



Bodal Chemicals Ltd.
COLOURS. INTEGRATION. INNOVATION.

By Online Submission

Sec/17-18/206
Date: 13/12/2017

To,
The General Manager,
BSE Ltd.
1st Floor, New Trading Ring,
Rotunda Building, P.J. Tower,
Dalal Street, Fort
Mumbai- 400 001
BSE Code: 524370

To,
The General Manager,
National Stock Exchange of India Ltd.
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051.
NSE CODE: BODALCHEM


Dear Sir / Madam,

Sub: Intimation for Amendment in existing ESOP Scheme 2017 of Company under Regulation 10(b) of SEBI (Share Based Employee Benefits) Regulations, 2014.

This is to inform you that, pursuant to SEBI (Share Based Employees Benefits) Regulations, 2014, the Board of Directors of the Company has amended Clause 1.3 (iii) and 7(a)(iii) existing ESOP Scheme 2017 .

The Copy of revised ESOP scheme 2017 in enclosed herewith for your ready reference and record please.

Thanking You,
Yours faithfully,
For, **BODAL CHEMICALS LTD.**


Ashutosh B. Bhatt
Company Secretary

Encl: as above

HEAD OFFICE:

Plot No. 123-124, Phase-1,
G.I.D.C, Vatva, Ahmedabad- 382 445.,
Gujarat, India.

www.bodal.com

CIN No. : L24110GJ1986PLC009003

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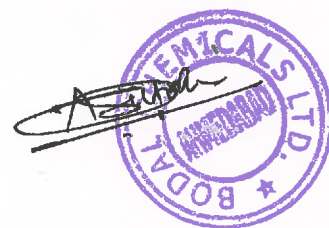
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ESOP Scheme

Bodal
Chemicals
Limited

ESOP 2017

Version 2.0



Bodal Chemicals Limited

Plot No. 123-124, Phase - I, G.I.D.C, Vatva, Ahmedabad - 382445, Gujarat (India)

[CIN: L24110GJ1986PLC009003]

1. Name, Objective and Term of the Plan

- 1.1 This Plan shall be called the "ESOP 2017".
- 1.2 The objective of the ESOP 2017 is to reward the Employees for their past association and performance as well as to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Scheme to attract and retain talent in the organization. The Company views employee stock options as instruments that would enable the Employees to share the value they create for the Company in the years to come.
- 1.3 The ESOP 2017 is established with effect from Shareholders approval through Annual General Meeting ("AGM") on September 23, 2017 and shall continue to be in force:-
- (i) its termination by the Nomination and Remuneration Committee; or
 - (ii) the date on which all of the options available for issuance under the ESOP 2017 have been issued and exercised; or
 - (iii) Ten years from date of first option granted; whichever is earlier.
- 1.4 The Nomination and Remuneration Committee of Directors may subject to compliance with Applicable Laws, at any time alter, amend, suspend or terminate the ESOP 2017.

Definitions and Interpretation

2.1 Definitions

- i. "Abandonment", in law, is the relinquishment or renunciation of an interest, claim, privilege, possession or right, especially with the intent of never again resuming or reasserting it. Such intentional action may take the form of a discontinuance or a waiver)
- ii. "Applicable Law" means every law relating to Employee Stock Options, including, without limitation to, the Companies Act, 2013, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, stock exchange and all relevant tax, securities, exchange control or corporate laws of India.
- iii. "Board" means the Board of Directors of the Company.
- iv. "Companies Act" means The Companies Act, 2013 and includes any statutory modifications or reenactments thereof.
- v. "Company" means "Bodal Chemicals Limited".
- vi. "Company Policies/Terms of Employment" mean the Company's policies for employees and the terms of employment as contained in the Employment Letter and the Company Handbook, which includes provisions for securing



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- Confidentiality, Non Compete and non Poaching of other Employees and customers.
- vii. “Nomination and Remuneration Committee” shall be a committee of such members of the board of directors of the company as provided under Section 178 of the Companies Act, 2013, as amended or modified from time to time.
- viii. “Director” means a member of the Board of the Company.
- ix. “Eligibility Criteria” means the criteria as may be determined from time to time by the Nomination and Remuneration Committee for granting the Employee Stock Options to the employees.
- x. “Employee” means
- (i) a permanent employee of the Company working in India or out of India; or
- (ii) a director of the Company, whether a whole time director or not but excluding an independent director; or
- but excludes*
- a. an employee who is a promoter or belongs to the promoter group;
- b. a director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company.
- xi. “Employee Stock Option” or “Option” means the option given to an Employee, which gives such Employee the right, but not an obligation, to purchase or subscribe at a future date the shares underlying the option at a pre-determined price.
- xii. “Exercise” means making of an application by an employee to the Company for issue of shares in form of cash against vested options in pursuance of the ESOP 2017, in accordance with the procedure laid down by the Company for exercise of options.
- xiii. “Exercise Period” means such time period after Vesting within which the Employee should exercise the options vested in him in pursuance of the ESOP 2017.
- xiv. “Exercise Price” means the price payable by an Employee in order to exercise the Options granted to him in pursuance of the ESOP 2017.
- xv. “Grant” means issue of Options to the Employees under the ESOP 2017.
- xvi. “Nomination and Remuneration Committee” means the Nomination and Remuneration Committee of Directors of the Company.



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- xvii. **“Option Grantee”** means an Employee who has been granted an Employee Stock Option in pursuance of the ESOP 2017.
- xviii. **“Permanent Disability”** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Nomination and Remuneration Committee based on a certificate of a medical expert identified by the Nomination and Remuneration Committee.
- xix. **“Promoter”** means shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- xx. **“Promoter Group”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009:
Provided where the promoter or promoter group of a company is a body corporate, the promoters of that body corporate shall also be deemed to be promoters of such company;
- xxi. **“Market Price / Value”** means if the company is listed on any recognized stock exchange then the latest available closing price on the stock exchange where the highest volume is recorded shall be considered.
- xxii. **“Retirement”** means retirement as per the rules of the Company.
- xxiii. **“Scheme / Plan / ESOP 2017”** means this Employee Stock Option Plan 2017 under which the Company is authorized to grant Employee Stock Options to the Employees.
- xxiv. **“Shares”** means equity shares of the Company arising out of the exercise of Employee Stock Options granted under the ESOP 2017.
- xxv. **“Vesting”** means earning by the Option Grantee, of the right to Exercise the Employee Stock Options granted to him in pursuance of the ESOP 2017.
- xxvi. **“Vesting Condition”** means any condition subject to which the options granted would vest in an Option Grantee.
- xxvii. **“Vesting Period”** means the period during which the vesting of the Employee Stock Option granted to the Employee, in pursuance of the ESOP 2017 takes place.
- xxviii. **“Vested Option”** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to exercise the Option.



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xxix. “Unvested Option” means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has **not** become eligible to exercise the Option.

2.2 Interpretation

In this Plan, unless the contrary intention appears:

- a) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- b) a reference to a clause number is a reference to its sub-clauses;
- c) words in singular number include the plural and vice versa;
- d) words importing a gender include any other gender;

3. Authority and Ceiling

- 3.1 The Shareholders in its AGM on September 23, 2017 has resolved & approved to issue & grant Employee Stock Options to employees under ESOP 2017 up to a maximum of 10,00,000 (Ten Lacs) of options, exercisable into **not** more than 10,00,000 (Ten Lacs) **equity shares** of a face value of Rs. 2 each, with each such option conferring a right upon the employee to apply for one equity share of the Company, in accordance with the terms and conditions of such issue.
- 3.2 If an Employee Stock Option expires or becomes un-exercisable due to any other reason, it shall become available for future Grants, subject to compliance with all Applicable Laws. The Nomination and Remuneration Committee shall have the powers to re-grant such lapsed/cancelled options as per the ESOP 2017.
- 3.3 Where Shares are issued consequent upon exercise of an Employee Stock Option under the ESOP 2017, the maximum number of Shares that can be issued under ESOP 2017 as referred to in Clause 3.1 above will stand reduced to the extent of such Shares issued.
- 3.4 In case of a share-split where the face value of the shares is reduced below Rs. 2, the maximum number of shares available for being granted under ESOP 2017 shall stand modified accordingly, so as to ensure that the cumulative face value (No. of shares X Face value per share) prior to such split remains unchanged after the share split. Thus, for instance, if the face value of each share is reduced to Rs. 1, the total number of shares available under ESOP 2017 would be 20,00,000 (Twenty Lacs) equity shares of Rs. 1 (Rupees One Only) each. In case of a consolidation where the face value of the shares is increased, the maximum number of shares available for being granted under ESOP 2017 shall stand modified accordingly, so as to ensure that the cumulative face value (No. of shares X Face value per share) prior to such consolidation remains unchanged after the share consolidation.



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4. Administration

4.1 The ESOP 2017 shall be administered by the Nomination and Remuneration Committee. All questions of interpretation of the ESOP 2017 or any Employee Stock Option shall be determined by the Nomination and Remuneration Committee and such determination shall be final and binding upon all persons having an interest in the ESOP 2017 or such Employee Stock Option.

4.2 The Nomination and Remuneration Committee shall in accordance with this Plan and Applicable Laws determine the following:

(a) The **quantum** of Employee Stock Options to be granted under the ESOP 2017, subject to the ceiling as specified in Para 3.1;

Further, the number of options that may be granted to any specific employee of the Company under ESOP 2017, in any financial year and in aggregate under the ESOP 2017 shall be less than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company.

(b) The **Eligibility Criteria**;

(c) The procedure for making a fair and reasonable **adjustment** in case of **corporate actions** such as merger, sale of division, stock split / consolidation, rights issues, bonus issues and others as follows;

1) Bonus issue

When company gives any bonus to existing shareholders then at that time Options will get increased in proportion of bonus. Similarly the price of option shall also get reduced in proportion of bonus. e.g. if a bonus is given in the ratio of 1:1, then all Vested and Unvested options shall get doubled and their exercise price shall get reduced by half.

2) Rights issue

The number of options shall increase in the same proportion as right issue. e.g. if a right share is offered in the ratio of 1:1, then options will double. The option price shall also get adjusted in proportion of right issue.

3) QIP (Qualified Institutional Purchase or similar instances)

There will not be any action to the Vested and Unvested options given to the employees. There shall not be any action on the price of option.

4) Preferential issue of shares

There will not be any action to the Vested and Unvested options given to the employees. There shall not be any action on the price of option.



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5) Merger of our company into another company

In this case the option holder will get shares of another company if it is vested option. If the option is unvested then there will not be any action. The option price shall remain the same.

6) Merger of other Company in our company.

The company shall issue its shares to the shareholders of Transferor Company. There will not be any action to the Vested and Unvested options given to the employees. There shall not be any action on the price of option.

7) Split / Consolidation of shares

In case of split: if one share for face value of Rs.10/- each is sub-divided into two shares of face value of Rs.5/- each, then all Vested and Unvested options shall get doubled and their exercise price shall get reduced by half. Similarly relevant adjustments will be done in case of consolidation of shares to the number of options & the price of options.

If the above clauses: 1) to 7) are **not** in conformity with SEBI Regulation, then **SEBI Regulation** from time to time shall **prevail**.

- (d) The **procedure and terms** for the Grant, Vest and Exercise of Employee Stock Option in case of Employees who are on long leave;
- (e) Approve forms, writings and/or agreements for use in pursuance of the ESOP 2017.
- (f) Any other related issue as per the ESOP 2017
- (g) The Company is not offering any cashless option to its employee.

5. Eligibility and Applicability

5.1 Only Employees are eligible for being granted Employee Stock Options under ESOP 2017. The specific employees to whom the options would be granted and their eligibility criteria would be determined by the Nomination and Remuneration Committee.

5.2 The Scheme shall be applicable to the Company and any successor company thereof as determined by the Nomination and Remuneration Committee on its own discretion.

6. Vesting Schedule / Conditions

The options granted shall vest so long as an employee continues to be in the employment of the Company. The Nomination and Remuneration Committee may, at its discretion, lay down certain performance metrics on the achievement of which such options would vest, the detailed terms and conditions relating to such vesting, and the proportion in which options granted would vest subject to the minimum vesting period of 1 (one) year.

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The vesting dates in respect of the options granted under the Scheme may vary from employee to employee or any class thereof and/or in respect of the number or percentage of options granted to an employee.

Options shall vest essentially based on continuation of employment and apart from that the Board or Committee may prescribe achievement of any performance condition(s) for vesting. Vesting/lock-in period and the vesting may occur in tranches or otherwise.

7. Exercise

a) The options would be granted at an exercise price as follows:

Exercise Price per option = Rs. 50/- per option or any other price as decided by Nomination and Remuneration committee subject to continuation of enforcement of scheme as under :-

- (i) its termination by the Nomination and Remuneration Committee; or
- (ii) the date on which all of the options available for issuance under the ESOP 2017 have been issued and exercised; or
- (iii) Ten years from date of first option granted; whichever is earlier.

b) The options can be exercised as per the provisions outlined in the table below:

Event	Unvested options	Vested Options
While in Employment	The options would continue to vest as per the original vesting schedule.	Any time within period determine by Nomination and Remuneration committee
Resignation/ Termination	Cancelled	To be exercised before the last working day of the employee in the Company.
Retirement	Cancelled	To be exercised within 5 years months from the last working day.
Death	To be exercised by the legal heirs or nominee of the employee within 2 months from the date of death.	To be exercised by the legal heirs or nominee of the employee within 2 months from the date of death.
Permanent Incapacity	To be exercised by the employee within 4 months from the date	To be exercised by the employee within 4 months from the date of



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	of disability.	disability.
Misconduct / Abandonment***	Cancelled	Cancelled
Any other event not specified above	The Nomination and Remuneration Committee at its sole discretion would decide the treatment of unvested options and such decision shall be final and binding.	The Nomination and Remuneration Committee at its sole discretion would decide the treatment of the vested options and such decision shall be final and binding.

*** The Nomination and Remuneration Committee, at its sole discretion shall decide the date of cancellation of options and such decision shall be binding on all concerned.

c) Amount will be paid by the Employee only at time of exercise the option vested to them.

8. Other Terms and Conditions

- 8.1 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc) in respect of any Shares covered by the Grant unless the Option Grantee Exercises the Employee Stock Option and becomes a registered holder of the Shares of the Company.
- 8.2 The Employee Stock Option shall **not** be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.
- 8.3 If the Company issues bonus or rights shares, the Option Grantee will **not** be eligible for the bonus or rights shares in the capacity of an Option Grantee. However, an **adjustment** to the number of options or the exercise price or both would be made in accordance with Clause 4.2(c) of ESOP 2017 agreement.
- 8.4 Employee Stock Options shall **not** be transferable to any person except in the event of death of the Option Grantee, in which case clause 7(b) would apply.
- 8.5 No person other than the Employee to whom the Employee Stock Option is granted shall be entitled to Exercise the Employee Stock Option **except** in the event of the death of the Option Grantee holder, in which case clause 7(b) would apply.

9. Deduction of Tax

The Company shall have the right to deduct from the employee's salary, any of the employee's tax obligations arising in connection with the Employee Stock Option or the



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Shares acquired upon the Exercise thereof. The Company shall have **no obligation** to deliver / **transfer** Shares until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee.

10. Transferability of Shares

There will be no restriction on transferability of the Shares, which may be issued/ allotted on Exercise of Options Granted pursuant to this Scheme. However, Employees are required to always adhere to Applicable Law and Company policies while dealing with the Shares or exercising any rights thereunder. In particular, each Employee shall ensure that there is no violation of the provisions of (a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time; (b) Company's Share dealing policies and codes, and (c) other applicable restrictions for prevention of fraudulent and / or unfair trade practices relating to the securities market.

11. Authority to vary terms

The Nomination and Remuneration Committee may, if it deems necessary, vary the terms of ESOP 2017, subject to the Applicable Laws & approvals.

12. Miscellaneous

12.1 Government Regulations

This ESOP 2017 shall be subject to all Applicable Laws, and approvals from governmental authorities.

12.2 Inability to obtain approval

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 issue or sell such Shares.

12.3 The grant of an Employee Stock Option does not form part of the Option Grantee's entitlement to compensation or benefits pursuant to his contract of employment nor does the existence of a contract of employment between any person and the Company give such person any right or entitlement to have an Employee Stock Option granted to him in respect of any number of shares or any expectation that an Employee Stock Option might be granted to him whether subject to any condition or at all.



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- 12.4 Neither the existence of this Plan nor the fact that an individual has on any occasion been granted an Employee Stock Option shall give such individual any right, entitlement or expectation that he has or will in future have any such right, entitlement or expectation to participate in this Plan by being granted an Employee Stock Option on any other occasion.
- 12.5 The rights granted to an Option Grantee upon the grant of an Employee Stock Option shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).
- 12.6 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to exercise an Employee Stock Option in whole or in part.

13. Notices

All notices of communication required to be given by the Company to an Option Grantee by virtue of this ESOP 2017 shall be in writing and shall be sent to the address of the Option Grantee available in the records of the Company and any communication to be given by an Option Grantee to the Company in respect of ESOP 2017 shall be sent to the address mentioned below:

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14. Governing Law and Jurisdiction

- 14.1 The terms and conditions of the ESOP 2017 shall be governed by and construed in accordance with the laws of India.
- 14.2 The Courts of Ahmedabad, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this ESOP 2017.
- 14.3 Nothing in this Clause will however limit the right of the Company to bring proceedings against any Employee in connection with this ESOP 2017:
- (i) in any other court of competent jurisdiction; or
 - (ii) concurrently in more than one jurisdiction.

15. Income Tax Rules

The Income Tax Laws and Rules in force will be applicable.



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16. Accounting

The Company shall follow the 'Guidance Note on Accounting for Employee Share based Payments' and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein. The Company shall use either intrinsic or fair value method for valuing the options granted, in line with the requirements of accounting policies prescribed by SEBI or any other regulatory authorities.

17. No Restriction on Corporate Action

The existence of the ESOP 2017 and the Grants made under it will not in any way affect the right capital structure or from making any corporate action which is deemed to be appropriate or in its best interest. No Employee or other person claiming through him will have any claim against the Company as a result of such action.

18. New Schemes

Nothing contained in the ESOP 2017 will be construed to prevent the Company, directly or through any trust formed by the Company, from implementing any other new scheme for granting stock options or share purchase rights, which is deemed by the Company to be appropriate or in its best interest. No Employee or other person claiming through him will have any claim against the Company or trust as a result of such action.

19. Certificate from Auditors

The Board shall at each annual general meeting place before the Shareholders a certificate from the auditors of the Company that the Plan has been implemented in accordance with the SEBI SBEB Regulations and in accordance with the resolution of the Company in the general meeting.

20. Severability

In the event any one or more of the provisions contained in this ESOP 2017 shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this ESOP 2017, but this ESOP 2017 shall be construed as if such invalid, illegal or unenforceable provision had never been set forth herein, and the ESOP 2017 shall be carried out as nearly as possible according to its original terms and intent.

21. Confidentiality.

Employees must keep the details of the Options Granted to them strictly confidential and must not disclose the details to any other person. In case of non-adherence to the provisions of this Paragraph, the Board will have the authority to deal with such cases as it may deem fit.

END

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