profit and loss. Net gain, if any, after considering the offsetting of loss on the underlying hedged item, is ignored.

t. Amalgamation accounting

The Company treats an amalgamation in the nature of merger if it satisfies all the following criteria:

- (i) All the assets and liabilities of the transferor company become, after amalgamation, the assets and liabilities of the transferee company.

- (ii) Shareholders holding not less than 90% of the face value of the equity shares of the transferor company (other than the equity shares already held therein, immediately before the amalgamation, by the transferee company or its subsidiaries or their nominees) become equity shareholders of the transferee company.
- (iii) The consideration for amalgamation receivable by those equity shareholders of the transferor company who agree to become shareholders of the transferee company is discharged by the transferee company wholly by the issue of equity shares, except that cash may be paid in respect of any fractional shares.
- (iv) The business of the transferor company is intended to be carried on, after the amalgamation, by the transferee company.
- (v) The transferee company does not intend to make any adjustment to the book values of the assets and liabilities of the transferor company, except to ensure uniformity of accounting policies.

All other amalgamations are in the nature of purchase.

3. Share capital

	As at March 31, 2016	As at March 31, 2015
Authorised		
250,000,000 (March 31, 2015: 250,000,000) equity shares of ₹10/- each	2,500	2,500
Issued, subscribed and fully paid-up		
200,000,000 (March 31, 2015: 200,000,000) equity shares of ₹10/- each	2,000	2,000
Less : Amount Recoverable from Syngene Employees Welfare Trust		
830,729 (March 31, 2015: 937,500) equity shares of ₹10/- each (refer note c(ii), d (i) below and Note 37 (b))	(8)	(9)
199,169,271 (March 31, 2015: 199,062,500) equity shares of ₹10/- each	1,992	1,991

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	As at March 31, 2016		As at March 31, 2015	
	No.	₹	No.	₹
At the beginning of the year	200,000,000	2,000	54,166,667	270
Issued during the year (note d (ii) & (iii), below)	-	-	1,971,061	10
Decrease in number of shares on account of consolidation (note c (ii) below)	-	-	(28,068,864)	-
Issue of Bonus shares during the year (note k below)	-	-	171,931,136	1,720
At the end of the year	200,000,000	2,000	200,000,000	2,000
Less: Amount recoverable from Syngene Employee Welfare Trust [refer note 37(b)]	(830,729)	(8)	(937,500)	(9)
Outstanding at the end of the year	199,169,271	1,992	199,062,500	1,991

b. Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of ₹10 per share. The Company declares and pays dividend in Indian Rupees. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2016, interim dividend distributed to equity shareholders was ₹1/- (March 31, 2015 - ₹21/-) per share on face value of ₹10/- each (March 31, 2015 - ₹5/- each). Refer note c (ii) below.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

- c. (i) The Shareholders' at the Extraordinary General Meeting ('EGM') of the Company held on October 31, 2012, approved increase in authorised share capital from 50,000,000 equity shares of ₹5/- each to 60,000,000 equity shares of ₹5/- each.
- (ii) The Shareholders' at the EGM of the Company held on March 16, 2015, approved the consolidation (i.e. reverse share split) of 2 equity shares of face value of ₹5/- each into 1 equity share of face value of ₹10/- each. Subsequent to this, the authorised share capital of 60,000,000 equity shares of ₹5/- each consolidated to 30,000,000 equity shares of ₹10/- each.
- (iii) The Shareholders' at the EGM of the Company held on March 16, 2015, approved increase in authorised share capital from 30,000,000 equity shares of ₹10/- each to 250,000,000 equity shares of ₹10/- each.

- d. (i) The Company allotted 1,875,000 equity shares on October 31, 2012 at the rate of ₹80 per share (Face Value : ₹5 per Share) to Syngene Employees Welfare Trust ('Trust') under section 81 (1A) of the Companies Act, 1956. [Refer Note 37 (b)].
- (ii) The Board of Directors of the Company in the meeting held on September 12, 2014 approved allotment of 1,971,060 equity shares at the rate of ₹676.91 per share (Face value: ₹5 per share) on rights basis to Biocon Research Limited (a wholly owned subsidiary of Biocon Limited), in accordance with the provisions of section 62(1)(a) of the Companies Act, 2013.
- (iii) The Board of Directors of the Company in the meeting held on March 14, 2015 approved allotment of 1 equity share (Face value: ₹5 per share) at the rate of ₹676.91 on rights basis, in accordance with the provisions of section 62(1)(a) of the Companies Act, 2013.

e. Details of Shares held by holding company and their subsidiaries

	As at March 31, 2016		As at March 31, 2015	
	No.	% holding*	No.	% holding*
Equity Shares of ₹10/- each fully paid				
Biocon Limited (holding company) [refer note (i) below]	145,217,843	72.61%	167,217,843	83.61%
Biocon Research Limited (subsidiary of Biocon Limited)	1,866,673	0.93%	1,866,673	0.93%

* Taking into consideration the equity shares allotted to the Trust

f. Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2016		As at March 31, 2015	
	No.	% holding*	No.	% holding*
Equity shares of ₹10 each fully paid				
Biocon Limited [refer note (i) below]	145,217,843	72.61%	167,217,843	83.61%
Silver Leaf Oak (Mauritius) Limited [refer note (j) below]	19,850,000	9.93%	-	-
IVF Trustee Company Private Limited (sole trustee of India Value Fund IV) [refer note (h) & (j) below]	-	-	20,000,004	10.00%

* Taking into consideration the equity shares allotted to the Trust

- g. Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	As at March 31, 2016	As at March 31, 2015
Equity shares allotted as fully paid bonus shares by capitalization of surplus in Statement of profit and loss *	41,750,000	41,750,000
Equity shares allotted as fully paid bonus shares by capitalization of securities premium #	171,931,136	171,931,136
Equity shares allotted as fully paid pursuant to contracts for consideration other than cash @	760,781	-

* The Company issued fully paid bonus shares of 41,750,000 (Face value: ₹5 per share) in ratio of 1:7.260869565 on 28th February 2012 by capitalisation of surplus in statement of profit and loss pursuant to the approval of the shareholders of the Company at the EGM held on 14th December 2011.

The Company issued fully paid bonus shares of 171,931,136 (Face value: ₹10 per share) in ratio of 1:6.1253329 on 27th March 2015 by capitalisation of securities premium pursuant to the approval of the shareholders of the Company at the EGM held on 16th March 2015.

@ Syngene Employees Welfare Trust transferred equity shares to eligible employees upon meeting of the vesting conditions as per Syngene Employee Stock Option Plan 2011. The part consideration was received in form of employee services.

- h. The Board of Directors of the Company in the meeting held on October 20, 2014 noted the execution of the share purchase agreement between Silver Leaf Oak (Mauritius) Limited ['Silver Leaf'], Biocon Research Limited ['BRL'] and the Company for transfer of 5,613,773 equity shares (Face value: ₹5 per share) in the Company by BRL to Silver Leaf. In January 2015, Silver Leaf assigned its rights and obligations to purchase the aforesaid 10% equity stake in the Company to IVF Trustee Company Private Limited ['IVF'], a fund advised by India Value Fund Advisors. Thereafter, BRL concluded such sale of Shares to IVF.
- i. During the year ended March 31, 2016, the Company completed the Initial Public Offering (IPO) through an offer for sale of 22,000,000 equity shares of ₹10 each at a price of ₹250 per equity share, by Biocon Ltd, the Company's holding company aggregating upto ₹5,500 and the equity shares of the Company were listed on the BSE Limited and the National Stock Exchange of India Limited on August 11, 2015.
- j. Pursuant to a share purchase agreement dated March 31, 2015, IVF agreed to sell 20,000,000 equity shares (Face value: ₹10/- per share) in the Company to Silver Leaf. The Board of Directors of the Company recorded the transfer of shares to Silver Leaf on April 21, 2015.
- k. The Shareholders' at the EGM of the Company held on March 16, 2015, approved the issue of fully paid bonus shares of face value of ₹10/- each in the ratio of 1: 6.1253329 by capitalisation of Securities premium account.
- l. **Shares reserved for issue under options**
For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer to note 37.

4. Reserves and surplus

	As at March 31, 2016	As at March 31, 2015
Securities premium account		
Balance as per the last financial statements	969	1,365
Add: Premium on issue of equity shares [refer note 3(d)(ii) & (iii) above]	-	1,324
Add: Transfer from Employee stock options outstanding	35	-
Less: Issue of bonus shares [refer note 3(k) above]	-	(1,720)
	1,004	969
Less: Amount recoverable from Syngene Employees Welfare Trust [Refer Note 3(d)(i) and Note 37(b)]	(80)	(101)
Closing balance	924	868
General Reserve		
Balance as per the last financial statements	47	46
Balance as at April 1, 2014 of Transferor Company [refer note 1.1]	-	1
Closing balance	47	47
Surplus in the statement of profit and loss		
Balance as per the last financial statements	5,424	5,003
Balance as at April 1, 2014 of Transferor Company [refer note 1.1]	-	2
Profit for the year	2,212	1,750
Less: Appropriations		
Interim dividend on equity shares	(200)	(1,138)
Tax on Interim dividend	(41)	(193)
Net surplus in the statement of Profit and loss	7,395	5,424
Employee stock options outstanding [refer note (i) below]		
Gross employee stock compensation as per the last financial statements	278	259
Add : Gross compensation for options granted during the year	345	25
Less : Transfer to Securities Premium Account on options exercised	(35)	-
Less : Lapsed / forfeited during the year	(6)	(6)
	582	278
Less : Closing balance of deferred employee stock compensation cost	412	159
Closing balance	170	119
Total reserves and surplus	8,536	6,458
(i) Deferred Employee Stock Compensation Cost :		
Stock compensation cost outstanding at the beginning of the year	159	200
Stock options granted during the year	345	25
Stock options cancelled / forfeited during the year	(6)	(6)
Stock compensation cost amortised during the year	(86)	(60)
Closing balance of deferred employee stock compensation cost	412	159

5. Long-term borrowings

	As at March 31, 2016	As at March 31, 2015
From Banks		
Buyer's credit loan(secured) [refer note (i) below]	624	186
External commercial borrowing (secured) [refer note (ii) below]	6,628	-
	7,252	186

- (i) The Company has obtained a foreign currency denominated long term secured buyer's credit loans of ₹624 (USD \$9.41 million) [March 31, 2015 - ₹186 (USD 2.99 million)] as of March 31, 2016 from HSBC Bank (Mauritius) Limited that carry interest rate in the range of Libor + 0.60% to Libor + 0.80%. The loan is guaranteed by Hongkong and Shanghai Banking Corporation Limited, India to HSBC Bank (Mauritius) Limited. All of the credit facilities provided by Hongkong and Shanghai Banking Corporation Limited, India is secured by a pari passu charge on the current assets and movable fixed assets of the Company. The loans are repayable at end of 960 days to 1079 days from the date of its origination.
- (ii) (a) The Company has entered into External Commercial Borrowing agreement with Citibank N.A. and HSBC Bank (Mauritius) Limited dated March 30, 2016 to borrow ₹6,628 (USD 100 million) comprising (a) USD 50 million term loan facility ('Facility A'); and (b) USD 50 million term loan facility ('Facility B'). The facilities are borrowed to incur capital expenditure at Bangalore and Mangalore premises of the Company and are funded equally by Citibank N.A. and HSBC Bank (Mauritius) Limited .
- (b) 'Facility A' of ₹3,314 (USD \$ 50 million) carries an interest rate of Libor + 1.04% and is repayable in two installments of USD 12.5 million in March 2019 and USD 37.5 million in March 2020; and 'Facility B' of ₹3,314 (USD \$ 50 million) carries an interest rate of Libor + 1.30% and is repayable in March 2021.
- (c) The facilities provided are secured by first priority pari passu charge on fixed assets and second charge on current assets of the Company.

6. Deferred tax liability (net)

	As at March 31, 2016	As at March 31, 2015
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting	128	100
Gross deferred tax liability	128	100
Deferred tax asset		
Employee retirement benefits expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	80	51
Gross deferred tax asset	80	51
Net deferred tax liability	48	49

The Company has units / operations in a Special Economic Zone (SEZ) which claim deduction of income under the provisions of the Income Tax Act, 1961. Deferred tax assets / liabilities are recognised in respect of timing differences which originate in the reporting period but is expected to reverse after the tax holiday period.

7. Other Long-term liabilities

	As at March 31, 2016	As at March 31, 2015
Deferred revenues [refer Note 13 (b)]	509	633
Deferred rent liability	17	14
	526	647

8. Long-term provisions

	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits:		
Provision for gratuity (note 31)	181	132
	181	132

9. Short-term borrowings

	As at March 31, 2016	As at March 31, 2015
From Banks		
Pre shipment credit (unsecured) [refer note (i) & (ii) below]	-	1,364
Pre shipment credit (secured) [refer note (iii) below]	1,658	-
	1,658	1,364

- (i) The Company had obtained foreign currency denominated short term unsecured pre-shipment credit loans of ₹810 (USD 13 Million) as of March 31, 2015 from Yes Bank Limited that carried interest rate of Libor + 0.15%. The loans were repayable at the end of 6 months from the date of its origination and has been repaid during the year.
- (ii) The Company had obtained foreign currency denominated short term unsecured pre-shipment credit loans of ₹554 (USD 8.9 Million) as of March 31, 2015 from HDFC Bank Limited that carried interest rate of Libor + 0.42%. The loans were repayable at the end of 6 months from the date of its origination and has been repaid during the year.
- (iii) The Company has obtained foreign currency denominated short term secured pre-shipment credit loans of ₹1,658 (USD 25 Million) [March 31, 2015 -nil] from The Royal Bank of Scotland N. V. that carries interest rate of Libor + 0.10%. The loans are repayable after the end of 6 months from the date of its origination. The facility provided are secured by charge on fixed assets and current assets of the Company.

10. Trade payables

	As at March 31, 2016	As at March 31, 2015
Trade payables		
- total outstanding dues of micro and small enterprises (Refer note below for details of dues to micro and small enterprise)	15	5
- total outstanding dues of creditors other than micro and small enterprises	729	687
	744	692
(a) Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development Act, 2006 ("MSMED Act")		
(i) The principal amount and interest due thereon remaining unpaid to supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprise	15	5
- Interest due on above	0.8	0.1
(ii) The amount of Interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	80	44
(iii) Interest due and payable for the period of delay in making payment during the year	2	1
(iv) Interest accrued and remaining unpaid at the end of the year	-	-
(v) Interest remaining due and payable in succeeding years, in terms of Section 23 of the MSMED Act, 2006	-	-

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors / suppliers.

11. Other current liabilities

	As at March 31, 2016	As at March 31, 2015
Payable for capital goods	184	137
Advances from customers	2,378	2,188
Balance in current account with bank representing book overdraft	-	90
Deferred revenues [refer note 13(b)]	147	144
Others		
-Statutory dues [refer note (a) below]	55	43
	2,764	2,602

Note:

- (a) Statutory dues include Tax Deducted at Source, Service tax, Provident Fund, Employee State Insurance and Profession Tax payable at year end.

12. Short-term provisions

	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits:		
Provision for leave encashment	75	63
Provision for Income tax, net of advance tax	119	31
	194	94

13. Tangible assets

	Land	Buildings	Plant and Equipment	Office Equipments	Furniture and Fixtures	Vehicles	Total
Cost							
At April 01, 2014	-	1,136	5,918	57	83	5	7,199
Additions pursuant to merger [refer note 1.1]	42	130	320	6	43	2	543
Additions	-	244	1,294	5	23	6	1,572
Disposals	-	-	3	-	-	-	3
At March 31, 2015	42	1,510	7,529	68	149	13	9,311
Additions	-	276	1,412	4	34	-	1,726
Disposals	-	-	8	-	-	2	10
At March 31, 2016	42	1,786	8,933	72	183	11	11,027
Depreciation							
At April 01, 2014	-	244	2,908	49	54	3	3,258
Arising pursuant to merger [refer note 1.1]	-	39	190	5	42	2	278
Charge for the year	-	57	727	5	12	1	802
Disposals	-	-	3	-	-	-	3
At March 31, 2015	-	340	3,822	59	108	6	4,335
Charge for the year	-	66	873	6	12	-	957
Disposals	-	-	6	-	-	2	8
At March 31, 2016	-	406	4,689	65	120	4	5,284
Net Block							
At March 31, 2015	42	1,170	3,707	9	41	7	4,976
At March 31, 2016	42	1,380	4,244	7	63	7	5,743

Notes:

- The Company has entered into agreements with customers, which grant the customers an option to purchase fixed assets with gross block of ₹3,009 (March 31, 2015 - ₹2,818) as at March 31, 2016 relating to particular projects, upon satisfaction of certain terms and conditions. The consideration would be as per the terms of the agreement, subject to amounts already funded / contributed by the customer.
- Additions to fixed assets during the year ended March 31, 2016, include assets of ₹25 (March 31, 2015 - ₹215) which have been funded by the customers. The Company has capitalised and depreciated the gross cost of these assets. The funding received from the customer is reflected as Deferred revenues in note 7 and note 11 and the same is recognised as other operating revenue on a systematic basis over the useful life of the asset / period of contract. Cumulative amount of such funded assets as at March 31, 2016 - ₹1,270 (March 31, 2015 - ₹1,245) (gross block).
- Plant and equipment includes computers.
- Buildings with a cost of ₹1,655 (March 31, 2015 - ₹1,379) have been constructed on leasehold land obtained by the Company on an operating lease basis from Biocon Limited.
- Foreign exchange loss of ₹12 (March 31, 2015 - Nil) on long term foreign currency monetary liabilities relating to acquisition of a depreciable capital asset has been adjusted with the cost of such asset and is being depreciated over the balance life of the asset.

14. Intangible assets

	Software	Total
Cost		
At April 01, 2014	-	-
Additions	69	69
Disposals	-	-
At March 31, 2015	69	69
Additions	18	18
Disposals	-	-
At March 31, 2016	87	87
Amortisation		
At April 01, 2014	-	-
Charge for the year	12	12
Disposals	-	-
At March 31, 2015	12	12
Charge for the year	16	16
Disposals	-	-
At March 31, 2016	28	28
Net Block		
At March 31, 2015	57	57
At March 31, 2016	59	59

15. Long Term Loans & Advances (Unsecured, considered Good)

	As at March 31, 2016	As at March 31, 2015
Capital Advances	39	131
Deposits	59	13
Prepaid expenses	6	8
Balances with statutory / government authorities	284	78
Advance income-tax, net of provision	355	399
MAT Credit entitlement	680	513
	1,423	1,142

16. Other Non Current assets

	As at March 31, 2016	As at March 31, 2015
Unamortized premium on foreign exchange forward / option contracts	818	1,131
	818	1,131

17. Current investments - [valued at lower of cost and fair market value, unless stated otherwise]

	As at March 31, 2016	As at March 31, 2015
Investments In Mutual Funds (unquoted, fully paid up) (Non trade)		
40,637 units (March 31, 2015: Nil) of ₹1,001 each in	41	-
Baroda Pioneer Liquid Fund - Plan A Daily Dividend		
200,433 units (March 31, 2015: Nil) of ₹1,000 each in	201	-
Axis Liquid Fund - Daily Dividend		
252,021 units (March 31, 2015: Nil) of ₹1,002 each in	253	-
UTI-Treasury Advantage Fund - Daily Dividend Reinvestment		
80,487 units (March 31, 2015: Nil) of ₹1,003 each in	81	-
SBI Premier Liquid Fund - Regular Plan - Daily Dividend		
5,016,970 units (March 31, 2015: 2,521,502 units) of ₹100 each in	503	253
Birla Sun Life Savings Fund - Daily Dividend - Regular Plan		
Nil units (March 31, 2015: 93,857 units) of ₹100 each in	-	9
Birla Sun Life Cash Plus - Daily Dividend- Direct Plan		
Nil units (March 31, 2015: 748,871 units) of ₹100 each in	-	75
Birla Sun Life Cash Plus - Daily Dividend		
13,003,654 units (March 31, 2015: Nil) of ₹10 each in	130	-
ICICI FMP Series 78 - 95 D Plan K Dividend		
4,689,806 units (March 31, 2015: 2,391,423 Units) of ₹106 each in	496	253
ICICI Prudential Flexible Income - Regular Plan - Daily Dividend.		
Nil units (March 31, 2015: 699,774 units) of ₹100 each in	-	70
ICICI Prudential Liquid - Daily Dividend		
Nil units (March 31, 2015: 4,033,108 units) of ₹10 each in	-	40
JP Morgan Liquid Fund - Daily Dividend		
Nil units (March 31, 2015: 82,653 units) of ₹1115 each in	-	92
TATA Liquid Fund Plan A - Daily Dividend		
Nil units (March 31, 2015: 125,068 units) of ₹1003 each in	-	126
TATA Floater Fund Plan A - Daily Dividend		
Nil units (March 31, 2015: 1,013,825 units) of ₹10 each in	-	10
HDFC Liquid Fund - Direct Plan -Daily Dividend		
Nil units (March 31, 2015: 266,017 units) of ₹10 each in	-	3
HDFC Liquid Fund - Regular Plan -Daily Dividend		
171,988 units (March 31, 2015: Nil) of ₹1,020 each in	175	-
HDFC liquid fund - Daily Dividend Reinvestment		
49,241,163 units (March 31, 2015: 14,034,587 units) of ₹10 each in HDFC Floating	496	142
Rate Income Fund -Short Term -Whole Sale Plan - Dividend Reinvestment		
Nil units (March 31, 2015: 18,308 units) of ₹1223 each in	-	22
Kotak Liquid Scheme Plan A - Direct Plan - Daily Dividend		

17. Current investments - [valued at lower of cost and fair market value, unless stated otherwise] (contd.)

	As at March 31, 2016	As at March 31, 2015
Nil units (March 31, 2015: 99,734 units) of ₹1223 each in	-	122
Kotak Liquid Fund Plan A - Regular Plan - Daily Dividend		
151,044 units (March 31, 2015: Nil) of ₹1,004 each in	152	-
Reliance Money Manager Fund - Daily Dividend Plan		
154,108 units (March 31, 2015: 125,892 units) of ₹1,529 each in	236	193
Reliance Liquid Fund - Regular Plan - Daily Dividend		
Nil units (March 31, 2015: 45,147 units) of ₹1114 each in	-	50
Reliance Liquid Fund - Cash Plan - Daily Dividend		
Aggregate amount of unquoted investments	2,764	1,460

18. Inventories (valued at lower of cost and net realisable value)

	As at March 31, 2016	As at March 31, 2015
Chemicals, reagents and consumables	188	239
Work-in-progress	142	119
Finished goods	47	26
	377	384

19. Trade Receivables (unsecured)

	As at March 31, 2016	As at March 31, 2015
Outstanding for a period exceeding six months from the date they are due for payment		
Considered Good	14	32
Doubtful	14	5
	28	37
Less: Provision for doubtful receivables	14	5
	14	32
Other receivables, considered good	1,838	1,767
	1,852	1,799

20. Cash and bank balances

	As at March 31, 2016	As at March 31, 2015
Cash and Cash equivalents		
Balances with banks:		
on current accounts [refer note (a) below]	3,873	1,157
Other bank balances		
Deposits with original maturity for more than 3 months but less than/equal to 12 months	3,326	-
	7,199	1,157

a. includes ₹3,318 (March 31, 2015 - ₹ Nil) held in Nostro accounts by banks on behalf of the Company.

21. Short term Loans and advances (unsecured, considered good)

	As at March 31, 2016	As at March 31, 2015
Advances recoverable in cash or in kind or for value to be received	101	55
Prepaid expenses	68	49
Balances with statutory / government authorities	150	234
	319	338

22. Other current assets

	As at March 31, 2016	As at March 31, 2015
Unbilled revenues	345	189
Unamortized premium on foreign exchange forward / Option contracts	628	531
	973	720

23. Revenue from operations

	Year ended March 31, 2016	Year ended March 31, 2015
Sale of Services		
Contract research and manufacturing services income	10,856	8,427
Other operating revenues		
Scrap sales	22	15
Other operating income [see note 13(b)]	192	157
	11,070	8,599

24. Other income

	Year ended March 31, 2016	Year ended March 31, 2015
Dividend income on current investments (non trade)	59	99
Interest income on bank deposits	1	-
Miscellaneous Income	1	18
	61	117

25. Cost of chemicals, reagents and consumables consumed

	Year ended March 31, 2016	Year ended March 31, 2015
Inventory at the beginning of the year	239	107
Add : Purchases	3,097	2,625
	3,336	2,732
Less: Inventory at the end of the year	188	239
	3,148	2,493

Also refer note 32(a)

26. (Increase)/decrease in inventories

	Year ended March 31, 2016	Year ended March 31, 2015
Inventories at the beginning of the year:		
Work-in-progress	119	42
Finished Goods	26	-
	145	42
Inventories at the end of the year:		
Work-in-progress	142	119
Finished Goods	47	26
	189	145
	(44)	(103)

27. Employee benefits expense

	Year ended March 31, 2016	Year ended March 31, 2015
Salaries, wages and bonus	2,168	1,774
Contribution to provident fund and other funds	93	81
Gratuity expenses (refer note 31)	49	29
Employee stock compensation expense (refer note 37)	86	60
Staff welfare expenses	107	75
	2,503	2,019

28. Other expenses

	Year ended March 31, 2016	Year ended March 31, 2015
Rent	59	49
Communication expenses	12	11
Travelling and conveyance	118	108
Professional charges	200	131
Directors' fees	13	13
Payments to auditors [refer note (a) below]	5	5
Power and fuel	312	275
Facility Charges	105	104
Insurance	25	22
Rates and taxes	10	26
Repairs and maintenance		
Plant and machinery	167	131
Buildings	53	36
Others	75	47
Selling expenses		
Freight outwards and clearing charges	20	18
Sales promotion expenses	22	14
Commission	6	6
Foreign Exchange difference (net)	398	160
Provision for doubtful receivables	9	2
Printing and stationery	23	8
Clinical trial expenses	80	66
Contributions towards CSR (refer note 39)	31	22
Miscellaneous expenses	151	125
	1,894	1,379
Less: Expenses capitalised to fixed assets (refer note 38)	(9)	-
	1,885	1,379
(a) Payments to auditors:		
As an auditor:		
Audit fee	2.4	2.6
Tax audit fee	0.5	0.5
Limited review	0.7	-
In other capacity:		
Audit/Limited review fee in relation to IPO	6.0	-
Other services (certification fees)	0.6	0.3
Reimbursement of expenses	0.4	1.2
Reimbursement of expenses in relation to IPO	0.7	-
Less: Reimbursed by Biocon Limited [Refer note 30]	(6.7)	-
	4.6	4.6

29. Finance Costs

	Year ended March 31, 2016	Year ended March 31, 2015
Interest expense	18	11
Bank charges	4	3
Exchange difference to the extent considered as an adjustment to borrowing cost	106	65
	128	79
Less: Expenses capitalised to fixed assets (refer note 38)	(44)	-
	84	79

30. Related party transactions

Related parties where control exists and related parties with whom transactions have taken place during the year are listed below:

Sl No	Name of the related party	Relationship	Description	Year ended March 31, 2016 Expenses / (Income) / Other transactions	Balance as at March 31, 2016 Payable / (Receivable)	Year ended March 31, 2015 Expenses / (Income) / Other transactions	Balance as at March 31, 2015 Payable / (Receivable)
(a)	Biocon Limited	Holding Company	Rent expense	50	-	43	-
			Power and facility charges [Note (ii)]	419	-	382	-
			Purchase of goods	4	-	5	-
			Other expenses	93	-	51	-
			Trade payable	-	106	-	136
			Advance from Customers	-	4	-	17
			Deferred rent liability	-	15	-	14
			Rent deposit paid	-	(20)	-	(2)
			Sale of services	(107)	(29)	(99)	(28)
			Recovery of expenses incurred towards IPO	(45)	-	-	-
			Interim dividend	145	-	997	-
			Issue of Bonus shares 145,469,080 equity shares of ₹10/- each	-	-	1,455	-
(b)	Biocon Research Limited	Subsidiary of Biocon Limited	Sale of services	(116)	(30)	(89)	(20)
			Advance from Customers	-	6	-	9
			Interim dividend	2	-	88	-
			Issue of equity shares 1,971,060 equity shares of ₹5/- each	-	-	1,334	-
			Issue of Bonus shares 1,604,696 equity shares of ₹10/- each	-	-	16	-
(c)	Biocon SA	Subsidiary of Biocon Limited	Sale of services	(34)	(35)	(14)	(10)
(d)	Syngene Employee Welfare Trust	ESOP Trust	Loan Recovery / (granted) (refer note 37)	22	(88)	40	(110)
			Interim dividend	6	-	40	-
			Issue of Bonus shares 5,742,500 equity shares of ₹10/- each	-	-	57	-
(e)	Biocon Foundation	Trust #	Contribution towards CSR	31	-	22	-

Related parties where control exists and related parties with whom transactions have taken place during the year are listed below:

SI No	Name of the related party	Relationship	Description	Year ended March 31, 2016 Expenses / (Income) / Other transactions	Balance as at March 31, 2016 Payable / (Receivable)	Year ended March 31, 2015 Expenses / (Income) / Other transactions	Balance as at March 31, 2015 Payable / (Receivable)
(f)	Narayana Hrudayalaya Limited	Enterprise in which a director of the Company is a member of board of directors	Sale of services	(1)	- *	(1)	- *
(g)	Remuneration to key managerial personnel						
	Peter Bains (refer note (iv) and (vi) below)	Director and Chief Executive Officer	Salary and perquisites	44	20	4	4
	Jonathan Hunt (refer note (v) and (vi) below)	Chief Executive Officer	Salary and perquisites	8	-	-	-
			ESOP Cost	12	-	-	-
	M.B. Chinappa (refer note (vi) below)	Chief Financial officer	Salary and perquisites	26	-	26	-
			ESOP Cost	7	-	9	-
	Mayank Verma (refer note (vi) below)	Company Secretary	Salary and perquisites	2	-	2	-
			ESOP Cost	- *	-	- *	-

* Less than ₹1 million.

Trust in which Kiran Mazumdar Shaw is a Trustee.

- (i) Biocon Limited has given corporate guarantees of ₹148 (March 31, 2015 - ₹242) to the Customs and Excise Department ('CED') on behalf of the Company and the Company has furnished a corporate guarantee of ₹500 (March 31, 2015 - ₹500) on behalf of Biocon to the CED.
- (ii) Effective from October 1, 2006, the Company has entered into an arrangement for lease of land on an operating lease basis and a service agreement with 'Biocon SEZ Developer' of Biocon Limited for availing certain facilities and services. The facility charges of ₹105 (Year ended March 31, 2015 - ₹104) and power charges (including other charges) of ₹314 (Year ended March 31, 2015 - ₹278) have been charged by Biocon Limited for the year ended March 31, 2016.
- (iii) Fellow subsidiary companies with whom the Company did not have any transactions
 Biocon Sdn.Bhd, Malaysia, a subsidiary of Biocon Limited
 NeoBiocon FZ LLC, a subsidiary of Biocon Limited
 Biocon FZ LLC, a subsidiary of Biocon Limited
 Biocon Pharma Inc, a subsidiary of Biocon Limited
 Biocon Biologics Limited, a subsidiary of Biocon Limited
 Biocon Pharma Limited, a subsidiary of Biocon Limited
 Biocon Academy, a subsidiary of Biocon Limited
- (iv) Peter Bains has been appointed as Director and Chief Executive Officer in the Meeting of Board of Directors dated January 21, 2015 and approved by the shareholders on February 12, 2015. The appointment is effective for the period February 2, 2015 to March 31, 2016.
- (v) Jonathan Hunt has been appointed as Chief Executive Officer - designate effective January 4, 2016 and has assumed full responsibility as Chief Executive Officer effective April 1, 2016.
- (vi) The remuneration to the key managerial personnel 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.
- (vii) The above disclosures include related parties as per Accounting Standard 18 on "Related Party Disclosures" and Companies Act, 2013.

31. Employee Benefit Plans

The Company has defined benefit gratuity plan as per Payment of Gratuity Act, 1972

A Summary of the gratuity plan is as follows:

	Year ended March 31, 2016	Year ended March 31, 2015
Fund balance		
Defined benefit obligation	183	140
Fair value of plan assets	2	(8)
Plan Liability	181	132
The change in present value of the defined benefit obligation and funded status of the gratuity plan for the year ended March 31, 2016 and the year ended March 31, 2015 is as follows:		
Change in benefit obligation		
Benefit obligation at the beginning of the year	140	106
Benefit obligation pursuant to merger (refer note 1.1)	-	7
Current Service cost	19	17
Interest cost	11	9
Benefits paid	(6)	(3)
Actuarial (gain) / loss on obligation	19	4
Defined benefit obligation at the end of the year	183	140
Change in fair value of plan assets		
Fair value of plan assets at beginning of the year	8	9
Fair value of plan assets pursuant to merger (refer note 1.1)	-	1
Expected return on plan assets	1	1
Actuarial gain / (loss)	(1)	-
Actual contribution	-	-
Benefits paid	(6)	(3)
Fair value of plan assets at end of year	2	8
The Company expects to contribute ₹ Nil to Gratuity Fund in next 12 months (March 31, 2015 - ₹ Nil)		
Net gratuity cost for the year are as follows:		
Components of net benefit cost		
Current Service cost	19	17
Interest cost	11	9
Expected return on plan assets	(1)	(1)
Net actuarial (gain) / loss recognised during the year	20	4
Net gratuity cost	49	29
Actual return on plan assets	1	1

Experience adjustment

	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Defined benefit obligation	183	140	106	72	53
Plan assets	2	8	9	11	14
Surplus/(Deficit)	(181)	(132)	(97)	(61)	(39)
Experience adjustments on plan liabilities gain/(loss)	(15)	(7)	(8)	4	(9)
Experience adjustments on plan assets gain/(loss)	-	-	-	-	-

The principal assumptions used in determining the gratuity plan is shown below:

	March 31, 2016	March 31, 2015
Discount rate	7.5%	7.9%
Expected return on plan assets	7.5%	7.9%
Salary increase	9.0%	9.0%
Attrition rate upto age 44	26.0%	26.0%
Attrition rate above age 44	7.0%	7.0%

The Company evaluates these assumptions based on its long term plans of growth and industry standards. The nature of assets allocation of the Fund is only in debt based mutual funds of high credit rating.

32. Supplementary profit and loss data

a. Consumption of chemicals, reagents and consumables*

	Year ended March 31, 2016		Year ended March 31, 2015	
	Percent	Amount	Percent	Amount
Imported	45	1,429	44	1,102
Indigenous	55	1,719	56	1,391
		3,148		2,493

*Due to numerous items classified thereunder, it is not practical to provide details of consumption of individual items.

b. Value of imports on CIF basis

	March 31, 2016	March 31, 2015
Chemicals, reagents and consumables	1,369	1,195
Capital goods	1,027	943
	2,396	2,138

c. Expenditure in foreign currency (on accrual basis)

	March 31, 2016	March 31, 2015
Professional Charges	119	57
Repairs & Maintenance	70	104
Travel	5	11
Interest expense	13	11
Others	105	86
	312	269

d. Earnings in foreign exchange

	March 31, 2016	March 31, 2015
Contract research and manufacturing services	10,388	8,014
Other operating income	191	154
	10,579	8,168

e. Net dividend remitted in foreign exchange

Year to which it relates	2015 - 16	2014 - 15
Number of non-resident shareholders	5	-
Number of equity shares held on which dividend was due	125,000	Not Applicable
Dividend remitted	0.1	-
Dividend remitted in foreign currency :		
In USD absolute value	746	-
In GBP absolute value	789	-

33. Capital and other commitments

	March 31, 2016	March 31, 2015
(a) Capital commitments		
Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances	677	1,412
(b) Operating lease commitments		
(i) Rent		
The Company has entered into lease agreements for use of land and buildings which expires over a period ranging upto 2022.		
Gross rental expenses for the year aggregate to ₹59 (March 31, 2015 - ₹49). Future minimum rentals payable under non-cancellable operating leases are as follows:		
Not later than one year	59	49
Later than one year and not later than five years	196	181
Later than five years	51	85
(ii) Vehicles		
The Company has taken vehicles for certain employees under operating leases, which expire over a period ranging upto 2020.		
Gross rental expenses for the year aggregate to ₹2 (March 31, 2015 - ₹2). Future minimum rentals payable under non-cancellable operating leases are as follows:		
Not later than one year	3	1
Later than one year and not later than five years	6	2
Later than five years	-	-

34. Derivative Instruments

The Company has entered into foreign exchange forward contracts and option contracts to hedge highly probable forecasted transactions in foreign currency. As at March 31, 2016 and March 31, 2015, the Company has the following outstanding contracts (in million):

	March 31, 2016	March 31, 2015
In respect of highly probable forecasted sales / collections (in million):		
Foreign exchange forward contracts with periodical maturity dates upto January 2017	USD 9 (₹616)	USD 12 (₹762)
European style option contracts with periodical maturity dates upto January 2020	USD 327 (₹21,678)	USD 341 (₹21,223)
Unhedged foreign currency exposure as at the balance sheet date is as given below (₹)		
Balances with banks - In Current Account	479	1,143
Receivables (including unbilled revenue and advances recoverable)	2,154	1,971
Trade payables and payable for capital goods	177	203
Advance from Customers	2,345	2,130
Secured Loans	8,910	186
Unsecured Loans	-	1,364

35. Contingent liabilities

	March 31, 2016	March 31, 2015
(a) (i) The Company has given corporate guarantees in favour of the Customs and Excise department ('CED') in respect of certain performance obligations of Biocon aggregating to ₹500 (March 31, 2015 - ₹500). The necessary terms and conditions have been complied with and no liability has arisen till date. Biocon has given corporate guarantees of ₹148 (March 31, 2015 - ₹242) to the Customs and Excise department ('CED') on behalf of the Company.		
(ii) Guarantees given by banks on behalf of the Company for contractual obligations of the Company.	29	1
(b) Litigations		
(i) Taxation matters under dispute	1,586	1,045
Income tax demand from the tax authorities for payment of tax based on assessment orders issued. The tax demand is mainly on account of denial of relief under section 10B of the Income-tax Act, 1961 and denial of relief under section 10AA of the Income-tax Act, 1961. The matter is disputed and pending conclusion of appeals at various levels being disputed by Company and tax authorities.		
The Company is contesting the demands and the management is confident that its position will be upheld in the appellate process. Accordingly, no tax expense has been accrued in the financial statements for the demand raised.		
(ii) Service Tax matters	72	57
(iii) VAT matters under appeal	2	1

36. Segmental Information

Business segments

The Company is engaged in a single business segment of providing contract research and manufacturing services.

Geographical segments

Secondary segmental reporting is performed on the basis of geographical location of customers. The management views the Indian and export markets as distinct geographical segments. The following is the distribution of the Company's revenues by geographical markets.

	Year ended March 31, 2016	Year ended March 31, 2015
Contract research and manufacturing services income		
India	468	413
Outside India	10,388	8,014
Total	10,856	8,427
	As at March 31, 2016	As at March 31, 2015
Carrying amount of segment assets		
India	21,751	12,244
Outside India	2,144	1,971
Total	23,895	14,215

Note: All fixed assets of the Company are located in India.

37. Employee Stock Incentive Plan

(a) Selected employees of the Company were granted stock options of Biocon Limited ('Biocon'), the holding company based upon performance, criticality to business and long-term potential to the Company. The options vest rateably over a period of 4 years. The Institute of Chartered Accountants of India has issued a Guidance Note on Accounting for Employee Share-based Payments, which is applicable to employee share based payment plans, the grant date in respect of which falls on or after April 1, 2005. The management is of the opinion that the schemes detailed above are managed and administered by Biocon for its own benefit and do not have any settlement obligations on the Company. Further the aforesaid schemes pertain to shares of Biocon. The compensation benefits in respect of such schemes is paid by the Company based on the cross charge from Biocon. Accordingly, the Company is of the opinion that there is no further accounting treatment/ disclosure required under the said Guidance Note.

(b) Syngene ESOP Plan:

On July 20, 2012, Syngene Employee Welfare Trust ('Trust') was created for the welfare and benefit of the employees and directors of the Company and subsidiary company. The Board of Directors has approved the employee stock option plan of the Company. On October 31, 2012 the Trust subscribed 1,875,000 equity shares (Face Value of ₹5 per share) of the Company using the proceeds from interest free loan of ₹150 obtained from the Company. The loan granted and receivable from the Trust has been adjusted in the shareholders' funds as per the Guidance Note on Accounting for Employee Share-based Payments issued by Institute of Chartered Accountants of India. Also refer note 3 and 4 above. As at March 31, 2016, the Trust holds 5,919,219 (March 31, 2015 - 6,680,000) equity shares of face value : ₹10/- each, adjusted for the consolidation of shares and bonus issue. During the year ended March 31, 2016, the Trust transferred 760,781 (March 31, 2015 - Nil) equity shares to the employees on exercise of their stock options.

Grant

Pursuant to the Scheme, the Company has granted options to eligible employees of the Company under Syngene Employee Stock Option Plan - 2011. Each option entitles for one equity share. The options under this grant will vest to the employees as 25%, 35% and 40% of the total grant at end of second, third and fourth year from the date of grant, respectively, with an exercise period of three years for each grant. The vesting conditions include service terms and performance grades of the employees. These options are exercisable at an exercise price of ₹80/- per share (Face Value of ₹5 per share).

Details of Grant

Grant I	March 31, 2016		March 31, 2015	
	No. of options	WAEP * (In ₹)	No. of options	WAEP * (In ₹)
Outstanding at the beginning of the year	5,057,100	22.5	1,580,340	80
Granted during the year	930,583	22.5	59,700	80
Forfeited during the year	284,067	22.5	220,540	80
Exercised during the year	760,781	22.5	-	-
Outstanding at the end of the year	4,942,835	22.5	1,419,500	80
Decrease in Number of options as a result of consolidation of shares [refer note 3(c)(ii)]	-	-	(709,750)	-
Increase in Number of options as a result of Bonus issue [refer note 3(k)]	-	-	4,347,350	-
Outstanding at the end of the year as adjusted	4,942,835	22.5	5,057,100	22.5 #
Exercisable at the end of the year	434,494	22.5	-	-
Weighted average fair market value of shares granted during the year (In ₹)		393.6		140 #
Weighted average share price at the date of exercise during the year (In ₹)		367.2		-

The weighted average fair value of the Company's options granted during the year ended March 31, 2016 is ₹372 [March 31, 2015 ₹125 # - ₹128 #] face value of ₹10/- each per option, under Black Scholes Model. The weighted average remaining contractual life for the stock options outstanding as at March 31, 2016 is 2.96 years [March 31, 2015 - 4.69 years].

Assumptions used in determination of the fair value of the stock options under the Black Scholes Model are as follows:

Particulars	March 31, 2016	March 31, 2015
Dividend yield (%)	0.3%	-
Exercise Price (In ₹)	22.5#	22.5#
Volatility	29.1%	50.4 % - 53.3 %
Life of the options granted (vesting and exercise period)	5.69	6.15
Average risk-free interest rate	7.48%	8.57 % - 8.59 %

* Weighted Average Exercise Price

Adjusted for matters discussed in note 3(c)(ii) & 3(k)

Since the Company uses the intrinsic value method for determination of the employee stock compensation expense, the impact on the reported net profit and profit per share under the fair value approach on a proforma basis, is as given below :

Particulars	March 31, 2016	March 31, 2015
Profit for the year	2,212	1,750
Add: Employee stock compensation under intrinsic value	86	60
Less: Employee stock compensation under fair value	95	85
Proforma Profit for the year	2,203	1,725
Earnings per equity share - Basic [See note 41 below]		
- As reported (in ₹)	11.40	9.20
- Proforma (in ₹)	11.35	9.07
Earnings per equity share - Diluted [See note 41 below]		
- As reported (in ₹)	11.06	8.89
- Proforma (in ₹)	11.01	8.76

38. During the year, the Company has capitalised the following expenses to the cost of fixed asset/ capital work in progress (CWIP).

	March 31, 2016	March 31, 2015
(A) Other Expenses		
Rent	5	-
Power and fuel	4	-
Sub-Total (A)	9	-
(B) Finance Costs		
Interest expense	5	-
Exchange difference to the extent considered as an adjustment to borrowing cost	39	-
Sub-Total (B)	44	-
(C) Foreign Exchange difference on long-term foreign currency monetary items	(21)	-
Total (D = A+B+C)	32	-

39. Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

Particulars	March 31, 2016	March 31, 2015
(a) Gross amount required to be spent by the company during the year	31	22
(b) Amount spent during the year (in cash)		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	31	22
(c) Amount unspent during the year (yet to be paid)	-	-

40. The Central Government in consultation with National Advisory Committee on Accounting Standards has amended Companies (Accounting Standards) Rules, 2016 ('principal rules'), vide notification issued by Ministry of Corporate Affairs dated and effective March 30, 2016. The Company believes that the Rule 3(2) of the principal rules has not been withdrawn or replaced and accordingly, the Companies (Accounting Standards) Rules, 2016 will apply for the accounting periods commencing on or after March 30, 2016. Hence, the Company has not applied the Companies (Accounting Standards) Rules, 2016 in preparation of the financial results for the year ended March 31, 2016.

41. Reconciliation of basic and dilutive shares used in computing earnings per share

	March 31, 2016 (In Nos.)	March 31, 2015 (In Nos.)
Weighted average number of Equity Shares used as denominator for calculating Basic Earnings Per Share	194,080,781	190,164,803
Add: Diluted number of Equity Shares		
Equity shares outstanding with ESOP Trust	5,919,219	6,680,000
Weighted average number of Equity Shares used as denominator for calculating Diluted Earnings Per Share	200,000,000	196,844,803

42. During the year ended March 31, 2015, the Company identified a) certain discrepancies in the list of allottees in the e-form filed with Registrar of Companies (ROC) dated April 24, 2012 in respect of Bonus shares allotted on February 28, 2012 and b) that the explanatory statement in respect of notice for EGM held on December 14, 2011 for preferential issue of 625,000 shares of Face Value of ₹5/- each did not contain certain information as required under Rule 6 of Unlisted Public Companies (Preferential Allotment) Rules, 2003.

Accordingly, the Company has made an application for Compounding of offences with the ROC. Based on the legal advice received, the Company is confident that the penalty, if any, levied by the ROC, will not be material to the financial statements and hence no provision for penalty has been made in the financial statements for year ended March 31, 2016 and March 31, 2015.

43. Prior years' comparatives

Previous year's figures have been regrouped / reclassified, where necessary, to conform to current year's classification.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No. 101049W
Chartered Accountants

For and on behalf of the Board of Directors of
Syngene International Limited

per Aditya Vikram Bhauwala
Partner
Membership No: 208382

Kiran Mazumdar Shaw
Managing Director
DIN: 347229

JMM Shaw
Director
DIN: 347250

Jonathan Hunt
Chief Executive Officer

Place: Bengaluru
Date : 26 April 2016

M.B. Chinappa
Chief Financial Officer

Mayank Verma
Company Secretary
ACS Number: 18776

Syngene

Syngene International Ltd.

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