

# JAMNA AUTO INDUSTRIES LIMITED

## Employee Stock Option Scheme 2017 (ESOP 2017)

### 1. Objective:

The Scheme envisages grant of Options to Employees as a way of employee compensation with the objective to attract, motivate and retain best talent, to encourage employees for higher performance and to align personal goals of the employees with those of the organization.

### 2. Definitions. As used herein, the following definitions will apply:

- (i) “Applicable Laws” means law relating to the Scheme or the Options, including but not limited to the Companies Act, 2013 and rules made thereunder, the Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and all tax, securities, exchange control or corporate laws.
- (ii) “Compensation Committee” means the Compensation Committee constituted by the Board of Directors of the Company from time to time.
- (iii) “Employee” means
  - (a) a permanent employee of the Company or its subsidiaries whether working in India or outside India;
  - (b) a director of the Company or its subsidiaries, whether a whole time director or not but excluding an independent director but does not include
    - (i) an employee who is a promoter or a person belonging to the promoter group; or
    - (ii) a director who either himself or through his relative or through anybody corporate, directly or indirectly, holds more than 10 per cent of the outstanding equity shares of the Company;
- (iv) “Exercise” means making of an application by the Employee to the Company for issue of Shares against valid Vested Options in pursuant to this Scheme.
- (v) “Exercise Period” means the time period after Vesting within which the Employee should exercise his right to apply for shares against the valid Vested Options in pursuance to this Scheme.
- (vi) “Exercise Price” means, the price decided by the Compensation Committee which is payable by the Employee for Exercising the Option granted to him.
- (vii) “Grant” means the process by which the Company issues options to the Employees under this Scheme;

- (viii) "Option" means the option given to the Employee which gives him a right to purchase or subscribe at a future date, the Shares in the Company, at the Exercise Price;
- (ix) "Scheme" means this Employee Stock Option Scheme 2017 under which the Company is authorized to grant Options to the Employees.
- (x) "Share" means an equity share of the Company.
- (xi) "Subsidiary / Subsidiaries" means a subsidiary of the Company, whether now or hereafter existing as defined under Section 2 of the Companies Act, 2013 as amended from time to time.
- (xii) "Vesting" means the process by which the Employee becomes entitled to the benefit of an Option made to him under this Scheme.
- (xiii) "Vesting Period" means the period during which the vesting of Option under this Scheme takes place.

### **3. Number of Shares**

The maximum aggregate number of Shares that may be granted under this Scheme (including Shares granted under earlier schemes) is 19,920,000 equity shares of face value Re. 1 each of the Company. The Company shall take the approval of members of the Company by way of special resolution in a general meeting.

The aforesaid number of equity shares shall be adjusted due to change in capital structure of the Company as a result of re-classification of shares, splitting up of the face value of shares, subdivision of shares, issue of bonus shares, conversion of shares into other shares or securities of the Company and any other change in the rights or obligations in respect of shares, inter alia, on such other terms and conditions and in such tranches as may be decided by the Board in its absolute discretion.

### **4. Administration**

- (i) The Scheme shall be administered and supervised by the Compensation Committee. The Compensation Committee shall do all acts, deeds and things as may be necessary for administration of the Scheme.
- (ii) All questions related to interpretation of this Scheme or any part thereof shall be decided by the Committee and the decision of the Committee shall be final.
- (iii) The Compensation Committee shall frame suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the Company and Employees.

## **5. Eligibility of Employee**

- (i) The Employees as defined shall be eligible for being granted, Options as per the decision of the Compensation Committee in terms of this Scheme including but not limited to various parameters, such as length of service, grade, performance, technical knowledge, leadership qualities, merit, contribution and conduct, future potential, etc..
- (ii) The maximum number of Options granted to identified employees shall not exceed 1% of the total paid-up equity capital of the Company during any one year.

## **6. Grant of Options**

- (i) The Compensation Committee shall grant Options to the Employees in terms of this Scheme and Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time. For this purpose the Committee for each Grant shall:
  - a) Decide the total number of Options to be granted;
  - b) Decide the Exercise Price;
  - c) Decide the date of Vesting;
  - d) Decide the Vesting Period;
  - e) Select eligible Employees to whom Options may be granted;
  - f) Decide the number of Options to be granted to a selected Employee;
  - g) Lay down other terms and conditions of the Grant.
- (ii) The date of grant of an Option shall be the date of grant of the Option by the Compensation Committee or such other later date decided by the Compensation Committee.
- (iii) The Compensation Committee may modify or amend a Grant including terms and conditions thereof.
- (iv) Options which are expired, terminated, lapsed or cancelled or become un-exercisable for any reason, shall be available for future Grants by the Compensation Committee.

## **7. Vesting and Exercise**

- (i) The Compensation Committee shall decide the Vesting Schedule of Options under each Grant, provided that the minimum Vesting Period shall not be less than 1 year and not more than 5 years from Grant Date.
- (ii) Upon Vesting, each valid Option shall entitle the Employee to apply for and seek issue of one share of Re. 1 each in the Company. The aforesaid number of equity shares shall be adjusted due to change in capital structure of the Company as a result of re-classification of shares, splitting up of the face value of shares, sub-division of shares, issue of bonus shares, conversion of shares into other shares or securities of the Company and any other change in the rights or obligations in respect of shares, inter alia, on such other terms and conditions and in such tranches as may be decided by the Board in its absolute discretion.
- (iii) The Compensation Committee shall decide the Exercise Price per Option under each Grant. The Options granted to the Employees under this Plan shall carry an Exercise Price, which may be such discounted price to the Market Price of the Shares of the

Company as may be determined by the Committee. However, the Exercise Price shall not be less than the face value per Share or such other minimum price required under applicable laws. The Exercise Price shall be payable in check/demand in favour of the Company or online payment in Company's bank account.

- (iv) The Compensation Committee shall decide the Exercise Period per Option under each Grant; provided, however, that maximum Exercise Period shall not be more than 3 years from Vesting Date.
- (v) After Vesting a valid Option can be Exercised by the Employee within the Exercise Period either in part or in full. The Option which is not Exercised within the Exercise Period shall lapse and the Employee shall have no right over such lapsed Option.
- (vi) The Shares issued upon Exercise of Options shall be freely transferable and will not be subject to any lock - in period provided, however the Employee shall comply with the Code of Conduct for Prevention of Insider Trading of the Company and Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended or replaced from time to time.
- (vii) In the event of death of the Employee while in employment, all the Options granted to him under the Scheme till such date but remained unvested as on the date of his death shall vest in the legal heirs or nominees of the deceased employee immediately and may be subsequently exercised by such legal heirs or nominees within the Option term.
- (viii) In case the Employee suffers a permanent incapacity while in employment, all the Options granted to him under the Scheme but not vested as on the date of permanent incapacitation, shall vest in him on that day and may be subsequently exercised by him within the Option term.
- (ix) In the event of resignation or termination of the Employee, all the Options which are granted and yet not Vested as on that day shall expire. All the valid Vested Options which were not Exercised as on the date of submission of resignation or termination of employment can be Exercised by the Employee before his last working day with the Company.

Provided that if the Employee services are terminated for misconduct then all the Options which were not Exercised by him and not Vested in him shall terminate immediately and cease to be outstanding.

- (x) In the event of retirement or superannuation of the Employee, all the Options which are granted and yet not Vested as on that day shall expire. All the Vested Options as on the date of retirement or superannuation shall be exercisable by the Employee within 6 months of his date of retirement or superannuation.
- (xi) In the event that an Employee is transferred or deputed to an associate company or subsidiary company prior to Vesting or Exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed Employee even after the transfer or deputation.

## **8. Other provisions**

- (i) shall be deemed to have come into force on the date on which the scheme is approved by the members in their Annual General Meeting.
- (ii) The Scheme shall remaining force until exhaustion of options or unless terminated by the Company on the advise of the Board / Compensation Committee.
- (iii) The Employee shall not get any rights of a shareholder with respect to Shares covered by an Option until the Shares are allotted to the Employee by the Company.
- (iv) Options cannot be transferred, pledged, hypothecated, or disposed of in any manner. Except in the event of the death of the Employee while in employment, no person other than the Employee to whom the Option is granted shall be entitled to the Shares arising out of such Options.
- (v) The liability to pay any taxes with respect to the Options granted pursuant to this Scheme or exercise thereof shall be entirely on the Employee. The Company shall have the right to deduct or withhold any amount from the Employee's salary or the Company may require the Employee to remit to the Company, any amount to satisfy his tax obligations.
- (vi) The grant of Option to an Employee does not confer upon him any right with respect to continuity of his services with the Company or its subsidiary. The Company also does not guarantee to the Employee any returns by Grant of Option or Exercise thereof.
- (vii) The inability of the Company to obtain approval from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful issuance and sale of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to grant the Options or issue Shares.

DCS/IPO/SV/ESOP-IP/2723/2017-18

March 27, 2018

The Company Secretary  
**Jamna Auto Industries Ltd.**  
Jai Spring Road, Yamuna Nagar,  
Ambala- 135001, Haryana

Dear Sir/Madam

**Re: Application of In-principle approval for 1,99,20,000 Equity shares of Re. 1/- each to be issued under Employee Stock Option Scheme-2017.**

We acknowledge the receipt of your letter on the captioned matter regarding in-principle approval for issue and allotment of 1,99,20,000 Equity shares of Re. 1/- each to be allotted by the Company, upon exercise of stock options in terms of SEBI (Shares Based Employee Benefits) Regulations 2014, together with copy of statement under Reg 10(b) and other enclosures and subsequent submissions by the company. In this regard, the Exchange is pleased to grant in-principle approval for issue and allotment of a maximum of 1,99,20,000 Equity Shares which are likely to arise out of exercise of options as and when exercised under the Scheme subject to the company fulfilling the following conditions:


1. The company shall notify the Exchange as per the format prescribed under Reg 10(c) of (Share Based Employee Benefits) Regulations, 2014 together with listing application after the shares were allotted and the same are credited to the beneficiaries account or share certificates have been dispatched, as may be applicable.
2. Payment of fees as may be prescribed from time to time.
3. Receipt of statutory and other approvals and compliance of guidelines issued by the statutory authorities including SEBI, RBI, and MCA etc.
4. Compliance to all guidelines/regulation/directions of the Exchange or any statutory authorities, documentary requirements from time to time.
5. Compliance of all conditions of Listing Agreement as on date of Listing.
6. Compliance to the Companies Act, 1956 / 2013 and other applicable laws.
7. Submissions of documents as given in the Checklist available on the BSE website under link <http://www.bseindia.com/static/about/downloads.aspx?expandable=2>

The Exchange reserves its right to withdraw its in-principle approval at any later stage if the information submitted to the Exchange is found to be incomplete/incorrect/misleading/false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities etc.

Kindly note that the Exchange will issue trading permission from time to time upon receipt of notification under Reg. 10(c) and subject to the compliance of the conditions as stated above.

Yours faithfully,

  
Nitin Pujari  
Sr. Manager

  
Sabah Vaze  
Assoc. Manager

Ref: NSE/LIST/15589

March 20, 2018

The Company Secretary,  
Jamna Auto Industries Limited  
2, Park lane, Kishangarh,  
Vasant Kunj,  
New Delhi – 110070

Dear Sir/Madam,

**Sub: In - Principle Approval for listing upto a maximum of 19920000 Equity Shares of Re. 1/- each of Jamna Auto Industries Limited to be issued under ESOP Scheme 2017.**

We are in receipt of your letter along with Statement under Regulation 10(b) as required under SEBI (Share Based Employee Benefits) Regulations, 2014 and subsequent correspondences thereto, seeking in - principle approval for listing of a maximum of 19920000 Equity Shares of Re. 1/- each to be allotted to the employees of the Company under the ESOP Scheme 2017 of the Company. In this regard, the Exchange is pleased to grant in - principle approval for the above equity shares to be allotted on exercise of options as and when exercised subject to fulfilling the following listing conditions:

1. Notification to the Exchange as per Regulation 10 (c) together with listing application only after allotment of securities and credit to the beneficiaries account or dispatch of share certificates, as may be applicable.
2. Receipt of statutory and other approvals and compliance of guidelines issued by the statutory authorities including SEBI, RBI, MCA, etc.
3. Compliance with all the guidelines, regulations, directions of the Exchange or any statutory authorities, documentary requirements from time to time.
4. Compliance of all conditions of Listing Agreement as on date of listing.
5. Compliance to the Companies Act, 1956 and Companies Act, 2013 and other applicable laws.
6. Submissions of documents as given in the enclosed list (as per annexure).

The Exchange reserves its right to withdraw its in - principle approval at any later stage if the information submitted to the Exchange is found to be incomplete/incorrect/ misleading/false or in contravention of any Rules, Bye-laws and Regulations of the Exchange, SEBI (LODR) Regulation, 2015, Guidelines/ Regulations issued by statutory authorities, etc. Kindly note that the Exchange will issue approval for listing and trading of equity shares subject to the compliances as stated above.

Yours faithfully,  
For National Stock Exchange of India Limited

Divya Poojari  
Manager

CC: National Securities Depository Limited  
4th Floor, Trade world,  
Kamala Mills Compound,  
Senapati Bapat Marg.,  
Lower Parel, Mumbai - 400 013

Central Depository Services Limited  
P.J.Towers, 28th Floor,  
Dalal Street, Mumbai - 400 073

P.S. Checklist of all the further issues is available on website of the exchange at the following URL:  
[http://www.nseindia.com/corporates/content/further\\_issues.htm](http://www.nseindia.com/corporates/content/further_issues.htm)



**Annexure:**

1. Part I - Letter of application
2. Certified true copy of statement under Regulation 10 (c) as per the format prescribed in SEBI (Share Based Employee Benefits) Regulations, 2014.
3. NSDL/CDSL credit and/or dispatch of physical certificate confirmation by the R & T agent.
4. Certified true copy of Board resolution of allotment of shares.
5. Certificate from Company Secretary or any other authorized signatory for receipt of money.
6. List of allottees specifying the name of the allottee, number of shares allotted for the same.
7. Confirmation from Company for any shares allotted to NRIs.
8. Details of employees who have been granted options / shares in excess of 1% of share capital (in case of ESOPs) or 5% (in case of ESPS) of options / shares issued in one year.
9. Confirmation as to whether any Directors have been issued shares pursuant to SEBI (SBEB) Regulations, 2014. If so, details of the issue to the Directors.
10. Statement of the Compliance Officer/Company Secretary/ Authorised signatory showing number of shares for which the in-principle approval was taken and no. of shares allotted, date of allotment and the balance outstanding.

This Document is Digitally Signed