



J. B. CHEMICALS & PHARMACEUTICALS LIMITED

July 2, 2021

National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block-G,
Bandra Kurla Complex
Bandra (E)
Mumbai 400 051

Stock Symbol: JBCHEPHARM

Dear Sir,

Sub: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Securities and Exchange Board of India circular bearing reference no. CIR/CFD/CMD/4/2015 dated September 9, 2015

Ref: Postal Ballot Notice

Attached please find Postal Ballot Notice dated 25-6-2021 dispatched to the members of the Company today seeking their assent or dissent by voting through postal ballot to (i) Employee Stock Option Scheme viz. "JBCPL Employee Stock Option Scheme 2021" (ii) grant of Options to employees of subsidiary and/or holding company under "JBCPL Employee Stock Option Scheme 2021" (iii) grant of Options to Mr. Nikhil Chopra, Chief Executive Officer and Whole-time director, exceeding 1% of the issued share capital of the Company under "JBCPL Employee Stock Option Scheme 2021" (iv) withdrawal and revocation of employee stock option scheme set-up in the year 2004 (v) increase in cap of 5% on remuneration of whole-time director prescribed under section 197 of the Companies Act, 2013, to a level to cover increase in remuneration of Mr. Nikhil Chopra taking place due to perquisite value arising on exercise of stock options by him, all by way of Special resolution, and (vi) increase in remuneration of Mr. Nikhil Chopra, Chief Executive Officer and Whole-time director, for financial year 2021-22, by way of Ordinary resolution.

The Company has dispatched the said Postal Ballot Notice along with necessary enclosures to the members of the Company as on cut-off date, being June 11, 2021, through e-mail to those members who had registered e-mail address with the Company or depository participant/depository and in physical form to all other members, who alone shall be entitled to vote.

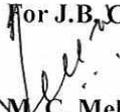
The last date for receipt of postal ballot form is July 31, 2021, while the remote e-voting through e-voting platform of National Securities Depository Limited has commenced on July 2, 2021 at 9.00 a.m. (IST) and will end on July 31, 2021 at 5.00 p.m. (IST). The result of the postal ballot will be declared on Monday, August 2, 2021.

We request you to take the above disclosure on record.

Thanking You,

Yours faithfully,

For J.B. Chemicals & Pharmaceuticals Ltd.


M.C. Mehta
Company Secretary & Vice President - Compliance

Registered Office:
Neelam Centre, B Wing, 4th Floor
Hind Cycle Road, Worli
Mumbai - 400 030

Corporate Office:
Energy IT Park
Unit A2, 3rd Floor, Unit A, 8th Floor
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POSTAL BALLOT NOTICE

Dear Member,

NOTICE IS HEREBY GIVEN pursuant to Section 110 of the Companies Act, 2013 ("Act") and other applicable provisions of the Act and Rule 22 of the Companies (Management and Administration) Rules, 2014 as amended (including any statutory modification or re-enactment thereof) that five (5) Special Resolutions and one (1) Ordinary Resolution (collectively the "Resolutions"), as set out hereunder, are proposed to be passed by voting by postal ballot and the Company accordingly seeks assent or dissent of the members by way of postal ballot, which means voting by post or through electronic means.

The special resolutions 1 to 4 relate to approval of the members to new employee stock option scheme approved by the Board of directors by resolution passed on 28-4-2021 and 14-6-2021 ("Scheme"), grant of Options to eligible employees/directors of subsidiary/holding company under the Scheme, grant of Options exceeding 1% of the issued share capital of the Company to identified employee under the Scheme and revocation of old employee stock option scheme approved by the members on 18-3-2004 respectively. The special resolution 5 and ordinary resolution 6 relate to approval of the members for increase in cap of annual remuneration of CEO and whole-time director and his remuneration for financial year 2021-22 respectively. An explanatory statement pursuant to Section 102 (1) of the Act setting out detailed reasons and material facts concerning each Resolution is annexed hereto.

This notice accompanied by postal ballot form and instructions in electronic form is being sent by e-mail to those shareholders who have registered their e-mail address with the Company or depository participant/depository as on Friday, June 11, 2021 (i.e. cut-off date), while this notice is being sent in physical form along with postal ballot form and postage prepaid reply envelope to all other shareholders as on the cut-off date.

We request the members to communicate their assent or dissent by returning duly filled in and signed postal ballot form so as to reach the Scrutinizer on or before July 31, 2021. The members who receive this notice in physical form may return the postal ballot form using postage prepaid self-addressed envelope, while the members who receive this notice through e-mail may also communicate their assent or dissent by returning duly filled in and signed attached postal ballot form through post or courier. The assent or dissent received through postal ballot form after July 31, 2021 shall be treated as if reply from the member has not been received. **The Company also provides remote e-voting facility to its members for facilitating voting through electronic means on the proposed Resolutions as set out below**, through National Securities Depository Limited ("NSDL"). The remote e-voting facility is available at <https://www.evoting.nsdl.com/> being the e-voting platform of National Securities Depository Limited. The remote e-voting shall commence on **Friday, July 2, 2021** at 9.00 a.m. (IST) and end on **Saturday, July 31, 2021** at 5.00 p.m. (IST) and the voting shall not be allowed beyond the said date and time. The members are requested to avail of e-voting facility to support the Green initiative. Members cannot vote both by post and e-voting and if you vote both by post and e-voting, your vote by post shall be treated as invalid. If your e-mail address is not registered with the Company or depository participant/depository, you are requested to follow the process specified in note 4 below.

The Board of directors of the Company has appointed Mr. Ashish Bhatt, proprietor of Ashish Bhatt & Associates, Practising Company Secretary, and failing him, Mr. Amit Trivedi, proprietor of Amit K. Trivedi & Associates, Practising Company Secretary, as Scrutinizer to conduct the voting including remote e-voting process in a fair and transparent manner. The result of postal ballot will be declared on **Monday, August 2, 2021** at 3.00 p.m. (IST) at the registered office by placing the same along with



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Scrutinizer's report on notice board at Company's registered office and corporate office. The same will also be placed on the Company's website www.jbcpl.com and website of NSDL www.evoting.nsdl.com and intimated to National Stock Exchange of India Ltd. and BSE Ltd. where equity shares of the Company are listed.

RESOLUTIONS:

RESOLUTION 1: To approve JBCPL Employee Stock Option Scheme 2021 ("Scheme" or "ESOP 2021") for Employees of the Company, and to consider and, if thought fit, to pass, the following resolution as a SPECIAL RESOLUTION.

"RESOLVED THAT pursuant and subject to the provisions of Section 62(1)(b) of the Companies Act, 2013 ("Act") and Regulation 6(1) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI Regulations") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and all other applicable provisions of the Act, SEBI Regulations and Listing Regulations read with the rules made and circulars/guidelines issued thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the Memorandum and Articles of Association of the Company, and other applicable rules, regulations and circulars/guidelines in force, from time to time and subject to any approval of any authority as may be required under applicable law, and subject to any condition or modification, if any, as may be prescribed or imposed by such authority while granting such approval and subject to acceptance of such condition or modification by the Board of directors of the Company, the approval and consent of the members of the Company be and is hereby accorded to Company's new employee stock option Scheme titled **"JBCPL Employee Stock Option Scheme 2021" ("Scheme" or "ESOP 2021")** as submitted to the members, the specified information whereof is as under, and the Board of directors [hereinafter referred to as the **"Board"**, which term shall include the Compensation Committee (ESOS) constituted by the Board pursuant to Regulation 5 of the SEBI Regulations or any other committee of the Board conferred with exercise of the powers and discharge of the functions of the compensation committee under the SEBI Regulations, (hereinafter referred to as the **"Committee"**)] be and is hereby authorized to create, offer and grant, from time to time, and in one or more tranches, Options under and in accordance with the **"JBCPL Employee Stock Option Scheme 2021"**, as in force from time to time, to permanent employees of the Company, whether working in India or outside India, and to the directors of the Company, whether whole-time or not [but excluding independent director(s)] and to such other persons/directors as may be permitted under the Act and the SEBI Regulations and as decided by the Board but does not include an employee who is a promoter or a person belonging to the promoter group or a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company, to subscribe to and purchase equity shares of face value of Rs. 2 in the Company (**"Equity Shares"**) at such exercise price and on such terms and conditions, as may be determined by the Board and/or the Committee in accordance with the provisions of ESOP 2021 and in compliance with the SEBI Regulations and other applicable laws, provided, however, that the Equity Shares that may be issued and allotted against such Options exercised under ESOP 2021 shall not in aggregate exceed 30,91,284 equity shares of face value of Rs. 2, being 4% of the issued, subscribed and paid-up equity share capital of the Company as on March 31, 2021, provided that the Board shall have the right to increase or reduce aforesaid aggregate number of Equity Shares as it deems fit, subject to compliance with applicable laws, and that ESOP 2021 as submitted to the members be and is hereby approved in terms thereof.



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a) Brief description of the Scheme:

Through this Scheme, the Company aspires to be one of the most attractive companies in the pharmaceutical industry with long term wealth creation for its employees being linked to the Company's long term growth. ESOP 2021 is designed to create the sense of ownership among the eligible employees (as described in (c) below), and incentivize and reward them for their performance and to motivate them to contribute to the growth of the Company. Board views the Scheme as a wealth creation opportunity for the eligible employees, which will help attract and retain needed talent in the organization.

b) Total number of Options to be granted:

Total number of Options to be granted by the Board under the ESOP 2021 shall be such that shall result in issue and allotment of equity shares not exceeding 30,91,284 equity shares of face value of Rs.2 in the Company, being 4% of the issued, subscribed and paid-up equity share capital of the Company as on March 31, 2021. The number aforesaid is subject to adjustment in the event of reorganization of share capital and any corporate action as provided in ESOP 2021.

c) Identification of classes of employees entitled to participate and be beneficiaries in the Scheme:

The following classes of employees shall be entitled to participate and be beneficiaries in ESOP 2021:

- (i) a permanent employee of the Company working in India or outside India; and
- (ii) a director of the Company, whether a whole-time director or not (but excluding an independent director); and
- (iii) an employee as defined in sub-clause (i) or (ii) above of a subsidiary company of the Company, in India or outside India or of a holding company of the Company;

but does not include (a) an employee who is a promoter or a person belonging to the promoter group; or (b) a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.

Out of the class of employees described above, the Board/Committee will determine and identify, following the criteria laid down in the Scheme, which of the employees should be granted Options under the Scheme and accordingly, the Company would offer the Options to such identified employees to the extent permissible by applicable laws ("Eligible Employees").

d) Requirements of vesting, period of vesting and maximum period within which the Options shall be vested:

Subject to a minimum vesting period of one year, the unvested options shall vest with the participants (i.e. Option grantee who has accepted the grant) as provided in the Grant Letter. As such, the maximum period within which the Options shall be vested will be determinable only after issue of Grant Letter. However, upon the occurrence of a Change in Control (as defined in the Scheme), all time-based Options shall vest automatically subject to the minimum vesting period aforesaid.



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Options shall vest only in the employee to whom Options are granted except in case of death of participant in which case all granted options shall vest in the nominee of such participant. In case of permanent incapacitation of any participant, all unvested Options shall vest on permanent incapacitation date.

Subject to minimum period of vesting as specified above, the Committee/Board at their discretion may alter the conditions of vesting or accelerate the vesting of the Options (other than time-based Options), as they deem fit, upon Change in Control (as defined in the Scheme), as provided in the Grant Letter.

e) Exercise price or pricing formula:

The exercise price of the vested Options shall be as stated in the Grant Letter, and shall either be as set out in the employment agreement with the relevant participant or shall be at a discount (at such rate as determined by the Board/Committee) to the market price (as on such date as determined by the Board/Committee).

f) Exercise period and process of exercise:

Exercise period is 10 years from the date of Grant, unless the Board/Committee decides otherwise, within which an employee should exercise his right to apply for shares against the vested Option in pursuance of the Scheme. In case of death, permanent incapacitation, attainment of superannuation age and other termination of employment (not including termination for Cause as defined in the Scheme), the exercise period is 120 days from the date of happening of such event.

The vested Options can be exercised by making a written and signed notice of exercise by the participant/beneficiary to the Company for issue of equity shares against vested Options and by executing such documents as may be required under the applicable laws along with payment of Aggregate Exercise Price (in accordance with the Scheme). The vested Options can be exercised either in full or in part for a minimum lot of 10 equity shares and/or balance thereof and in multiples of 10 equity shares.

g) Appraisal process for determining the eligibility of employees for the Scheme:

In determining the eligibility of an employee to receive an Option as well as in determining the number of Options to be granted to any employee, the Board/Committee will follow the following criteria for grant of Options viz. (a) number of years of service of the employee (b) industry experience of the employee (c) grade/level of the employee (d) past-track record/present performance or future potential of the employee (e) he/she must not be a Bad Leaver (as defined in the Scheme) and (f) any other criteria as may be decided by the Board/Committee.

h) Maximum Options to be issued per employee and in aggregate/Maximum quantum of benefits to be provided per employee under the Scheme:

Maximum Options to be granted per employee is 2% of the paid-up capital of the Company as on March 31, 2021. Maximum Options in aggregate that shall be granted under the Scheme is presently capped at 30,91,284 equity shares being 4% of the paid-up capital of the Company as on March 31, 2021. Within the aforesaid limit, the Board/Committee



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will decide the number of Options to be granted to each Eligible Employee, in one or more tranches, as determined by the Committee/Board, which shall be subject to separate approval of shareholders in case of grant of Option to: (a) identified employees, during any one year, equal to or exceeding 1% of the issued capital excluding outstanding warrants and conversions (as understood under SEBI Regulations) of the Company at the time of grant of Option; and/or (b) employees of subsidiary company or holding company.

The maximum quantum of benefits underlying the Options granted to an Eligible Employee can be construed to be an amount equal to the appreciation in the market price of the Company's equity shares calculated as difference between the exercise price and the fair market value of the equity shares determined in accordance with the Income Tax Rules.

i) Whether the Scheme is to be implemented and administered directly by the Company or through a trust:

ESOP 2021 shall be implemented and administered directly by the Company.

j) Whether the Scheme involves new issue of shares by the Company or secondary acquisition by the trust or both:

ESOP 2021 involves new issue of shares by the Company. Consequently, the present issued, subscribed and paid-up share capital of the Company would increase to the extent of equity shares issued and allotted against exercise of Options.

k) The amount of loan to be provided for implementation of the scheme by the Company to the trust, its tenure, utilization, repayment terms, etc.:

This is not applicable as the Company will implement and administer ESOP 2021 directly and not through a trust.

l) Maximum percentage of secondary acquisition that can be made by the trust for the purposes of the scheme:

This is not applicable as the Company will implement and administer ESOP 2021 directly and not through a trust.

m) Accounting Policies:

The Company shall conform to the accounting policies specified in Regulation 15 of the SEBI Regulations.

n) The method which the Company shall use to value its Options:

The Company shall use fair value method for valuation of the Options granted under ESOP 2021 to calculate employee compensation cost.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot Equity Shares upon exercise of Options from time to time in accordance with the ESOP 2021 and such Equity Shares shall rank *pari passu* with the then existing Equity Shares in the Company, and the Board is also authorized to take necessary steps to list the Equity Shares so issued and allotted on the Stock Exchanges where Equity Shares of the Company are for the time being listed, in accordance with the Listing Regulations and other applicable laws.



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RESOLVED FURTHER THAT, upon reorganization of capital structure and any other corporate action, the Board is authorized to adjust the Options granted and outstanding under ESOP 2021 so that the total value of such Options remains the same, in such manner as it deems fit and expedient.

RESOLVED FURTHER THAT the Board be and is hereby authorized to devise, formulate and bring into effect ESOP 2021 as per the terms and conditions approved by this resolution and the Board be and is hereby further authorized to amend, alter, modify or supplement ESOP 2021 including in relation to grant, vest and exercise of Options as deemed fit by the Board, at any time hereinafter, or suspend, withdraw or terminate ESOP 2021 (collectively "future Board decisions") subject to compliance with provisions of the Act, SEBI Regulations and other applicable laws, rules and regulations and deemed consent and approval of the members to such future Board decisions be and is hereby granted and the Company/ Board are authorized to implement and bring into effect such future Board decisions without referring the same to the members.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies as prescribed or referred to under SEBI Regulations and the Act, to the extent applicable to ESOP 2021.

RESOLVED FURTHER THAT, for the purpose of giving effect to ESOP 2021 and this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem fit, necessary or expedient, without being required to seek further consent and approval of the members of the Company to the end and intent that the members have and are deemed to have given their required consent and approval thereto in terms of the authority contained in and conferred by this resolution and the Board is further authorized to settle any question, difficulty or doubt that may arise in interpretation and implementation of ESOP 2021 and this resolution and decision of the Board and/or Committee in this regard shall be final and conclusive.

RESOLVED FURTHER THAT the Board be and is hereby also authorized, from time to time, to amend, alter, supplement or modify any term, condition or provision of ESOP 2021, as it deems fit, to ensure conformity of ESOP 2021 to any amendment made in the Act, SEBI Regulations, Listing Regulations or any other law, rules and regulations or any inputs received from merchant banker, auditor or other professional."

RESOLUTION 2: To approve grant of Options to employees of subsidiary and/or holding company under "JBCPL Employee Stock Option Scheme 2021" ("Scheme" or "ESOP 2021"), and to consider and, if thought fit, to pass, the following resolution as a SPECIAL RESOLUTION.

"RESOLVED THAT pursuant and subject to the provisions of Section 62(1)(b) of the Companies Act, 2013 ("Act"), Regulation 6(3) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Foreign Exchange Management Act, 1999 and Regulations made and circulars issued thereunder ("FEMA") and all other applicable provisions of the Act, SEBI Regulations and Listing Regulations read with the rules made and circulars/guidelines issued thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the Memorandum and Articles of Association of the Company,



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and other applicable rules, regulations and circulars/guidelines in force, from time to time and subject to any approval of any authority as may be required under applicable law, and subject to any condition or modification, if any, as may be prescribed or imposed by such authority while granting such approval and subject to acceptance of such condition or modification by the Board of directors of the Company, the approval and consent of the members of the Company be and is hereby accorded for grant of Options under "**JBCPL Employee Stock Option Scheme 2021**" ("**Scheme**" or "**ESOP 2021**") as approved by the members in terms of resolution No. 1 of the postal ballot notice dated June 25, 2021 to permanent employees and directors (but excluding independent directors), working in India or outside India, of subsidiary companies of the Company, in India or outside India or of a holding company of the Company (for the sake of brevity hereinafter referred to as "**Eligible Associate Employees**") in such number and at such exercise price and in one or more tranches, as the Board of directors [hereinafter referred to as the "**Board**", which term shall include the Compensation Committee (ESOS) constituted by the Board pursuant to Regulation 5 of the SEBI Regulations or any other committee of the Board conferred with exercise of the powers and discharge of the functions of the compensation committee under the SEBI Regulations, (hereinafter referred to as the "**Committee**")]] decides and deems fit from time to time, provided, however, that the Options granted to Eligible Associate Employees shall be subject to and in accordance with and governed by the terms and conditions of ESOP 2021 and that the total number of equity shares that may be issued and allotted against the Options exercised by eligible employees and directors of the Company and those by Eligible Associate Employees shall not in aggregate exceed 30,91,284 equity shares of face value of Rs. 2 ("**Equity Shares**"), being 4% of the issued, subscribed and paid-up share capital of the Company as on March 31, 2021 reserved under ESOP 2021 approved in terms of resolution No. 1 of the postal ballot notice dated June 25, 2021.

RESOLVED FURTHER THAT, subject to the provisions of FEMA, the Board be and is hereby authorized to issue and allot Equity Shares upon exercise of Options from time to time in accordance with the ESOP 2021 by Eligible Associate Employees and such Equity Shares shall rank *pari passu* with the then existing Equity Shares in the Company, and the Board is also authorized to take necessary steps to list the Equity Shares so issued and allotted on the Stock Exchanges where Equity Shares of the Company are for the time being listed, in accordance with the Listing Regulations and other applicable laws.

RESOLVED FURTHER THAT, upon reorganization of capital structure and any corporate action, the Board is authorized to adjust the Options so granted and outstanding under ESOP 2021 so that the total value of such Options remains the same, in such manner as it deems fit and expedient.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies as prescribed or referred to under SEBI Regulations and the Act, to the extent applicable to ESOP 2021.

RESOLVED FURTHER THAT, for the purpose of giving effect to ESOP 2021 and this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem fit, necessary or expedient, without being required to seek further consent and approval of the members of the Company to the end and intent that the members have and are deemed to have given their required consent and approval thereto in terms of the authority contained in and conferred by this resolution and the Board is further authorized to settle any question, difficulty or doubt that may arise in interpretation and implementation of ESOP 2021 and this resolution and decision of the Board and/or Committee in this regard shall be final and conclusive."



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RESOLUTION 3: To approve grant of Options to Mr. Nikhil Chopra, Chief Executive Officer and Whole-time director, exceeding 1% of the issued share capital of the Company under "JBCPL Employee Stock Option Scheme 2021" ("Scheme" or "ESOP 2021"), and to consider and, if thought fit, to pass, the following resolution as a SPECIAL RESOLUTION.

RESOLVED THAT pursuant and subject to the provisions of Section 62(1)(b) of the Companies Act, 2013 ("Act") and Regulation 6(3) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI Regulations") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and all other applicable provisions of the Act, SEBI Regulations and Listing Regulations read with the rules made and circulars/guidelines issued thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the Memorandum and Articles of Association of the Company, and other applicable rules, regulations and circulars/guidelines in force, from time to time and subject to any approval of any authority as may be required under applicable law, and subject to any condition or modification, if any, as may be prescribed or imposed by such authority while granting such approval and subject to acceptance of such condition or modification by the Board of directors of the Company [hereinafter referred to as the "**Board**", which term shall include the Compensation Committee (ESOS) constituted by the Board pursuant to Regulation 5 of the SEBI Regulations or any other committee of the Board conferred with exercise of the powers and discharge of the functions of the compensation committee under the SEBI Regulations, (hereinafter referred to as the "**Committee**")], the approval and consent of the members of the Company be and is hereby accorded for grant of 15,45,642 Options to Mr. Nikhil Chopra, Chief Executive Officer and Whole-time director of the Company, during any one year or otherwise, under **JBCPL Employee Stock Option Scheme 2021 ("Scheme" or "ESOP 2021")** (being the employee stock option scheme approved by the members in terms of resolution No. 1 of the postal ballot notice dated June 25, 2021) conferring on him the right to subscribe to and purchase 15,45,642 equity shares of face value of Rs. 2 ("**Equity Shares**") in the Company, being equity shares exceeding 1% of the issued share capital of the Company.

RESOLVED FURTHER THAT the Board and the Committee be and are hereby severally authorized to grant the Options, whether time-based and/or performance-based in such tranches and in such number and at such time(s) in one or more years at exercise price agreed by the Board and/or the Committee but otherwise subject to the terms and conditions of ESOP 2021 and provisions of the resolution passed by the members in terms of resolution No. 1 of the postal ballot notice dated June 25, 2021.

RESOLVED FURTHER THAT the Board and the Committee be and are hereby severally authorized to issue and allot equity shares of face value of Rs. 2 upon exercise of Options from time to time by Mr. Nikhil Chopra in accordance with the ESOP 2021 and such Equity Shares shall rank *pari passu* with the then existing Equity Shares in the Company, and the Board and the Committee are also severally authorized to take necessary steps to list the Equity Shares so issued and allotted on the Stock Exchanges where Equity Shares of the Company are for the time being listed, in accordance with the Listing Regulations and other applicable laws.

RESOLVED FURTHER THAT, upon reorganization of capital structure and any corporate action, the Board and the Committee are severally authorized to adjust unexercised Options granted to Mr. Nikhil Chopra so that the total value of such Options remains the same, in such manner as it deems fit and expedient.



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RESOLVED FURTHER THAT the Company shall conform to the accounting policies as prescribed or referred to under SEBI Regulations and the Act, to the extent applicable to ESOP 2021.

RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution, the Board and the Committee be and are hereby severally authorized to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem fit, necessary or expedient, without being required to seek further consent and approval of the members of the Company to the end and intent that the members have and are deemed to have given their required consent and approval thereto in terms of the authority contained in and conferred by this resolution and the Board and the Committee are further severally authorized to settle any question, difficulty or doubt that may arise in interpretation and implementation of this resolution or ESOP 2021 and decision of the Board and/or the Committee in this regard shall be final and conclusive."

RESOLUTION 4: To approve withdrawal and revocation of employee stock option scheme set-up in the year 2004, and to consider and, if thought fit, to pass, the following resolution as a SPECIAL RESOLUTION.

"RESOLVED THAT employee stock option scheme of the Company set-up under and in accordance with approval of the members of the Company granted at extra-ordinary general meeting held on 18-3-2004 be and is hereby withdrawn and revoked effective April 1, 2021."

RESOLUTION 5: To approve increase in cap of remuneration for Mr. Nikhil Chopra (DIN: 07220097) as Chief Executive Officer and Whole-time director of the Company and, in this regard, pass the following resolution as a SPECIAL RESOLUTION.

"RESOLVED, in partial modification of the resolution in relation to approval of the terms and conditions of appointment of and remuneration payable to Mr. Nikhil Chopra (DIN: 07220097) as Chief Executive Officer and Whole-time director of the Company passed by the members on 23-12-2020 through postal ballot ("said postal ballot resolution"), that pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as "the said Act", which shall include any statutory modification or re-enactment thereof) and further subject to approval of the Central Government and other concerned authorities, if and as and when required, members of the Company hereby approves increase in the cap of remuneration from five percent (5%) of the net profits (i.e. cap specified in second proviso to section 197(1) of the said Act in relation to remuneration payable to any one whole-time director) to such higher actual limit for remuneration payable to Mr. Nikhil Chopra as Chief Executive Officer and Whole-time director of the Company in each financial year as is sufficient to cover both the remuneration paid to him by the Company as approved by the members of the Company from time to time and perquisite value arising on exercise of stock options that may be granted to him under Employee Stock Option Scheme of the Company (being **JBCPL Employee Stock Option Scheme 2021** approved by the members in terms of resolution No. 1 of the postal ballot notice dated June 25, 2021) approved by the members of the Company pursuant to Regulation 6(1) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and other applicable law, rules and regulations.

RESOLVED FURTHER THAT the increase in cap over and above five per cent (5%) of the net profits of the Company as aforesaid is to only cover perquisite value arising on exercise of stock options, which is regarded as remuneration within the meaning of the said Act read with Income Tax Act, 1961 and rules made thereunder."



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RESOLUTION 6: To approve revision in remuneration of Mr. Nikhil Chopra (DIN: 07220097), Chief Executive Officer and Whole-time director of the Company, for financial year 2021-22 and, in this regard, pass the following resolution as an ORDINARY RESOLUTION.

"RESOLVED THAT, in partial modification of the resolution in relation to approval of the terms and conditions of remuneration payable to Mr. Nikhil Chopra (DIN: 07220097), Chief Executive Officer and Whole-time director of the Company, passed by the members on 23-12-2020 through postal ballot ("said postal ballot resolution") and subject to the limit prescribed in Section I of Part II of Schedule V to the said Act as presently in force read with Section 196, 197 and other applicable provisions of the said Act, and keeping in view good performance of the Company during financial year 2020-21, good performance of Mr. Nikhil Chopra during the said year as evaluated by the Nomination and Remuneration Committee of the Company and further in recognition also of managing smooth transition and steering the business well during COVID-19 pandemic times, the members of the Company hereby approves (i) effective April 1, 2021, the payment of annual remuneration of Rs. 60,600,000 ("Salary") for each financial year until revised by the members, sixty-three per cent (63%) of which Salary shall be payable as fixed compensation in the manner provided in the Employment Contract dated 5-10-2020 and the remaining thirty-seven per cent (37%) will be payable as variable component subject to satisfaction of annual KRAs the achievement whereof for each financial year shall be evaluated by the Nomination and Remuneration Committee of the Company at its discretion, to Mr. Nikhil Chopra for his services as Chief Executive Officer and Whole-time director of the Company, and (ii) payment of one-time performance bonus of Rs. 30,00,000 (Rupees thirty lakhs) as remuneration for the financial year 2021-22 payable to Mr. Nikhil Chopra in addition to the Salary for financial year 2021-22 calculated as per (i) above.

RESOLVED FURTHER THAT the Salary shall include the benefits under any incentive, savings and retirement plans, policies and programs maintained by the Company and any pension scheme, gratuity and provident fund but the Salary will not include (a) payment towards reimbursement of petrol expenses incurred for travel to or from place of work (b) cost incurred on insurances maintained by the Company as per policy of the Company (c) subscription fee or other revenue payments made in relation to club membership of one or more clubs for business purposes of the Company as approved by the Board from time to time, and (d) the value of stock options that may be granted to him, and any such payment, cost or expense incurred or any such grant made by the Company, if regarded as remuneration within the meaning of the said Act, shall be over and above the Salary, and approval of members be and is hereby also accorded to make such payment/incur such cost and expense, as approved by Board from time to time.

RESOLVED FURTHER THAT the payment of remuneration shall be subject to withholding taxes and other applicable taxes, contributions and deductions as required under applicable law and as set out in the said Contract.

RESOLVED FURTHER THAT, subject to such approvals as may be required, if the Company has no profits or its profits are inadequate during any financial year during tenure of Mr. Nikhil Chopra as Chief Executive Officer and Whole-time director then, notwithstanding the limit specified in Section II of Part II of the said Schedule V, the salary, allowances, perquisites and other benefits approved for payment to Mr. Nikhil Chopra for such financial year be paid and provided to him as minimum remuneration.



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RESOLVED FURTHER THAT the Board of directors be and is hereby authorized to take such steps as may be necessary or expedient to give effect to this resolution and is further authorized to settle any doubt, question and difficulty, if any, that may arise with respect to this resolution."

By Order of the Board of Directors
For J.B. Chemicals & Pharmaceuticals Limited

M.C. Mehta
Company Secretary & Vice President-Compliance
Membership No.: ACS-8854

Date : June 25, 2021

Place: Mumbai

NOTES:

1. An Explanatory Statement pursuant to Section 102 (1) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder setting out material facts and reasons concerning the above six (6) proposed Resolutions is annexed hereto.
2. The Board of directors has decided **Friday, June 11, 2021** as cut-off date ("**cut-off date**") for ascertaining the names of the members entitled to receive this postal ballot notice and reckoning their right to vote on the aforesaid six (6) Resolutions. Accordingly, only the members appearing on the register of members/record of the depositories on the cut-off date shall be entitled to vote on the proposed six (6) Resolutions set out above in proportion to the number of equity shares held on the cut-off date. A person who is not a member of the Company as on the cut-off date should treat the notice for information purposes only.
3. The members are requested to communicate their assent or dissent by returning duly filled in and signed postal ballot form so as to reach the Scrutinizer on or before July 31, 2021. All postal ballot forms received after July 31, 2021 will be treated as if reply from the member has not been received. The members who opt to cast their vote through e-voting please note that the remote e-voting period begins on Friday, July 2, 2021 at 9.00 a.m. (IST) and will end on Saturday, July 31, 2021 at 5.00 p.m. (IST).
4. If any member receiving this notice has not registered his e-mail address with the depository participant/depository or the Company, then such member may register the same by following the process as under:
 - (a) In case the shares are held in physical mode, the member is requested to write to the Company at secretarial@jbcpl.com along with the copy of signed request letter mentioning the name and address, folio number, number of shares held on cut-off date, designated e-mail ID, self-attested copy of PAN card and self-attested copy of any identity proof in support of the address.
 - (b) In case the shares are held in dematerialized mode, the member is requested either to write to the Company at secretarial@jbcpl.com along with the copy of signed request letter mentioning the name and address, number of shares held on cut-off date, designated e-mail ID, self-attested copy of client master or consolidated account



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statement, self-attested copy of PAN card and self-attested copy of any identity proof in support of the address or alternatively, the member may update e-mail address with the depository participant/depository and provide the Company updated client master or consolidated account statement. If you are an individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting for individual shareholders holding securities in demat mode.**

- (c) Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
5. The institutional investors are encouraged to participate and vote on this postal ballot notice.
6. This postal ballot notice is available on the website of the Company at www.jbcpl.com, on website of Stock Exchanges i.e. BSE Ltd. and National Stock Exchange of India Limited. This notice is also available on the website of NSDL at www.evoting.nsdl.com.

REMOTE E-VOTING AND STEPS TO BE FOLLOWED THEREFOR:

7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company provides facility of remote e-voting to its members in respect of the proposed six (6) Resolutions as set out above. For this purpose, the Company has entered into an agreement with National Securities Depository Limited ("NSDL") for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by the members using remote e-voting system will be provided by NSDL.
8. The members holding shares of the Company as on the cut-off date shall only be entitled to cast vote on the Resolutions.
9. Members holding shares in physical form who wish to avail of e-voting facility are requested to access the e-voting facility provided by the Company through NSDL e-voting system at <https://www.evoting.nsdl.com/> to cast their vote through remote e-voting facility.
10. The process and the manner of voting through remote e-voting facility (i.e. voting from any place) and time schedule thereof including details about login ID, procedure for generating password and casting of vote in a secure manner is as under:

Time schedule for remote e-voting

The voting period begins on **Friday, July 2, 2021** at 9.00 a.m. (IST) and will end on **Saturday, July 31, 2021** at 5.00 p.m. (IST). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, shall only be eligible to cast their vote. The members please note that the remote e-voting shall not be allowed beyond the aforesaid date and time and e-voting module shall be disabled by NSDL for voting thereafter.



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Steps for e-voting:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for individual shareholders holding securities in demat mode:

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>(a) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period.</p> <p>(b) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>(c) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p>



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<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43</p>

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode:

How to Log-in to NSDL e-Voting website?

(a) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com> either on a personal Computer or on a mobile.



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- (b) Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- (c) A new screen will open. You will have to enter your User ID, your Password/OTP and a verification code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- (d) Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
i) For members who hold shares in demat account with NSDL.	8 character DP ID followed by 8-digit Client ID. For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
ii) For members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID. For example if your Beneficiary ID is 12***** then your user ID is 12*****
iii) For members holding shares in physical form.	EVEN number followed by folio number registered with the Company. For example if folio number is 001*** and EVEN is 101456, then user ID is 101456001***

- (e) Password details for shareholders other than Individual shareholders are given below:

- (i) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- (ii) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- (iii) How to retrieve your 'initial password'?
- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned in note no. 4 above.



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- (f) If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Click on **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
- (g) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- (h) Now, you will have to click on "Login" button.
- (i) After you click on the "Login" button, home page of e-voting will open.

Step 2: Cast your vote electronically on NSDL e-voting system

How to cast your vote electronically on NSDL e-voting system?

- After successful login following Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- Select "EVEN" of the Company for which you wish to cast your vote during remote e-voting.
- Now you are ready for e-voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

11. General Information:

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (in PDF/JPG Format) of the relevant board resolution/authority letter with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer by e-mail to amisi999@gmail.com with a copy marked to evoting@nsdl.co.in.



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- (b) The members may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990/ 1800 224 430 or send a request to Ms. Pallavi Mhatre at evoting@nsdl.co.in.
- (c) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- (d) The members who have already cast their vote by remote e-voting shall not be allowed to change their vote subsequently or cast the vote again.
- (e) Immediately after conclusion of the remote e-voting, the Scrutinizer shall unblock the votes cast and submit his report thereon within 48 hours to the Chairman of the Company or any person authorized by him.

12. Members who need technical assistance with regard to remote e-voting can:

- Send a request at evoting@nsdl.co.in or use Toll free no.: 1800 1020 990/ 1800 224 430; or
- Contact Mr. Amit Vishal, Senior Manager, NSDL at the designated email ID: evoting@nsdl.co.in or;
- Contact Ms. Pallavi Mhatre, Manager, NSDL at the designated email ID: evoting@nsdl.co.in.

13. All the documents referred to in the accompanying explanatory statement being documents available for inspection, shall also be made available through electronic mode for inspection by any member on the basis of request received at secretarial@jbcpl.com. Upon receipt of such request, the Company would provide the link to inspect such documents. The members are requested not to forward to any other person. The link shall remain active for 48 hours from the time e-mailed by the Company.

14. The above notes and postal ballot instructions form an integral part of this postal ballot notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

All material facts and reasons concerning proposed Resolution 1, Resolution 2, Resolution 3, Resolution 4, Resolution 5 and Resolution 6 as set out above are provided in the following statement accompanying this postal ballot notice.

RESOLUTION 1 and RESOLUTION 2:

With a view to encourage long term wealth creation for its employees linked to the Company's long term growth and making the Company an attractive work place in the pharmaceutical industry, the Board of directors, subject to approval of the members, has approved, at meeting held on 28-4-2021 and 14-6-2021, a new Employee Stock Option Scheme titled "**JBCPL Employee Stock Option Scheme 2021**" ("Scheme" or "ESOP 2021") based on the terms and conditions formulated by and recommendation of the Compensation Committee (ESOS) constituted by the Board pursuant to Regulation 5 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI Regulations"). The proposed



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scheme is intended to motivate and incentivize eligible employees and eligible directors to help achieving strategic growth objectives and reward them for their contribution and performance as per the criteria set by the Board/Committee. Under ESOP 2021, the Company proposes to grant time-based and performance-based Options to eligible employees and eligible directors of the Company and its subsidiary companies. The Company has put in place vision and a plan for aggressive growth in sales and profits over medium to long term and ESOP 2021 is intended to help achieve the same. 30,91,284 equity shares of face value of Rs. 2, being 4% of the issued and paid-up equity share capital as on March 31, 2021, are reserved for issue and allotment against the Options that may be exercised under and in accordance with ESOP 2021. Exercise price shall be determined in the manner as specified in para (e) below. Board has, at present, agreed for exercise price of Rs. 745 per share in respect of 18,95,382 Options (comprising of 11,36,781 performance-based and 7,58,601 time-based Options) that may be granted to identified director/ two employees of the Company occupying key leadership position who are responsible for achievement of target growth and other efficiencies and improvements within the Company, pursuant to the amendment to employment agreement/employment agreement dated June 15, 2021 entered into with each of them.

Information about the Scheme to be given in the explanatory statement pursuant to SEBI Circular bearing reference no. CIR/CFD/POLICY CELL/2/2015 dated 16-6-2015 is as under:

a) Brief description of the Scheme:

Through this Scheme, the Company aspires to be one of the most attractive companies in the pharmaceutical industry with long term wealth creation for its employees being linked to the Company's long term growth. ESOP 2021 is designed to create the sense of ownership among the eligible employees (as described in (c) below), and incentivize and reward them for their performance and to motivate them to contribute to the growth of the Company. Board views the Scheme as a wealth creation opportunity for the eligible employees, which will help attract and retain needed talent in the organization.

b) Total number of Options to be granted:

Total number of Options to be granted by the Board under the ESOP 2021 shall be such that shall result in issue and allotment of equity shares not exceeding 30,91,284 equity shares of face value of Rs.2 in the Company, being 4% of the issued, subscribed and paid-up equity share capital of the Company as on March 31, 2021. The number aforesaid is subject to adjustment in the event of reorganization of share capital and any corporate action as provided in ESOP 2021.

c) Identification of classes of employees entitled to participate and be beneficiaries in the Scheme:

The following classes of employees shall be entitled to participate and be beneficiaries in ESOP 2021:

- (i) a permanent employee of the Company working in India or outside India; and
- (ii) a director of the Company, whether a whole-time director or not (but excluding an independent director); and
- (iii) an employee as defined in sub-clause (i) or (ii) above of a subsidiary company of the Company, in India or outside India or of a holding company of the Company;



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but does not include (a) an employee who is a promoter or a person belonging to the promoter group; or (b) a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.

Out of the class of employees described above, the Board/Committee will determine and identify, following the criteria laid down in the Scheme, which of the employees should be granted Options under the Scheme and accordingly, the Company would offer the Options to such identified employees to the extent permissible by applicable laws ("Eligible Employees").

d) Requirements of vesting, period of vesting and maximum period within which the Options shall be vested:

Subject to a minimum vesting period of one year, the unvested options shall vest with the participants (i.e. Option grantee who has accepted the grant) as provided in the Grant Letter. As such, the maximum period within which the Options shall be vested will be determinable only after issue of Grant Letter. However, upon the occurrence of Change in Control (as defined in the Scheme), all time-based Options shall vest automatically subject to the minimum vesting period aforesaid.

Options shall vest only in the employee to whom Options are granted except in case of death of participant in which case all granted options shall vest in the nominee of such participant. In case of permanent incapacitation of any participant, all unvested Options shall vest on permanent incapacitation date.

Subject to minimum period of vesting as specified above, the Committee/ Board at their discretion may alter the conditions of vesting or accelerate the vesting of the Options (other than time-based Options), as they deem fit, upon Change in Control (as defined in the Scheme), as provided in the Grant Letter.

e) Exercise price or pricing formula:

The exercise price of the vested Options shall be as stated in the Grant Letter, and shall either be as set out in the employment agreement with the relevant participant or shall be at a discount (at such rate as determined by the Board/Committee) to the market price (as on such date as determined by the Board/Committee).

f) Exercise period and process of exercise:

Exercise period is 10 years from the date of Grant, unless the Board/Committee decides otherwise, within which an employee should exercise his right to apply for shares against the vested Option in pursuance of the Scheme. In case of death, permanent incapacitation, attainment of superannuation age and other termination of employment (not including termination for Cause as defined in the Scheme), the exercise period is 120 days from the date of happening of such event.

The vested Options can be exercised by making a written and signed notice of exercise by the participant/beneficiary to the Company for issue of equity shares against vested Options and by executing such documents as may be required under the applicable laws along with payment of Aggregate Exercise Price (in accordance with the Scheme). The vested Options can be exercised either in full or in part for a minimum lot of 10 equity shares and/or balance thereof and in multiples of 10 equity shares.



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g) Appraisal process for determining the eligibility of employees for the Scheme:

In determining the eligibility of an employee to receive an Option as well as in determining the number of Options to be granted to any employee, the Board/Committee will follow the following criteria for grant of Options viz. (a) number of years of service of the employee (b) industry experience of the employee (c) grade/level of the employee (d) past-track record/present performance or future potential of the employee (e) he/she must not be a Bad Leaver (as defined in the Scheme) and (f) any other criteria as may be decided by the Board/Committee.

h) Maximum Options to be issued per employee and in aggregate/Maximum quantum of benefits to be provided per employee under the Scheme:

Maximum Options to be granted per employee is 2% of the paid-up capital of the Company as on March 31, 2021. Maximum Options in aggregate that shall be granted under the Scheme is presently capped at 30,91,284 equity shares being 4% of the paid-up capital of the Company as on March 31, 2021. Within the aforesaid limit, the Board/Committee will decide the number of Options to be granted to each Eligible Employee, in one or more tranches, as determined by the Committee/Board, which shall be subject to separate approval of shareholders in case of grant of Option to: (a) identified employees, during any one year, equal to or exceeding 1% of the issued capital excluding outstanding warrants and conversions (as understood under SEBI Regulations) of the Company at the time of grant of Option; and/or (b) employees of subsidiary company or holding company.

The maximum quantum of benefits underlying the Options granted to an Eligible Employee can be construed to be an amount equal to the appreciation in the market price of the Company's equity shares calculated as difference between the exercise price and the fair market value of the equity shares determined in accordance with the Income Tax Rules.

i) Whether the Scheme is to be implemented and administered directly by the Company or through a trust:

ESOP 2021 shall be implemented and administered directly by the Company.

j) Whether the Scheme involves new issue of shares by the Company or secondary acquisition by the trust or both:

ESOP 2021 involves new issue of shares by the Company. Consequently, the present issued, subscribed and paid-up share capital of the Company would increase to the extent of equity shares issued and allotted against exercise of Options.

k) The amount of loan to be provided for implementation of the scheme by the Company to the trust, its tenure, utilization, repayment terms, etc.:

This is not applicable as the Company will implement and administer ESOP 2021 directly and not through a trust.

l) Maximum percentage of secondary acquisition that can be made by the trust for the purposes of the scheme:

This is not applicable as the Company will implement and administer ESOP 2021 directly and not through a trust.

m) Accounting Policies:

The Company shall conform to the accounting policies specified in Regulation 15 of the SEBI Regulations.



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n) The method which the Company shall use to value its Options:

The Company shall use fair value method for valuation of the Options granted under ESOP 2021 to calculate employee compensation cost.

Regulation 6(1) of the SEBI Regulations provides that no employee stock option scheme shall be offered to employees of a company unless the shareholders of the company approve by a special resolution. Regulation 6(3) of the SEBI Regulations provides that approval of shareholders shall be obtained by way of a separate resolution in case of grant of options to employees of subsidiary or holding company.

Further, as the subscribed share capital will increase due to issue of further shares consequent to exercise of Options under ESOP 2021, approval of the members is also required by way of a special resolution pursuant to Section 62(1)(b) of the Companies Act, 2013. In view of these legal provisions, approval of the members of the Company is sought to setting up of new Employee stock option scheme "JBCPL Employee Stock Option Scheme 2021" and also grant of options to eligible employees and directors of Company's subsidiary/holding company thereunder by way of Special Resolution set out under Item No. 1 and Item No. 2. Vivro Financial Services Private Limited, merchant banker appointed by the Company for obtaining in-principle listing approval from the Stock Exchanges, has vide their letter dated June 17, 2021 certified that ESOP 2021 conforms to the SEBI Regulations.

Your directors are of the opinion that setting up of ESOP 2021 in accordance with the terms and conditions set out in the Scheme is in overall interest of the Company and accordingly recommend Resolution 1 and Resolution 2 to the members for approval.

The Memorandum and Articles of Association of the Company, draft Scheme as approved by the Board, two Amendment agreements (to respective Employment agreement)/Employment agreement all dated June 15, 2021 entered into with identified director/two employees in relation to their stock option entitlement and aforesaid certificate of Vivro Financial Services Private Limited ("the said documents") are open for inspection at the registered office of the Company by any member during 10.00 a.m. to 5.00 p.m. on all working days (i.e. except Saturday, Sunday and public holidays) up to the last date of casting vote pursuant to this postal ballot notice. A copy of the said documents will also be available for inspection at the corporate office of the Company on the days and during the hours aforesaid. The said documents shall also be made available through electronic mode for inspection by any member on the basis of request received at secretarial@jbcpl.com. Upon receipt of such request, the Company would provide the link to inspect such documents (subject to note 13 above).

Directors, key managerial persons of the Company and its subsidiary/holding company who may be granted Options under ESOP 2021 and their relatives may be deemed to be concerned or interested in these items of business and the Resolution 1 and Resolution 2. Save as aforesaid, none of the directors and key managerial personnel of the Company and their relatives are concerned or interested in these items of business and the Resolution 1 and Resolution 2.

RESOLUTION 3:

The Company, pursuant to Employment Agreement dated 5-10-2020 as amended by First Addendum dated 11-2-2021 to the said Employment Agreement (collectively referred to as the "Original employment agreement"), agreed to grant Mr. Nikhil Chopra, Chief Executive Officer and Whole-time director, (i) Performance-based Options with a right to acquire



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shares of the Company aggregating to 1.20% of the issued and paid-up share capital of the Company as on March 31, 2021 at per share price of Rs. 745, and (ii) Time-based Options with a right to acquire shares of the Company aggregating to 0.80% of the issued and paid-up share capital of the Company at per share price of Rs. 745, as per the terms as set out in detail in the employee stock option scheme to be implemented by the Company (hereinafter referred to as "Stock option entitlement"). The Company has further entered into First Amendment agreement dated June 15, 2021 to the Original employment agreement with Mr. Nikhil Chopra substituting the terms and conditions applicable to his Stock option entitlement as contained in the Original employment agreement.

In view of the contract entered into by the Company as aforesaid, Board proposes to grant total of 15,45,642 Options comprising of 9,27,385 performance-based Options and 6,18,257 time-based Options at exercise price of Rs. 745 per share to Mr. Nikhil Chopra under and in accordance with the terms and conditions of ESOP 2021, that equals to 2% of the aforementioned issued and paid-up share capital of the Company. Performance criteria will be set out by the Compensation Committee (ESOS) in Grant letter to be issued to Mr. Nikhil Chopra. The aforementioned total Options will be granted in one or more tranche and in one or more years as the Compensation Committee (ESOS) deems fit.

Regulation 6(3) of the SEBI Regulations provides that approval of shareholders shall be obtained by way of a separate resolution in case of grant of options to identified employees, during any one year, equal to or exceeding one percent of the issued capital of the company at the time of grant.

Your directors are of the opinion that grant of aforementioned performance-based Options and time-based Options in aggregate exceeding one percent of the issued share capital of the Company as on date to Mr. Nikhil Chopra is in overall interest of the Company as he occupies key leadership position with responsibility to achieve target growth, and accordingly the Board recommends Resolution 3 to the members for approval.

First Amendment agreement dated June 15, 2021 to the Original employment agreement entered into with Mr. Nikhil Chopra dealing with his stock options entitlement and terms and conditions thereof ("the said document") is open for inspection at the registered office of the Company by any member during 10.00 a.m. to 5.00 p.m. on all working days (i.e. except Saturday, Sunday and public holidays) up to the last date of casting vote pursuant to this postal ballot notice. A copy of the said document will also be available for inspection at the corporate office of the Company on the days and during the hours aforesaid. The said document shall also be made available through electronic mode for inspection by any member on the basis of request received at secretarial@jbcpl.com. Upon receipt of such request, the Company would provide the link to inspect such documents (subject to note 13 above).

Mr. Nikhil Chopra and his relatives may be considered as concerned or interested in this item of business and Resolution 3. Save as aforesaid, none of the directors and key managerial personnel of the Company and their relatives are concerned or interested in this item of business and Resolution 3.

RESOLUTION 4:

The Company instituted employee stock option scheme under approval of the shareholders granted at extra-ordinary general meeting held on 18-3-2004 ("said old scheme"). The said old scheme is not functional for long time and the Company do not plan to use the same going forward. All options granted under the said old scheme are either exercised or have lapsed. In view thereof, it is proposed to withdraw and revoke the said old scheme effective 1-4-2021.



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This approval of the shareholders is being sought as the said old scheme did not empower the Board of directors to withdraw or revoke the same. Your directors are of the opinion that withdrawal and revocation of the said old scheme will not affect interest of any employee and otherwise is in overall interest of the Company and accordingly recommend Resolution 4 to the members for approval.

The said old scheme ("the said document") is open for inspection at the registered office of the Company by any member during 10.00 a.m. to 5.00 p.m. on all working days (i.e. except Saturday, Sunday and public holidays) up to the last date of casting vote pursuant to this postal ballot notice. A copy of the said document will also be available for inspection at the corporate office of the Company on the days and during the hours aforesaid. The said document shall also be made available through electronic mode for inspection by any member on the basis of request received at secretarial@jbcpl.com Upon receipt of such request, the Company would provide the link to inspect such document (subject to note 13 above).

None of the directors and key managerial personnel of the Company and their relatives are concerned or interested in this item of business and Resolution 4.

RESOLUTION 5:

Presently, pursuant to Section 197(1) of the Companies Act, 2013, remuneration of one whole-time director of the Company is restricted to five per cent (5%) of net profits of the Company. However, this limit can be enhanced with approval of the company in general meeting by way of special resolution.

As stated in explanatory statement above for Resolution 3, Mr. Nikhil Chopra, Chief Executive Officer and Whole-time director pursuant to the First Amendment agreement dated June 15, 2021 to the Original employment agreement entered into with him is entitled to 15,45,642 Options comprising of 9,27,385 performance-based Options and 6,18,257 time-based Options at exercise price of Rs. 745 per share under and in accordance with the terms and conditions of ESOP 2021, that equals to 2% of the issued and paid-up share capital of the Company as on March 31, 2021.

Remuneration as defined under section 2(78) of the Companies Act, 2013 would include perquisite value arising on exercise of stock options. The Company perceives that the Salary paid by the Company to Mr. Nikhil Chopra together with perquisite value arising on exercise of the above stock options may, in a given financial year, exceed the limit of 5% as above. Hence, the proposed resolution seeks approval of the members of the Company to increase the said limit of 5% to such actual limit as is sufficient to cover the perquisite value arising on exercise of stock options. It is clarified that the Salary and other remuneration that the Company would pay from time to time would continue to remain within the said limit of 5% unless specifically approved by the members of the Company. Thus, this resolution seeks to achieve compliance with Section 197(1) of the Companies Act, 2013. Board accordingly recommends Resolution 5 to the members for approval.

Mr. Nikhil Chopra and his relatives may be considered as concerned or interested in this item of business and Resolution 5. Save as aforesaid, none of the directors and key managerial personnel of the Company and their relatives are concerned or interested in this item of business and Resolution 5.

RESOLUTION 6:

By resolution dated 23-12-2020 passed through postal ballot, members of the Company approved appointment of Mr. Nikhil Chopra as Chief Executive Officer and Whole-time director of the Company and also approved remuneration of



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Rs. 50,000,000 ("Salary") for each financial year, sixty-six per cent (66%) of which Salary was payable as fixed compensation and the remaining thirty-four per cent (34%) was payable as variable component subject to satisfaction of annual KRAs the achievement whereof for each financial year is to be evaluated by the Nomination and Remuneration Committee of the Company.

On the basis of evaluation of performance of Mr. Nikhil Chopra for the financial year 2020-21 carried out by Nomination and Remuneration Committee (NRC) of the Board and its recommendation, keeping in view good performance of the Company during financial year 2020- 21, good performance of Mr. Nikhil Chopra during the said year and further in recognition also of managing smooth transition and steering the business well during COVID-19 pandemic times, Board of directors, subject to approval of the members, has approved (i) effective April 1, 2021, increment of Rs. 53,00,000 each in fixed component and variable component of Salary of Mr. Nikhil Chopra and accordingly his annual Salary for financial year 2021-22 stands revised to Rs. 60,600,000, sixty-three per cent (63%) of which shall be payable as fixed compensation in the manner provided in the Employment Contract dated 5-10-2020 and the remaining thirty-seven per cent (37%) will be payable as variable component subject to satisfaction of annual KRAs the achievement whereof for each financial year shall be evaluated by the Nomination and Remuneration Committee of the Company at its discretion, for payment to Mr. Nikhil Chopra for his services as Chief Executive Officer and Whole-time director of the Company, and (ii) payment of one-time performance bonus of Rs. 30,00,000 (Rupees thirty lakhs) as remuneration for the financial year 2021-22 payable to Mr. Nikhil Chopra in addition to the Salary for financial year 2021-22 calculated as per (i) above. Board considers this revision in salary reasonable and in overall interest of the Company and accordingly recommends Resolution 6 to the members for approval.

Mr. Nikhil Chopra and his relatives may be considered as concerned or interested in this item of business and Resolution 6. Save as aforesaid, none of the directors and key managerial personnel of the Company and their relatives are concerned or interested in this item of business and Resolution 6.

By Order of the Board of Directors
For J.B. Chemicals & Pharmaceuticals Limited

M.C. Mehta
Company Secretary & Vice President-Compliance
Membership No.: ACS-8854

Date : June 25, 2021
Place: Mumbai