

Syngene International Limited

Biocon Special Economic Zone
Biocon Park, Plot No. 2 & 3
Bommasandra Industrial Area
Bommasandra IV Phase, Jigani Link Road
Bangalore - 560 099, India
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CIN No. L85110KA1993PLC014937
www.syngeneintl.com

October 24, 2018

To, The Manager, BSE Limited Corporate Relationship Department Dalal Street, Mumbai – 400 001 Scrip Code: 539268	To, The Manager, National Stock Exchange of India Limited Corporate Communication Department Bandra (EAST), Mumbai – 400 051 Scrip Symbol: SYNGENE
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Sub: Outcome of the Board Meeting

Dear Sir/Madam,

Pursuant to Regulation 30 and 33 of SEBI (Listing Obligations & Disclosure Requirements) 2015, we wish to inform you that the Board of Directors at its meeting held today i.e. October 24, 2018, have been approved the un-audited standalone and consolidated financial results as per Indian Accounting Standard (Ind-AS) along with the Limited Review Report for the Quarter and half year ended September 30, 2018.

In view of above, we are enclosing the following:

- A. Un- audited financial results - Standalone and consolidated;
- B. Limited Review Report - Standalone and consolidated.

The above information will also be available on the website of the company at www.syngeneintl.com.

Further, the Board Meeting commenced at 5:30 pm and concluded at 6:30 pm.

Kindly take the above documents on record and acknowledge.

Thanking You,

Yours faithfully,

For **SYNGENE INTERNATIONAL LIMITED**

Mayank Verma

Mayank Verma

Company Secretary and Compliance Officer



STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2018							
(Rs. in million, except per share data)							
Sl. No.	Particulars	3 months ended 30 September 2018	Preceding 3 months ended 30 June 2018	Corresponding 3 months ended in the previous year 30 September 2017	Year to date figures for current period ended 30 September 2018	Year to date figures for previous period ended 30 September 2017	Previous year ended 31 March 2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	a) Revenue from operations	4,186	4,060	3,352	8,246	6,263	14,231
	b) Other Income	182	188	164	370	336	618
	Total Income	4,368	4,248	3,516	8,616	6,599	14,849
2	Expenses						
	a) Cost of chemicals, reagents and consumables consumed	1,061	1,368	986	2,429	1,769	3,952
	b) Changes in inventories of finished goods and work-in-progress	42	(80)	(186)	(38)	(276)	(135)
	c) Employee benefits expense	1,130	1,056	937	2,186	1,797	3,769
	d) Finance costs	82	79	52	161	105	227
	e) Depreciation and amortisation expense	399	373	303	772	622	1,314
	f) Other expenses	638	730	599	1,368	1,158	2,740
	g) Foreign exchange fluctuation (gain)/loss, net	50	(106)	(119)	(56)	(280)	(739)
	Total expenses	3,402	3,420	2,572	6,822	4,895	11,128
3	Profit before tax and exceptional item (1-2)	966	828	944	1,794	1,704	3,721
4	Exceptional Item [refer note 3]	-	-	-	-	-	-
5	Profit before tax (3-4)	966	828	944	1,794	1,704	3,721
6	Tax expense	184	168	175	352	315	670
7	Profit for the period / year (5-6)	782	660	769	1,442	1,389	3,051
8	Other comprehensive income						
	(A) (i) Items that will not be reclassified to profit or loss	(10)	(36)	(7)	(46)	(14)	(10)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	3	8	1	11	2	2
	(B) (i) Items that will be reclassified to profit or loss	(1,679)	(1,717)	2	(3,396)	88	133
	(ii) Income tax relating to items that will be reclassified to profit or loss	394	381	(3)	775	(21)	(38)
	Other comprehensive income for the period / year, net of taxes	(1,292)	(1,364)	(7)	(2,656)	55	87
9	Total comprehensive income for the period / year (7+8)	(510)	(704)	762	(1,214)	1,444	3,138
10	Paid-up equity share capital (Face value of Rs.10 each)	2,000	2,000	2,000	2,000	2,000	2,000
11	Reserves excluding revaluation reserves as per balance sheet i.e. 'Other Equity'						15,201
12	Earnings per share (of Rs.10 each)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(annualised)
	a) Basic	3.95	3.33	3.88	7.29	7.02	15.46
	b) Diluted	3.94	3.32	3.87	7.27	7.00	15.41
	See accompanying notes to the financial results						



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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2018

(Rs. in million, except per share data)

Sl. No.	Particulars	3 months ended 30 September 2018	Preceding 3 months ended 30 June 2018	Year to date figures for current period ended 30 September 2018	Previous year ended 31 March 2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income				
	a) Revenue from operations	4,186	4,060	8,246	14,231
	b) Other Income	182	188	370	618
	Total Income	4,368	4,248	8,616	14,849
2	Expenses				
	a) Cost of chemicals, reagents and consumables consumed	1,061	1,368	2,429	3,952
	b) Changes in inventories of finished goods and work-in-progress	42	(80)	(38)	(135)
	c) Employee benefits expense	1,149	1,077	2,226	3,796
	d) Finance costs	82	79	161	227
	e) Depreciation and amortisation expense	399	373	772	1,314
	f) Other expenses	617	706	1,323	2,709
	g) Foreign exchange fluctuation (gain)/loss, net	50	(106)	(56)	(739)
	Total expenses	3,400	3,417	6,817	11,124
3	Profit before tax and exceptional item (1-2)	968	831	1,799	3,725
4	Exceptional Item [refer note 3]	-	-	-	-
5	Profit before tax (3-4)	968	831	1,799	3,725
6	Tax expense	185	169	354	671
7	Profit for the period / year (5-6)	783	662	1,445	3,054
8	Other comprehensive income				
	(A) (i) Items that will not be reclassified to profit or loss	(10)	(36)	(46)	(10)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	3	8	11	2
	(B) (i) Items that will be reclassified to profit or loss	(1,679)	(1,717)	(3,396)	133
	(ii) Income tax relating to items that will be reclassified to profit or loss	394	381	775	(38)
	Other comprehensive income for the period / year, net of taxes	(1,292)	(1,364)	(2,656)	87
9	Total comprehensive income for the period / year (7+8)	(509)	(702)	(1,211)	3,141
10	Paid-up equity share capital (Face value of Rs.10 each)	2,000	2,000	2,000	2,000
11	Reserves excluding revaluation reserves as per balance sheet i.e. 'Other Equity'				15,204
12	Earnings per share (of Rs.10 each)	(not annualised)	(not annualised)	(not annualised)	(annualised)
	a) Basic	3.96	3.34	7.30	15.47
	b) Diluted	3.94	3.33	7.28	15.43
	See accompanying notes to the financial results				



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STANDALONE STATEMENT OF ASSETS AND LIABILITIES		
Particulars	(Rs. in Million)	
	As at	As at
	30 September 2018 (Unaudited)	31 March 2018 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	11,805	10,121
Capital work-in-progress	2,490	1,554
Intangible assets	164	183
Financial assets		
(i) Investments	2,203	3
(ii) Derivative assets	575	1,078
(iii) Other financial assets	113	81
Deferred tax assets (net)	1,533	724
Income tax assets (net)	504	506
Other non-current assets	437	441
Total non-current assets	19,824	14,691
Current assets		
Inventories	730	860
Financial assets		
(i) Investments	2,011	1,577
(ii) Trade receivables	2,701	2,668
(iii) Cash and cash equivalents	835	2,518
(iv) Bank Balances other than (iii) above	4,528	7,147
(v) Derivative assets	456	886
(vi) Other financial assets	1,131	911
Other current assets	760	626
Total current assets	13,152	17,193
Total assets	32,976	31,884
EQUITY AND LIABILITIES		
Equity		
Equity share capital	2,000	2,000
Other equity	13,804	15,201
Total equity	15,804	17,201
LIABILITIES		
Non-current liabilities		
Financial liabilities		
(i) Borrowings	6,501	5,855
(ii) Derivative liabilities	1,698	118
Provisions	328	290
Other non-current liabilities	819	587
Total non-current liabilities	9,346	6,850
Current liabilities		
Financial liabilities		
(i) Borrowings	1,849	781
(ii) Trade payables	1,594	2,034
(iii) Derivative liabilities	663	13
(iv) Other financial liabilities	1,873	2,047
Provisions	160	135
Income tax liabilities (net)	179	127
Other current liabilities	1,508	2,696
Total current liabilities	7,826	7,833
Total equity and liabilities	32,976	31,884



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CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES		
Particulars	(Rs. in Million)	
	As at	As at
	30 September 2018 (Unaudited)	31 March 2018 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	11,805	10,121
Capital work-in-progress	2,490	1,554
Intangible assets	164	183
Financial assets		
(i) Investments	2,200	-
(ii) Derivative assets	575	1,078
(iii) Other financial assets	113	81
Deferred tax assets (net)	1,533	724
Income tax assets (net)	504	506
Other non-current assets	437	441
Total non-current assets	19,821	14,688
Current assets		
Inventories	730	860
Financial assets		
(i) Investments	2,011	1,577
(ii) Trade receivables	2,701	2,668
(iii) Cash and cash equivalents	849	2,527
(iv) Bank Balances other than (iii) above	4,528	7,147
(v) Derivative assets	456	886
(vi) Other financial assets	1,131	911
Other current assets	760	626
Total current assets	13,166	17,202
Total assets	32,987	31,890
EQUITY AND LIABILITIES		
Equity		
Equity share capital	2,000	2,000
Other equity	13,810	15,204
Total equity	15,810	17,204
LIABILITIES		
Non - current liabilities		
Financial liabilities		
(i) Borrowings	6,501	5,855
(ii) Derivative liabilities	1,698	118
Provisions	328	290
Other non-current liabilities	819	587
Total non-current liabilities	9,346	6,850
Current liabilities		
Financial liabilities		
(i) Borrowings	1,849	781
(ii) Trade payables	1,599	2,035
(iii) Derivative liabilities	663	13
(iv) Other financial liabilities	1,873	2,047
Provisions	160	135
Income tax liabilities (net)	179	128
Other current liabilities	1,508	2,697
Total current liabilities	7,831	7,836
Total equity and liabilities	32,987	31,890



Notes :

- 1 The statement of unaudited standalone and consolidated financial results ("the Statements") of Syngene International Limited ('the Company') for the quarter and half year ended 30 September 2018 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 24 October 2018. The above Statements have been subjected to limited review by the statutory auditor of the Company. The reports of the statutory auditor are unqualified. The Statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2 The Company had incorporated its wholly owned overseas subsidiary, Syngene USA Inc., USA ('the Subsidiary') during the previous year and operational from 1 November 2017. With the incorporation of the Subsidiary, the Company had prepared consolidated financial results for the first time for the quarter ended 31 December 2017. Accordingly, comparative figures for preceding 3 months ended 30 June 2018 and previous year ended 31 March 2018 have been presented. The Company and the Subsidiary are collectively referred to as 'the Group'.

In addition to the above, the standalone and consolidated financial results also include the financial results in respect of Syngene Employees Welfare Trust.

- 3 Pursuant to a fire incident on 12 December 2016, certain fixed assets, inventory and other contents in one of the buildings were damaged. The Company lodged an estimate of loss with the insurance company and the survey is currently ongoing. The Company had recorded a loss of Rs. 1,032 million arising from such incident till 31 March 2018. The Company has recorded a further loss of Rs. 23 million during the quarter and six months ended 30 September 2018. The Company also recognised a minimum Insurance claim receivable for equivalent amounts in the respective periods. The aforementioned loss and the corresponding credit arising from insurance claim receivable has been presented on a net basis (Rs. Nil) under Exceptional items in these financial results.

In addition, the Company is in the process of determining its final claim for loss of fixed assets and Business Interruption and has accordingly not recorded any further claim arising therefrom at this stage.

- 4 Ind AS 115: Revenues from Contracts with Customers establishes a five-step approach to revenue recognition that includes identifying contracts with customers, identifying performance obligations, determining transaction prices, allocating transaction prices to performance obligations, and recognising revenue when or as performance obligations are satisfied. The adoption of this Standard did not have a material impact on the Revenue from Operations and results for the quarter and half year ended 30 September 2018. Comparative periods were not restated given the Group adopted the standard using the cumulative effect approach.
- 5 The Group operates in a single segment of providing Contract Research and Manufacturing Services.
- 6 Prior period/ year figures have been reclassified wherever required to conform to the classification of the current period/ year.

Place :- Bangalore
Date :- 24 October 2018

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



Kiran Mazumdar Shaw
Managing Director



B S R & Co. LLP

Chartered Accountants

Maruthi Info-Tech Centre
11-12/1, B Block, 2nd Floor
Inner Ring Road, Koramangala
Bangalore 560 071 India

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Limited Review report

To
Board of Directors of Syngene International Limited

We have reviewed the accompanying statement of unaudited standalone financial results ("Statement") of Syngene International Limited ('the Company') for the quarter and half year ended 30 September 2018 attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

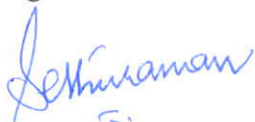
We conducted our review in accordance with the Standard on Review Engagement 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* specified under section 143(10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

for B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W/W-100022



S Sethuraman

Partner

Membership Number: 203491

Place: Bengaluru

Date: 24 October 2018

B S R & Co. LLP

Chartered Accountants

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11-12/1, B Block, 2nd Floor
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Limited Review report

To
Board of Directors of Syngene International Limited

We have reviewed the accompanying statement of unaudited consolidated financial results ("Statement") of Syngene International Limited ('the Company'), and its subsidiary (Refer to Note 2 of the Statement), for the quarter and half year ended 30 September 2018 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

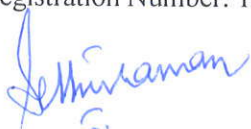
We conducted our review in accordance with the Standard on Review Engagement 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* specified under section 143(10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

Chartered Accountants

Firm Registration Number: 101248W/W-100022



S Sethuraman

Partner

Membership Number: 203491

Place: Bengaluru

Date: 24 October 2018