

Syngene International Limited – Postal Ballot Notice

[Notice Pursuant to Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014]

Dear Member(s),

Notice is hereby given pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and pursuant to other applicable laws and regulations, the Company is seeking the consent of its members for special business to be transacted, by passing Special Resolution(s) through Postal Ballot.

The resolutions appended below is for ratification of Syngene Employee Stock Option Plan 2011 ("ESOP 2011"), subsequent to the Initial Public Offer of the Company.

The explanatory statement pertaining to the aforesaid resolution setting out the material facts and the reasons thereof is annexed hereto along with a postal ballot form for your consideration.

The Board of Directors of the Company 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 process in a fair and transparent manner.

Members desiring to exercise their vote by postal ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the same duly completed in the enclosed self-addressed Business Reply Envelope. The duly completed Postal Ballot Form(s) should reach the Scrutinizer not later than 17:00 pm IST on December 5, 2015 to be eligible for being considered, failing which it will be considered that no reply has been received from the Member.

Members participating via e-voting as per the facilities provided by the Company are requested to read the instructions mentioned in this notice under the section "Instructions & other information relating to e-voting:".

The Scrutinizer will submit his report to the Chairman of the Company after the completion of the scrutiny of the postal ballots (including e-voting). The result of the voting by postal ballot will be declared by the Chairman or any Director of the Company duly authorized at 17:00 pm on Wednesday, December 9, 2015 at the registered office of the Company and will also be communicated to the Stock Exchanges, Registrar and Share Transfer Agents and would also be displayed on the Company's website at www.syngeneintl.com.

RESOLUTION :-

RATIFICATION OF THE SYNGENE EMPLOYEE STOCK OPTION PLAN - 2011

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 read with Rules framed there under and Securities and Exchange Board of India (Share Based Employee Benefits Regulations 2014 ("SEBI ESOP Regulations"), as amended from time to time and subject to any other approvals as may be required, members do hereby ratify the Syngene Employee Stock Option Plan 2011 ("ESOP 2011");

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company including the Nomination and Remuneration Committee or any other committee of directors duly authorised by the Board, be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary or expedient in this regard."

**By order of the Board of Director
For Syngene International Limited**

Place: Bengaluru
Date: October 20, 2015

(Sd/-)
Mayank Verma
Company Secretary

Syngene International limited
Regd Office: Biocon Park
Plot No. 2 & 3, Bommasandra IV Phase,
Jigani Link Road, Bengaluru – 560 099
CIN : L85110KA1993PLC014937
Website: www.syngeneintl.com
Phone : 080-28082808
Fax: 080- 28083189

Notes:

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 read with Section 110 of the Companies act, 2013 stating all material facts and the reasons for the proposal is annexed hereto.
2. The Postal Ballot Notice is being sent to the Members whose names appear on the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited as on October 23, 2015. The Postal Ballot Notice is being sent to Members in electronic form to the email addresses registered with their Depository Participants (in case of electronic shareholding) / the Company's Registrar and Share Transfer Agents (in case of physical shareholding). For Members whose email IDs are not registered, physical copies of the Postal Ballot Notice are being sent by permitted mode along with a prepaid Business Reply Envelope.
3. Resolution passed by the Members through Postal Ballot are deemed to have been passed as if they have been passed by them in the General Meeting.
4. The Members can opt for only one mode of voting, i.e., either by physical ballot voting or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical Postal Ballot Forms will be treated as invalid.
5. In case a Member is desirous of obtaining a printed Postal Ballot Form or a duplicate, he or she may send an e-mail to einward.ris@karvy.com. The Registrar and Transfer Agent shall forward the same along with prepaid Business Reply Envelope to the Member.
6. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Members as on October 23, 2015.
7. In compliance with Sections 108 and 110 of the Companies Act, 2013 and the Rules made thereunder, the Company has provided the facility to the Members to exercise their votes electronically and vote on all the resolutions through the e-voting facility arranged from the Karvy. The instructions for electronic voting are annexed to this Notice.
8. A Member cannot exercise his vote by proxy on postal ballot.
9. Members desiring to exercise their vote by physical postal ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed, in the enclosed self-addressed Business Reply Envelope to the Scrutinizer, so that it reaches the Scrutinizer not later than close of working hours (i.e. 17:00 pm IST) on December 5, 2015. If any postal ballot is received after 17:00 pm IST on December 5, 2015, it will be considered that no reply from the Member has been received.
10. The Scrutinizer will submit his report to the Chairman after the completion of scrutiny, and the result of the voting by postal ballot will be announced by the Chairman or any Director of the Company duly authorized at 17:00 pm on Wednesday, December 9, 2015 at the registered office and will also be displayed on the website of the Company (www.syngeneintl.com), besides being communicated to the Stock Exchanges, Registrar and Share Transfer Agents.
11. The date of approval of resolution by postal ballot shall be December 5, 2015, the last day for receipt of duly completed postal ballot forms or e-voting, the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.
12. All the material documents referred to in the explanatory statement will be available for inspection at the registered office of the Company during office hours on all working days from the date of dispatch of the Notice till December 5, 2015.

Instructions and other information relating to e-voting are as under:

1. Use the following URL for e-voting: Karvy website: <http://evoting.karvy.com>
2. If you are already registered with Karvy for e-voting, then you can use your existing User ID and Password for Login.
3. If you are logging in first time, please enter the User ID and password mentioned.
4. During the e-voting period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. October 23, 2015, may cast their votes electronically.
5. Enter the login credentials i.e. User ID and password mentioned above and follow the instructions given in the e-voting portal.
6. After entering the details appropriately, click on LOGIN.
7. You will reach the Password change menu wherein you are required to mandatorily change your password.
8. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
9. You need to login again with the new credentials.
10. On successful login, the system will prompt you to select the EVENT, i.e. Syngene International Limited.
11. On the voting page, enter the number of shares as on the cut-off date under FOR/AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN.
12. Members holding multiple folios/ demat account shall choose the voting process separately for each folios/ demat account.
13. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm, else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the resolution.
14. Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution /Authority Letter etc., to the Scrutinizer through email at sree@sreedharancs.com with a copy marked to Mayank.verma@syngeneintl.com. File naming convention should be 'Corporate Name EVSN'. The documents should reach the Scrutinizer on or before the close of working hours on (i.e 17:00 pm) December 5, 2015.

15. However, if you are already registered with Karvy for remote e-voting then you can use your existing user ID and password for casting your vote.
16. The e-voting period commences on November 6, 2015 (9.00 a.m.) and ends on December 5, 2015 (17:00 p.m.). Thereafter, the portal will be blocked.
17. Once the vote on the resolution is cast by a member, the member shall not be allowed to change it subsequently.
18. The voting rights of the members shall be in proportion to your share in the paid-up capital equity share capital of the company.
19. Since the Company is providing the facility of e-voting to members holding share in physical mode or in demat mode, as on the cut-off date i.e. October 23, 2015.
20. The Company has appointed Mr. V Sreedharan, Partner of M/s. V. Sreedharan & Associates, Company Secretaries, Bengaluru (FCS 2347;C.P.No. 833) as Scrutinizer to scrutinize the e-voting process in fair and transparent manner.
21. The scrutinizer will immediately after the conclusion of voting via postal ballot, count the votes in the presence of at least two witnesses not in employment of the Company. The Scrutinizer's shall submit the report of the votes cast in favour or against, if any, within a period of not exceeding three working days from the conclusion of the voting to the Chairman of the Company for declaration of results.
22. The results of the e-voting along with the scrutinizer's report shall be communicated to the Stock exchanges and will be placed on the Company's website www.syngeneintl.com and on Karvy website once the results is declared by the Chairman.
23. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual for members available at the download section of <http://evoting.karvy.com> or contact Karvy Computershare Pvt Ltd at Tel No. 1800 345 4001 (toll free).

Explanatory Statement pursuant to Sections 102(1) and 110 of the Companies Act, 2013

RATIFICATION OF THE SYNGENE EMPLOYEE STOCK OPTION PLAN 2011

The purpose of the Syngene Employee Stock Option Plan 2011 ("ESOP 2011") is to reward and motivate employees to contribute towards the growth of the Company and to create a sense of ownership amongst employees. In this line, the Company had formulated ESOP 2011 which was adopted by the members at their meeting held on December 14, 2011.

Subsequently, at the Annual General Meeting held on June 22, 2015 shareholder's approval was obtained for amendment of the ESOP Scheme and trust deed to ensure conformity with the SEBI (Share Based Employee Benefits) Regulations 2014 ("the regulations").

Further, as per the said regulations, no Company shall make any fresh grant which involves allotment or transfer of shares to its employees unless pre-IPO ESOP scheme is in conformity with these regulations; and pre-IPO ESOP scheme is ratified by members subsequent to the IPO.

In order to make fresh grant to eligible employees post listing, approval of the members is required to ratify the pre- IPO ESOP Plan 2011 by way of Special Resolution.

The details of options granted till date and outstanding as on September 30, 2015 are given below:

Particulars	Grant 2013	Grant 2014	Total
Total Options with the Trust			66,80,000
Options granted	50,28,246	2,12,683	(52,40,929)
Options Vested	-	-	
Options Exercised	-	-	
Options Lapsed	3,20,987	24,580	3,45,567
Options Outstanding			17,84,638

The salient features of the Syngene ESOP plan are as under:

Total no of option granted and available for future granted	Options with the Trust - 66,80,000 Options granted in 2013 - 50,28,246 Options granted in 2014 - 2,12,683 Options available for future grant is 17,84,638 and would be granted to eligible Participant under the plan. The maximum number of options which may be granted per employee shall be 10 lacs. The options, which will lapse, expire or be forfeited, will be available for further grant to the eligible employees.
Requirement of vesting & vesting period	The options granted shall vest so long as the employee continues to be in the employment of the Company. Vesting period shall mean the period between the date of Grant and the date of Vesting of the Options to the Participant, which shall be of a minimum period of one year from the Grant of Options The options shall vest as per below schedule in the following ratio
Maximum Period under which options shall vest	Two years from the Grant date i.e. 25% vesting Three years from the Grant date i.e. 35% vesting & Four years from the grant date 40% vesting.
Exercise Price, Exercise Period & process	The Compensation Committee will determine the exercise price based on the pricing formula which shall not be less than the face value of shares as on the date of grant of the options. However, the exercise price is Rs 22.50 per share. The Exercise Period is the period of three years from the date of each Vesting. The vested options may be exercised by submitting the exercise form along with requisite payments as per the procedure specified

	from time to time.
Implementation of Syngene Employee stock option plan 2011 through ESOP Trust	The plan/ shall be implemented through Syngene International Limited Employees Welfare trust created pursuant to the amended and restated ESOP trust deed.
Identification and appraisal of classes of employees/participants entitled to participate in Syngene Employee stock option plan 2011	As may be determined by the Compensation Committee. The criteria for determining the eligibility of an Employee/ Participant to receive options may be prescribed and / or revised from time to time at the discretion of the Compensation Committee.
Employee/ Participants	A permanent employee of the Company, or of its subsidiary, in Indian or outside India, or of a holding company of the Company of an associate company existing or future. A Director of the Company, whether a whole time director or not but excluding an Independent director, or that of its subsidiary or holding company of the company or of an associate company existing or future. Excludes an employee who is a Promoter of the company or belongs to the promoter group or a director who either himself or through his relatives or anybody corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the company.
Primary / Secondary Route:	The Compensation Committee shall decide on exploring the option for issuance of shares upon exercise, either by way of primary issue or by way of secondary acquisition by the trust, subject however to adherence with applicable laws and regulations as prevailing and in force from time to time. The maximum percentage of secondary acquisition that may be made by the trust for the purposes of ESOP 2011, shall be decided by the Compensation Committee from time to time, in compliance with applicable laws and regulations as prevailing and in force.
Loan for implementation of scheme	The Company may from time to time, if required, subject to such approval, give loan to the trust for implementation of scheme for such tenure, utilisation and pre-defined repayment terms as agreed upon.

The Company shall comply with the accounting policy as applicable from time to time and specified in the SEBI ESOP Regulations.

The Company shall use intrinsic value method to value its options. The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report.

The Company does not propose to grant stock options to employees of holding company and hence no approval is sought.

Post ratification of the Pre IPO ESOP scheme by the members, Company shall obtain all necessary approvals, if required, in relation to the Scheme.

None of the Directors or Key Managerial Personnel of the Company including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution(s) except to the extent of the stock options that may be granted to them under ESOP plan.

The Board of Directors recommend this resolution for the approval of members.