

Syngene International Limited

Disclosures pursuant to Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 for FY22

SEBI, vide its notification dated 13th August 2021, had issued the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('SEBI Regulations') which replaced the SEBI (Share Based Employee Benefits) Regulations, 2014.

1. Syngene Employee Stock Option Plan – 2011

The Board of Directors of the Company had formulated the Syngene Employee Stock Option Plan 2011 (hereinafter referred to as the "ESOP Plan") which was approved by the members of the Company on 14th December, 2011 and further ratified by the members subsequent to the IPO on 5th December, 2015. The Plan is administered through the Syngene Employees Welfare Trust. The Trust had subscribed to equity shares of the Company by using the proceeds from an interest free loan of Rs.150 million provided by the Company, adjusted for the consolidation of shares and bonus issues. As at 31st March, 2022, the Trust held 2,354,048 (31st March, 2021 - 2,843,200) equity shares of face value Rs.10/- each. During the year ended 31st March, 2022, the Trust transferred 489,152 (31st March, 2021 - 620,225) equity shares to employees who exercised their stock options.

2. Grant

Pursuant to the Scheme, the Company granted options to eligible employees of the Company under ESOP Plan - 2011. Each option entitles the holder to one equity share. The options under each tranche will vest in the ratio of 25%, 35% and 40% at the end of second, third and fourth year from the date of each grant respectively. The exercise period under each tranche is three years from the date of each vesting. The vesting conditions include service terms and performance grades of the employees. The options were exercisable at an exercise price of Rs 22.50 per share before the allotment of Bonus Shares. However, post Bonus, unexercised options (whether vested, unvested and yet to be granted) shall be exercisable at Rs 11.25 per share after appropriate adjustments as approved by the shareholders through Postal Ballot held in June 2019. The face value of the equity shares is Rs 10 per share.

The Disclosures pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are detailed hereunder:

Sl. No.	Particulars	Status of compliance
1	The Board of Directors in their report shall disclose any material change in the scheme(s) and whether the scheme(s) is / are in compliance with the regulations.	There were no material changes in the scheme and scheme is in compliance with the regulations.
A	Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.	Yes - Disclosed in Notes to Accounts – Refer note 33 in Standalone Financial Statements for the year ended 31 st March, 2022.

<p>B</p>	<p>Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time</p>	<p>Yes - Disclosed in Notes to Accounts – Refer note 38 to Standalone Financial Statements for the year ended 31st March, 2022.</p>
<p>C(i)</p>	<p>Details related to ESOS</p> <p>A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including</p> <p>Syngene Employee Stock Option Plan - 2011</p> <p>(a) Date of shareholders' approval</p> <p>(b) Total number of options approved under ESOS</p> <p>(c) Vesting requirements</p> <p>(d) Exercise price or pricing formula</p> <p>(e) Maximum term of options granted</p> <p>(f) Source of shares (primary, secondary or combination)</p> <p>(g) Variation in terms of options</p>	<p>As detailed above</p> <p>14th December, 2011. Ratification post listing on 5th December, 2015 via Postal ballot.</p> <p>6,680,000 Equity shares (adjusted for consolidation and Bonus issues 16th March, 2015)</p> <p>The options under each tranche will vest in the ratio of 25%, 35% and 40% at end of second, third and fourth year from the date of each grant respectively.</p> <p>Rs. 11.25 after Bonus Issue (for unexercised options whether vested, unvested and yet to be granted) as approved by the shareholders through Postal Ballot held in June 2019.</p> <p>Vesting period – as per (c) above Exercise period – 3 years from date of each vesting</p> <p>Primary</p> <p>None</p>

(ii)	Method used to account for ESOP - intrinsic or fair value.	Fair Value								
(iii)	Where the company opts for expensing of the options using the intrinsic value of the 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 of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	NA								
(iv)	Option movement during the year:									
Syngene Employee Stock Option Plan – 2011		2013#	2014#	2015	2016	2017	2018	2019	2020	2021
Number of options outstanding at the beginning of the period		-	-	807,159	46,935	1,03,720	305,757	694,513	-	-
Number of options granted during the year		-	-	-	-	-	-	-	-	-
Number of options forfeited / lapsed during the year.		-	-	4650	-	14,360	29,809	40,300	-	-
Number of options vested during the year		-	-	189,568	-	60,720	86,601	153,123	-	-
Number of options exercised during the year		-	-	237,565	38,855	50,605	34,354	127,773	-	-
Number of shares arising as a result of exercise of options		-	-	237,565	38,855	50,605	34,354	127,773	-	-

Money realized by exercise of options (INR), if scheme is implemented directly by the company	-								
Loan repaid by the Trust during the year from exercise price received (Rs. in Million)	-								
Number of options outstanding at the end of the year	-	-	564,944	8,080	38,755	241,594	526,440	-	
Number of options exercisable at the end of the year	-	-	564,944	8,080	38,755	29,433	25,350	-	
#Pre-IPO Grants									

(v)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Yes - Disclosed in Notes to Accounts – Refer note 33 in
(vi)	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to - (a) senior managerial personnel; (b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and (c) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	None None None

(vii)	<p>A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:</p> <p>(a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;</p> <p>(b) the method used and the assumptions made to incorporate the effects of expected early exercise;</p> <p>(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and</p> <p>(d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.</p>	<p>Disclosed in Notes to Accounts – Refer note 33 to Standalone Financial Statements for the year ended 31st March, 2022.</p>
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D. Details related to ESPS - Not Applicable

E. Details related to SAR - Not Applicable

F. Details related to GEBS / RBS - Not Applicable

G. Details related to Trust

(i) General information on schemes

Sl. No.	Particulars	
1	Name of the Trust	Syngene International Limited Employees Welfare Trust
2	Details of the Trustee(s)	Mr Murali Krishnan KN; Mr Nandakumar Krishnchar
3	Amount of loan disbursed by company / any company in the group, during the year	Nil
4	Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	Nil
5	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	Nil
6	Any other contribution made to the Trust during the	Nil

(ii) Brief details of transactions in shares by the Trust

(a) Number of shares held at the beginning of the year i.e. 1st April, 2021 = 2,843,200.

(b) Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share = Nil

(c) Number of shares transferred to the employees / sold along with the purpose thereof = 489,152

(d) Number of shares held at the end of the year i.e. 31st March, 2022 – (a + b - c) - d = 2,354,048

(iii) In case of secondary acquisition of shares by the Trust – Nil

Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders approval was obtained
Held at the beginning of the	NA
Acquired during the year	
Sold during the year	
Transferred to the employees during the year	
Held at the end of the year	

2. Syngene International Limited- Restricted Stock Unit Long Term Incentive Plan FY 2020

The shareholders, at the 26th AGM of the Company held on 24th July, 2019 approved the “Syngene Restricted Stock Unit (“RSU”) Long Term Incentive Plan FY 2020” (hereinafter referred to as “the RSU Plan”) designed to drive performance to achieve the Board-approved strategic plan. The RSU Plan is administered by the Syngene International Limited Employees Welfare Trust. The shareholders have also approved at the 26th AGM the issue and allotment of further equity shares to the Trust over a period of time for the purpose of implementation of the RSU Plan. Each RSU represents one equity share. As at 31st March, 2021, the Trust does not hold any shares under the Plan.

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

The Company has granted fresh 4,18,132 RSUs during the FY 22.

The options will vest in the following manner:

The vesting of RSUs for eligible employees with grant date on or before 1st August, 2020 shall be as per the following schedule:

Date	% of RSUs Vested
1 st August, 2021	25%
1 st August, 2022	25%
1 st August, 2023	25%
1 st August, 2024	25%

The vesting of RSUs for any other eligible employees with a grant date after 1st August, 2020, shall start on completion of the minimum vesting period i.e. one year from the grant date, and the vesting dates will coincide with the vesting schedule. The number of RSUs eligible for vesting shall be equally distributed over the individual’s vesting schedule. Thus, the eligible employees may have 3, 2 or 1 vesting(s) depending on their date of joining or participation in the plan. Such vesting of Options will take place in a graded manner over each vesting date, subject to eligible employee’s performance evaluation and other key parameters, as applicable. Employees who join the Company after 31st March, 2023, will not be eligible for any grant under this scheme. The Nomination & Remuneration Committee has the power to modify or accelerate the vesting schedule on a case-to-case basis subject to the minimum period of 1 (one) Year between the Grant and the first Vesting

The Disclosures pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are detailed hereunder:

Sl. No.	Particulars	Status of compliance
1	The Board of Directors in their report shall disclose any material change in the scheme(s) and whether the scheme(s) is / are in compliance with the regulations.	No material change was made to the plan in FY 22. Vide the special resolution passed through postal ballot on 30 th August, 2020, the shareholders approved variations to the RSU Plan to streamline the plan with similar plans adopted by group companies to achieve uniformity in the approach to rewarding employees across the group. The terms of the modified plan are not detrimental to the interests of the employees of the Company. The RSU Plan is in compliance with the provisions the regulations.
A	Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.	Yes - Disclosed in Notes to Accounts – Refer note 33 in Standalone Financial Statements for the year ended 31 st March, 2022.
B	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time	Yes - Disclosed in Notes to Accounts – Refer note 38 to Standalone Financial Statements for the year ended 31 st March, 2022.
C(i)	<p>Details related to ESOS A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including</p> <p>Restricted Stock Unit Long Term Incentive Plan FY 2020</p> <p>a. Date of shareholders' approval</p> <p>b. Total number of options approved under ESOS</p> <p>c. Vesting requirements</p> <p>d. Exercise price or pricing formula</p> <p>e. Maximum term of options granted</p> <p>f. Source of shares (primary, secondary or combination)</p> <p>g. Variation in terms of options</p>	<p>As detailed above</p> <p>24th July, 2019, Modified by the Shareholders on 30th August, 2020 via Postal ballot. 66,80,000 equity shares</p> <p>As mentioned above Face Value i.e Rs 10/- Per Share</p> <p>Vesting period – As mentioned above The Exercise period for the vested RSUs will be three years from the date of respective vesting or time period as set forth in the grant letter (not exceeding ten years from the date of respective vesting)</p> <p>Primary</p> <p>None in FY22</p>

ii)	Method used to account for ESOP - Intrinsic or fair value.	Fair Value		
(iii)	Where the company opts for expensing of the options using the intrinsic value of the 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 of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	NA		
(iv)	Option movement during the year:			
	Restricted Stock Unit Long Term Incentive Plan FY 2020	FY2019	FY 2020	FY 2021
	Number of options outstanding at the beginning of the period	-	-	3,103,825
	Number of options granted during the year	Nil	3,184,649	418,132
	Number of options forfeited / lapsed during the year.	Nil	80,824	479,611
	Number of options vested during the year	Nil	Nil	660,712
	Number of options exercised during the year	Nil	Nil	427,352
	Number of shares arising as a result of exercise of options	Nil	Nil	427,352
	Money realized by exercise of options (INR), if scheme is implemented directly by the company	Nil	Nil	Nil
	Loan repaid by the Trust during the year from exercise price received (Rs. in Million)	-	-	Nil

	Number of options outstanding at the end of the year	-	3,103,825	2,614,994
	Number of options exercisable at the end of the year	-	-	231,836

(v)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Yes - Disclosed in Notes to Accounts – Refer note 33 in Standalone Financial Statements for the year ended 31 st March, 2022.			
(vi)	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to - a. senior managerial personnel;	Name	Designation	RSUs granted	Exercise Price
		Jan-Olav Henck	Senior Vice President, Development Services	172,865	At face value
		Alex Del Priore	Senior Vice President, Manufacturing	72,082	At face value
	b. any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and	Jayashree Aiyar	Vice President - Discovery Biology	69,656	At face value
		Veera Narayana Oruganti	General Manager - Strategic Sourcing	26,121	At face value
		Harry Jose	General Manager - Marketing	26,121	At face value
	c. Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	None			

(vii)	<p>A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:</p> <p>(a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;</p> <p>(b) the method used and the assumptions made to incorporate the effects of expected early exercise;</p> <p>(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and</p> <p>(d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.</p>	Disclosed in Notes to Accounts – Refer note 33 to Standalone Financial Statements for the year ended 31 st March, 2022
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D. Details related to ESPS - Not Applicable

E. Details related to SAR - Not Applicable

F. Details related to GEBS / RBS - Not Applicable

G. Details related to Trust

(i) General information on schemes

Sl. No.	Particulars	
1	Name of the Trust	Syngene International Limited Employees Welfare Trust
2	Details of the Trustee(s)	Mr Murali Krishnan KN Mr Nandakumar Krishnachar
3	Amount of loan disbursed by company / any company in the group, during the year	Nil
4	Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	Nil
5	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	Nil
6	Any other contribution made to the Trust during the year	Nil

(ii) Brief details of transactions in shares by the Trust

- Number of shares held at the beginning of the year i.e. 1st April, 2021 = Nil
- Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share = 7,96,500
- Number of shares transferred to the employees / sold along with the purpose thereof = 4,27,352
- Number of shares held at the end of the year i.e. 31st March, 2022 (a +b-c)-d= 3,69,148

(iii) In case of secondary acquisition of shares by the Trust – Nil

Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders approval was obtained
Held at the beginning of the year	NA
Acquired during the year	
Sold during the year	
Transferred to the employees during the year	
Held at the end of the year	