

# NACL Industries Limited

(formerly known as 'Nagarjuna Agrichem Limited')



Ref: NACL/SE/2020-21

03<sup>rd</sup> December, 2020

## 1) BSE Limited

Phiroze Jeejeebhoy Towers  
Dalal Street,  
Fort, Mumbai,  
Mumbai – 400001  
Stock Code: 524709

## 2) National Stock Exchange of India Ltd

Exchange Plaza, 5th Floor  
Plot No.C/1 G Block,  
Bandra –Kurla Complex, Bandra (E)  
Mumbai-400051.  
Symbol: NACLIND

Dear Sir,

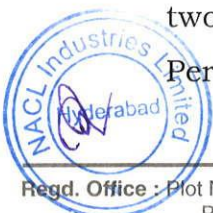
- Sub: a) Amendments to the provision of NACL Employee Stock Option Scheme 2020 ('ESOS-2020');**  
**b) Grant of Options under ESOS-2020, subject to the proposed Amendments in the ESOS-2020.**

We wish to inform that, the Compensation Committee (duly constituted and authorized by the Board to administer the ESOS-2020), in its meeting held on Wednesday, the 02<sup>nd</sup> day of December, 2020 has inter-alia:

A) approved to amend the various Clauses/Paras of ESOS-2020, keeping in view the several factors such as current performance and future outlook of the Company, the categories of Eligible Employees, eligibility criteria (such as length of service, grade etc.) and to enable the employees to further align with the long term interests of the Company. The said amendment however, is subject to approval of the Board, Shareholders of the Company and other statutory approvals (including the approvals of Stock Exchanges), if any. The amended clauses are given below:

### 1) Exercise Period:

The exercise period of stock options under the ESOS-2020 be reduced from two years to one year from the date of Vesting and the definition of Exercise Period in the Clause 3.13 of ESOS-2020 be replaced with the following:



Regd. Office : Plot No. 12-A, 'C' Block, Lakshmi Towers, No. 8-2-248/1/778, Nagarjuna Hills, Panjagutta, Hyderabad - 500 082, Telangana, INDIA.  
Phone : +91-40-33185100, Fax : +91-40-23358062 E-mail : [info@naclind.com](mailto:info@naclind.com) Website : [www.naclind.com](http://www.naclind.com)

CIN : L24219TG1986PLC016607

#### Factory-Technical :

Plot # 177, Arinama Akkivalasa Village, Allinagaram  
Post, Etcherla Mandal, Srikakulam - 532403, A.P.  
Phone : +91-08942-231172, 300400 / 401  
Fax : +91-08942-231171

#### Factory-Formulation :

Unit - I, Unit - II  
Ethakota-533238, Ravulapalem Mandal  
East Godavari Dist., A.P.  
Phone : +91-8855-305617 / 627

#### R&D Centre :

Sy. No. 1710 & 1711, Anthireddyguda Road, Nandigaon  
Village & Mandal, R.R.District, Telangana - 509228  
Phone : +91-08548-305004  
Fa x : +91-08548-305801

3.13 "**Exercise Period**" means a period within which the Participant exercises his right to apply for shares against vested options in pursuance of this ESOS-2020. The exercise period shall commence from the date of vesting and shall expire on completion of one year from the date of vesting;

## 2) Termination of Employment:

The Compensation Committee will be empowered to decide the continuation/lapse of vested or unvested options, finalizing the exercise period as it deems fit and the Clause 14 (Termination of Employment) of the ESOS-2020 be replaced with the following:

### "14) Termination of Employment:

#### 14.1 On death of a Participant:

*In the event of death of a Participant while in employment, the vested Options granted to him till such date, shall be vested in Beneficiary of the deceased Participant and the same shall be permitted to be exercised within such period as may be decided by the Committee at its absolute discretion, however in no case such period shall be more than the exercise period.*

*The Committee, at its absolute discretion, permit all or part of the unvested Options:*

- a) to lapse/expire and be forfeited forthwith; or*
- b) to continue to vest in the Beneficiary on the respective vesting date; or vest earlier than the date of vesting subject to adherence of statutory requirement of minimum period of one year between the grant and vesting of options; and such vested Options shall be permitted to be exercised within such period as may be decided by the Committee at its absolute discretion, however in no case such period shall be more than the exercise period.*



**14.2 On Disability of Participant:**

*In the event of the termination of a Participant's employment with the Company as a result of total or permanent incapacity:*

- a) the vested Options shall be permitted to be exercised within such period as may be decided by the Committee at its absolute discretion, however in no case such period shall be more than the exercise period;*
- b) the unvested Options shall lapse/expire and be forfeited forthwith, unless the Committee, at its absolute discretion permits all or part of such unvested options granted to the said Participant to continue to vest on the respective vesting date or vest earlier than the original date of vesting subject to adherence of statutory requirement of minimum period of one year between the grant and vesting of options, and such vested Options shall be permitted to be exercised within such period as may be decided by the Committee, however in no case such period shall be more than the exercise period.*

**14.3 On attainment of Superannuation age:**

*In case the service of the Participant with the Company is terminated due to retirement or superannuation:*

- a) the vested Options shall be permitted to be exercised within such period as may be decided by the Committee at its absolute discretion, however in no case such period shall be more than the exercise period;*
- b) the unvested Options shall lapse/expire and be forfeited forthwith, unless the Committee, at its absolute discretion permits all or part of such unvested options granted to the said Participant to continue to vest on the respective date of vesting or vest earlier than the original date of vesting subject to adherence of statutory requirement of minimum period of one year between the grant and vesting of options, and such vested Options shall be permitted to be exercised within*



*such period as may be decided by the Committee, however in no case such period shall be more than the exercise period.*

*However the Committee is having the right to cancel/withdraw all the Options granted (including vested and unvested) to such employee in case in the opinion of the Company, the Participant if found to be employed with the competitors of the Company or serving or advising the competitors in any manner or working detrimental to the interest of the Company.*

**14.4 Voluntary Termination/Termination due to resignation:**

*If the Employee/Director voluntarily terminates employment with the Company or termination due to resignation as per the rules of the Company, the Options to the extent not vested shall lapse/expire and be forfeited forthwith. All the vested Options shall be exercised with in a period of six months, or such other period as may be decided by the Committee at its absolute discretion, however in no case such period shall be more than the exercise period.*

**14.5 Other Termination:**

*In case of termination due to misconduct, all the options (both vested and unvested) shall lapse.*

*In case of termination of an employee other than voluntary termination/ resignation/ termination due to misconduct, the options to the extent not vested shall lapse/expire and be forfeited forthwith. The Committee shall decide at its absolute discretion the time within which the employee shall exercise the vested options, however such time may not be more than one year from the date of such termination.*

*However the Committee is having the right to cancel/withdraw all the options granted (including vested and unvested) to such employee in case in the opinion of the Company, the Participant if found to be employed with the competitors of the Company or serving or advising the*



competitors in any manner or working detrimental to the interest of the Company.

**14.6 Long Leave:**

Long leave of the Participant upto three months shall not have any effect on the ESOS-2020 as applicable to the Participant. However for long leave of the Participant beyond three months, the unvested Options shall lapse/expire and be forfeited forthwith, unless the Committee, at its absolute discretion permits all or part of such unvested options granted to the said Participant to continue. All the vested Options shall be permitted to be exercised within such period as may be decided by the Committee at its absolute discretion, however in no case such period shall be more than the exercise period.

**14.7 Statutory Leaves:**

The above restrictions mentioned in clause 14.6 shall not apply to the statutory leaves available to such employees under the applicable laws or the eligible leaves as per the Company's rules. However in case the exercise period of such Participants as per the scheme ends during the such statutory leave period then such employees can exercise the same within such further period as the Committee may decide at its absolute discretion.

**14.8 Transfer/Deputation to an Associate/Subsidiary/Holding Company:**

In the event that an employee who has been granted benefits under a scheme is transferred or deputed to an Associate company/ Subsidiary company/Holding company prior to vesting or exercise, the unvested Options shall lapse/expire and be forfeited forthwith, unless the Committee, at its absolute discretion permits all or part of such unvested options granted to the said Participant to continue. All the vested Options shall be permitted to be exercised within such period as may be decided



*by the Committee at its absolute discretion, however in no case such period shall be more than the exercise period.”*

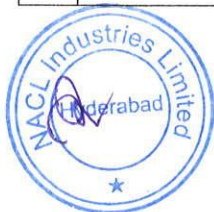
All other terms of ESOS-2020 shall remain unchanged.

We further confirm that the said amendment is not in detrimental to the interest of Grantee/Participants covered under the ESOS-2020 and is in accordance with the provisions of the SEBI (SBEB) Regulations, 2014. Once the aforesaid amendments are approved by the Shareholders, the amended provisions will be applicable to both existing and prospective Grantees.

B) approved grant of 14,85,000 (Fourteen Lakhs Eighty-Five Thousand only) Stock Options to Eligible Employees of the Company under the ESOS-2020. The Stock Options granted are governed as per ESOS-2020 scheme, which was submitted with the Stock Exchanges at the time of obtaining the in-principle approval.

Details of the grant of stock options are provided herein below:

a)	Brief details of Option granted	14,85,000 stock options granted to the Eligible Employees of the Company. Upon exercise, each option would be entitled for allotment of one equity share of Rs.1/- each of the Company at an exercise price of Rs.29/- per equity share.
b)	Whether the scheme is in terms of SEBI (Share Based Employees Benefit) Regulations, 2014	Yes
c)	Total number of share covered by these Options	14,85,000 equity shares
d)	Pricing Formula/Exercise Price	Rs.29/- per Option. The said stock Options have been granted at a discount of Rs.10.10 /- to the closing market price



		of Rs.39.10/-, on Tuesday, 01 <sup>st</sup> December, 2020 (being the date immediately prior to the date of the abovementioned CC meeting) on National Stock Exchange of India Limited.
e)	Option Vested	To be vested, spreading over a period of three years starting after one year from the date of the grant of the stock options.
f)	Time within which Options may be exercised	Two years from the date of vesting. However, the same is reduced to one year, vide the aforesaid amendment, which is subject to necessary Board, Shareholders and statutory approvals.

Kindly take the same into records.

Thanking you,

for **NACL Industries Limited**



**Satish Kumar Subudhi**

Company Secretary & Head-Legal