

# AYM SYNTEX LIMITED

*Plot no.1, Survey no.374/1/1, Village Saily, Silvassa, U T of Dadra and Nagar Haveli*

## **AYMSOP 2021**

Employee Stock Option Scheme 2021

**AYM Syntex Limited**

# AYM SYNTEX LIMITED

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## **1. Name, Objective and Term of the Plan**

- 1.1 This Plan shall be called the “AYM ESOP SCHEME 2021, hereinafter referred to as ‘Plan’ or ‘Scheme’”.
- 1.2 The objective of the AYM ESOP SCHEME 2021 is
- a) To provide an incentive to managerial personnel as may be determined by NRC Committee, for improving their performance of services to the Company and thereby motivating them to contribute to the growth and profitability of the Company.
  - b) Reward employees to align individual performance with Company objectives and drive Share-holders’ value creation
  - c) Create a culture of ownership among the executives and employees to enhance their commitment to organization
  - d) Attract and retain key talent, critical to organization’s success
- 1.3 The AYM ESOP SCHEME 2021 is established as per the approval granted by the shareholders through postal Ballot by a special resolution on Friday, 05th March 2021 and shall continue to be in force until the date on which all of the options available for issuance to employees as per the approval granted by the shareholders have been issued and exercised or lapsed, whichever is earlier.
- 1.4 The Board of Directors may, subject to compliance with Applicable Laws, Guidelines and Regulations and with the mutual consent of the Company and the Grantees, at any time alter, amend the terms or suspend or terminate the Scheme.

## **2. Definitions and Interpretation**

### **2.1 Definitions**

The terms defined in this SCHEME shall for the purposes of this SCHEME , have the meanings herein specified and terms not defined in this SCHEME shall have the meanings as defined in the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956,”), the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as “SEBI SBEB Regulations”), or in any statutory modifications or re-enactments thereof, as the case may be.

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- i. **“Agreement”** means the Employee Stock Option agreement between the Company and the Grantee evidencing the terms and conditions of this Scheme. The Agreement shall be subject to the conditions of the Scheme.
- ii. **“Accrued Options”** shall mean such Unvested Options that become due for Vesting upon completion of the period stipulated in Clause \_\_\_\_ of the Plan.
- iii. **“Applicable Law”** means any applicable legal requirements relating to Employee Stock Option, including, without limitation to Income Tax Act, 1961, the Companies Act, 2013, SEBI (Share Based Employee Benefits) Regulations, 2014 and any other regulations/ amendments/ notification/ circular issued under the Securities and Exchange Board of India Act, 1992 and other corporate laws of India, or of any other relevant jurisdiction or of any stock exchange on which the shares are listed or quoted.
- iv. **“Board”** means the Board of Directors of the Company.
- v. **“Companies Act”** means The Companies Act, 2013 and includes any statutory modifications or reenactments thereof.
- vi. **“Company”** means AYM Syntex Limited
- vii. **“Corporate Action”** shall have the same meaning as understood under the SEBI Regulations.
- viii. **“Director”** means a member of the Board of the Company.
- ix. **“Employee Stock Option” “ESOP” or “Option”** means the option granted to the managerial persons of the Company whom the NRC select for grant of ESOPs, which gives him the right to purchase or subscribe at a future date, the Equity Shares underlying the Option at a pre-determined price.
- x. **“Employee”** means a permanent employee of the company who has been working in India or outside India and who may qualify for issue of Options under the scheme and fulfill the minimum conditions of service and other conditions as decided in the evaluation process; and will include new employees joining the Company.
- xi. **“Exercise”** of an Option means expression of an intention by making an application by grantee to acquire the Shares underlying the Options vested in him, in pursuance of the Scheme, in accordance with the procedure laid down for exercise of Options.
- xii. **“Exercise Period ”** means such time period after vesting of the ESOPs within which the Grantee should exercise the options vested in him in pursuance of the Scheme.
- xiii. **“Exercise Price”** means the price payable by an Employee for exercising the option granted to him and vested in pursuance of Scheme. Exercise Price shall not be less than the face value of the Shares and not higher than the prevailing Market Price (on Stock Exchange with highest volume) of the Shares of the

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Company as on the Grant Date which may be decided by the NRC in compliance with the SEBI Regulations.

- xiv. **"Fraud/Misconduct"** shall mean negligence, professional misconduct, breach of trust, moral turpitude, committing or abetting any illegal activity, violating any Company policy or terms of employment or any other applicable code of conduct, absence from office for a substantial period of time without any valid reason or authority, or any other actions or circumstances of similar nature as may be decided by the Committee in its absolute discretion.
- xv. **"Grant"** means the process by which Company issue Options to the Grantees under the Scheme.
- xvi. **"Grant Date"** means the date on which ESOPs are granted to the Grantee(s) in terms of the Scheme by the NRC Committee.
- xvii. **"Grantee"** shall mean employee whom the NRC Committee will grant ESOPs under the Scheme.
- xviii. **"Grant Letter"** or **"Notice of Option Grants"** means the letter to be issued by the Company to the Grantee either in physical or electronic form intimating of the Grant of Options Granted to him, draft of which is as provided in Schedule I.
- xix. **"Independent Director"** means a Director(s) of the Company as defined in Regulation 16 (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 2(47)& section 149 (6) of the Companies Act 2013.
- xx. **"Market Price"** shall have the same meaning as ascribed to it under the SEBI SBEB Regulations
- xxi. **"Nomination and Remuneration Committee" or "Committee"** means a committee as created by the Board for administration and superintendence of the Plan and consists of such members of Board as provided under Section 178 of Companies Act, 2013.
- xxii. **"Option" or "Stock Option"** means the option granted to an Employee, which gives the employee a right but not an obligation, to purchase or subscribe at a future date, the Shares offered by the Company, directly or indirectly, at a pre-determined Exercise Price, subject to the requirements of Vesting in accordance with the Scheme.
- xxiii. **"Long Leave"** shall mean approved leave by the management for a continuous period of one month or above.
- xxiv. **"Permanent Incapacity"** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as

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determined by the NRC based on a certificate of a medical expert identified by the NRC.

xxv. **“Promoter”** **Promoter” shall have the same meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.**

xxvi. **“Promoter Group”** “Promoter Group” shall have the same meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018:

Provided where the Promoter or Promoter Group of the Company is a body corporate, the promoters of that body corporate shall also be deemed to be Promoters of such Company.

xxvii. **“Retirement”** means retirement as per the rules of the Company.

xxviii. **“Scheme / Plan”** means this AYMSOP Employee Stock Option Plan 2021 under which the Company is authorised to grant Employee Stock Options to the Employees.

xxix. **“SEBI Act”** means the Securities & Exchange Board of India Act, 1992 as amended, and includes all regulations and clarifications issued there under.

xxx. **“SEBI Regulations”** means the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended and includes all circulars, notifications and clarifications issued there under.

xxxi. **“Shares”** or **“Equity Shares”** means equity shares of the face value of Rs.10/- each of the Company.

xxxii. **“Termination Date”** shall mean the date of termination (being the last working day) of employment of the Participant with the Company.

xxxiii. **“Unvested Option”** means an Option, which is not a Vested Option (whether accrued or not) and as such, the Grantee has not become eligible to exercise the Option.

xxxiv. **“Vesting”** means entitlement of the Grantee under the Scheme for the right to apply for Shares of the Company against the Employee Stock Options granted to him in pursuance of the Scheme.

xxxv. **“Vesting Period”** means the period during which the Vesting of the Employee Stock Option granted to the Grantee exists in pursuance of the Scheme.

xxxvi. **“Vested Option”** means an Option in respect of which the relevant Vesting has occurred and the Grantee has become eligible to exercise the Option.

## 2.2 Interpretation

In this Plan, unless the contrary intention appears:

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- a) Any term not defined shall have the meaning ascribed to it under Applicable Law.
- b) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- c) a reference to a clause number is a reference to its sub-clauses;
- d) words in singular number include the plural and vice versa;
- e) words importing a gender include any other gender;
- f) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.
- g) Any reference to 'writing' includes printing, typing, lithography and other means of reproducing words in visible form.
- h) Reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution or re-enactment thereof.

### **3. Authority and Ceiling**

A Special Resolution has been passed through postal Ballot by the shareholders of the Company on 05<sup>th</sup> March 2021 authorizing the Company to issue the Options that are exercisable and convertible into Shares in future date, not exceeding in aggregate 15,00,000 (Fifteen Lakh) Options entitling the Grantees for 15,00,000 (Fifteen Lakh) equity shares of the Company.

### **4. Administration**

4.1 This Scheme shall be administered by the Nomination and Remuneration Committee (NRC) of the Board working under the powers delegated by the Board. The NRC is authorized to interpret the Scheme, to establish, amend and rescind any rules and regulations relating to the Scheme and to make any other determinations that it deems necessary or desirable for the administration and implementation of the Scheme. The NRC may correct any defect, omission or reconcile any inconsistency in the Scheme in the manner and to the extent the NRC deems necessary or desirable and to resolve any difficulty in relation to implementation of the Scheme and take any action which the Board is entitled to take.

4.2 Subject to the Articles of Association of the Company, the acts of a majority of the members of the Committee present at any meeting (at which the quorum is present) or acts approved in writing by a majority of the entire Committee shall be the acts of the Committee for the purpose of the Scheme. No member of the Committee may act upon matters under the Scheme specifically relating to such member. Any decision of the Committee in the interpretation and administration of this Scheme, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to, Employee, Grantee, Participant and their beneficiaries and successors). The Committee shall not be liable for any action or determination made in good faith with respect to the Scheme or any Option granted there under.

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4.3 The NRC shall, inter alia, do the following:

- a) Adopt rules and regulations for implementing the Scheme from time to time;
- b) Select the Eligible Employees to whom Options may be granted under the Scheme;
- c) Approve the Grant of Options to the identified Eligible Employees and determine the Grant Date;
- d) Determine the terms and conditions, including quantum of the Options to be granted, Exercise Period, Exercise Price, Vesting conditions, Exercise conditions & process, consistent with the terms of the Scheme;
- e) Determine the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of Corporate Actions such as rights issues, bonus issues, merger, sale of division and others;
- f) Alter/modify the terms and conditions of Options granted or of subsequent grants, subject to the condition that no fresh issuance of Shares will be made under the Scheme unless the Shares of the Company are listed on a recognized stock exchange in India, and any Option so granted shall not result in a change in shareholding % of respective Shareholders prior to the shares being listed;
- g) Take any other actions and make any other determinations or decisions that it deems necessary or appropriate in connection with the Scheme or the administration or interpretation thereof;
- h) Decide all other matters that must be determined in connection with an Option under the Scheme;
- i) If and to the extent applicable, frame suitable policy, procedure and system to ensure that there is no violation of securities laws, as amended from time to time, including SEBI (Prohibition of Insider Trading) Regulations, 1992, and SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, by the Company and Grantee;
- j) Administer and reconcile any inconsistency in the Scheme; and
- k) Perform such other functions and duties as shall be required under the Applicable Laws.

All the decisions made by the NRC in the matter referred to above shall be conclusive and binding on all the parties concerned (including, but not limited to, Grantees and/or Participants and their beneficiaries or successors). The NRC shall be guided by the considerations / recommendations as may be stipulated by the Board and/ or the Shareholders at the time of approval of this Scheme.



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## **5. Eligibility and Applicability**

5.1 The persons eligible to participate in the Scheme are as follows, subject to exclusions as defined in section 5.2:

- a) Permanent Employees of the Company working in India or out of India; or
- b) Director of the Company, whether a whole time Director or otherwise (but excluding an Independent Director).

5.2 Below employees shall not be eligible to participate in the Plan:

- a) Promoter; or
- b) Person belonging to the Promoter Group; or
- c) An Independent Director; or
- d) A Director, who either by 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.

5.3 Based on the eligibility criteria such as level, role / criticality of the employee, length of service with the Company, work performance and on recommendations of the Chairman & MD of the Company, the NRC Committee will decide which of the Eligible Employees should be granted Options under the Plan and accordingly, the NRC Committee would offer the Options to the identified Employees under the Scheme to the extent permissible by Applicable Laws. While determining the name of managerial persons and the quantum of ESOPs, NRC shall take into consideration the potential contribution to the critical aspects of the business, strength and competency of the employee viz-a-viz business challenges and past track record in terms of achievement of targets /milestones.

The NRC may decide to extend the benefits of the ESOS Scheme to new entrants or to existing eligible employees on such basis as it may deem fit, in accordance with applicable law.

## **6. Grant**

Up to 15,00,000 (Fifteen Lakh) ESOPs being 2.99% (Two point Nine percent) of the issued and paid up share capital of the Company at the price not less than face value of equity share and shall not exceed market price of the equity share of the Company as on date of grant of Option which may be decided by the NRC in compliance with the SEBI Regulations.

Maximum number of shares per employee to be granted shall be at the discretion of NRC but shall be less than 1% of the paid up equity share capital as on the date of grant.

## **7. Vesting**

7.1 There shall be a minimum period of one year between Grant of Options and Vesting of Options

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The Options would vest not earlier than one year or such time period as may be prescribed under the Applicable Law including but not limited to SEBI (SBEB) Regulations or such other period as may be determined by the NRC Committee.

The vesting schedule (i.e. exact proportion in which and the exact period over which the Options would vest) would be determined by the NRC Committee. The Options granted under the Scheme may vest in one or more tranches.

However, vesting period may be extended by the entire duration of the leave period for Employees on the Long Leave.

## **8. Exercise of Options/ Allotment of Shares**

- 8.1 The Employee Stock Options granted shall be capable of being exercised in one or more tranches upto the first anniversary from the date of Vesting of the Employee Stock Options. The grantee shall exercise the options granted within 6 months of grant, or such other period as may be decided by the Nomination & Remuneration Committee. If the Options are not exercised within the exercise period they shall lapse and be cancelled forthwith.
- 8.2 In the event of Long Leave taken by Employee, the Exercise Period may be extended by the entire duration of the leave period.
- 8.3 In the event of the death of an Employee while in employment with the Company, all the Vested and Unvested Options may be Exercised by the Grantee's nominee immediately after, but in no event later than six months from the date of death.
- 8.4 In the event of separation of the Grantee from the Company due to reasons of Permanent Incapacity, the Grantee may Exercise his Vested as well as Unvested Option immediately after Permanent Incapacity but in no event later than six months from the date of separation from employment.
- 8.5 In the event of separation from employment for reasons of normal retirement or a retirement specifically approved by the Company,
  - (i) all Vested Options should be exercised by the Option Grantee immediately after, but in no event later than 6 (SIX) months from the date of such Option Grantee's retirement, and
  - (ii) all Unvested Options will stand cancelled as on the date of such retirement, unless otherwise determined by the NRC whose determination will be final and binding.

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- 8.6 In the event of separation due to resignation prior to retirement, all Unvested Options on the date of submission of resignation shall stand cancelled with effect from that date, unless otherwise determined by the NRC whose determination will be final and binding. However, all Vested Options as on that date shall be exercisable by the employee immediately but not later than three months from the date of submission of resignation, failing which such vested but unexercised options would lapse.
- 8.7 In the event of abandonment of employment by the Grantee without the Company's consent, all Employee Stock Options granted to such employee, including the Vested Options, which were not exercised at the time of abandonment of employment, shall stand cancelled. The NRC, at its sole discretion shall decide the date of cancellation of options and such decision shall be binding on all concerned.
- 8.8 In the event of termination of the employment of the Grantee for misconduct/Fraud or due to breach of policies or the terms of employment of the Company, all Employee Stock Options granted to such employee, including the Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.
- 8.9 Treatment of lapse of options: All lapsed options granted to the grantee shall stand cancelled and will be available for re-issue.
- 8.10 Treatment of Cancelled options: All unvested unexercised options which are cancelled will be available for re-issue.
- 8.11 Exercise of the Options shall take place at the time and place designated by the NRC or the Company and by executing such documents as may be required under the Applicable Laws.
- 8.12 A Vested Option shall be deemed to be validly exercised only when the NRC or any other person authorized by the NRC receives written and signed notice of Exercise (Exercise Form, including an in an electronic form) from the Grantee/Beneficiary and a confirmation that the Applicable Amount as per Clause \_\_\_\_ has been received from the Grantee if applicable.
- 8.13 The Applicable Amount shall be payable in full to the Company upon the Exercise of the Vested Options. Payment must be made by one of the following methods, as determined and communicated by the Company:
- a) cheque or demand draft issued in the name of the Company as the NRC may specify; or
  - b) remittance directly from the Grantee's bank to the bank account of the Company (electronic/ wire transfer) as the NRC may specify; or

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- c) through a cashless exercise procedure pursuant to which the Grantee shall authorize the sale of Shares in accordance with procedures established by the Company (whether through a broker or otherwise) and remittance to the Company, out of the sale proceeds available on the settlement date, sufficient funds to cover the aggregate Exercise Price payable for the purchased Shares plus all applicable Taxes; or
- d) any combination of such methods of payment or any other method acceptable to the NRC at its sole discretion.

8.14 The NRC shall endeavor to ensure that the process of allotment of Shares to the Grantee who has validly exercised his Vested Options is completed within prescribed time under Applicable Law from the time of receiving the Exercise Form by the NRC. For the purpose of this Scheme, upon Exercise of Options in accordance with this Scheme, the Company shall issue and allot fresh Shares to the Grantees.

8.15 Upon completion of a valid Exercise of Options as laid out above, the NRC shall allot the Shares to the Grantee/Beneficiary, or if requested in writing by the Grantee, to the Grantee/Beneficiary jointly with another person, provided (a) the NRC finds the Exercise Form complete; and (b) all the conditions of this Scheme are complied with.

8.16 At the time of allotment of Shares pursuant to a valid Exercise, the Grantee will be required to sign such papers as may be considered necessary by the NRC to lawfully execute/enforce various provisions of the Scheme.

8.17 Only upon allotment of the Shares, the Grantees shall become members of the Company. The Shares to be allotted shall rank pari-passu in all respects with the outstanding Shares of the Company. The Shares so allotted, will not be subject to any lock-in period from the date of allotment.

8.18 The NRC shall not purchase or sell Shares of the Company through any other method that has been prohibited as per the Applicable Laws.

## **9. Lock in**

The shares arising out of exercise of vested options will not be subject to any lock in period after such exercise.

## **10. Other Terms and Conditions**

10.1 The Grantee shall not have a right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of Employee Stock Options granted, till Shares underlying such Employee Stock Options are allotted on Exercise of such Employee Stock Option.

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- 10.2 Nothing herein is intended to or shall give the Grantee any right or status of any kind as a shareholder of the Company in respect of any Shares covered by the Grant unless the Grantee Exercises the Employee Stock Option and becomes a registered holder of the Shares of the Company.
- 10.3 The Employee Stock Option shall not be assigned, attached, pledged, hypothecated, mortgaged, sold or otherwise alienated in any other manner and any purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance not permitted herein shall be void and unenforceable against the Company.
- 10.4 In case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division/undertaking or other re-organisation, change in capital and others, the entitlement of the Grantees shall be deemed to be increased in proportion of such additional Equity Shares issued to facilitate making a fair and reasonable adjustment.
- 10.5 Employee Stock Options shall not be transferable to any person except in the event of death of the Grantee, in which case clause 8.3 would apply.
- 10.6 No person other than the Employee to whom the Employee Stock Option is granted shall be entitled to Exercise the Employee Stock Option except in the event of the death of the Option Grantee holder, in which case clause 8(c) would apply.

## **11. Reorganisation of capital structure and other corporate actions**

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable or this Plan remains in effect and such event arises from a capitalisation of profits or reserves, rights issue of securities to holders of the Shares (including any securities convertible into share capital or warrants or options to subscribe for any share capital of the Company, but excluding Options under this Plan), consolidation, subdivision or reduction of the share capital of the Company then in any such case the Company shall make a corresponding fair and reasonable adjustment in accordance with the Applicable Laws, if any, to:

- a) the number or nominal amount of Shares to which this Plan or any Option(s) relates (insofar as it is/they are unexercised); and/or
- b) the Exercise Price of any Option; and/or
- c) (unless the Grantee elects to waive such adjustment) the number of Shares comprised in an Option or which remain comprised in an Option; and/or

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- d) the method of Exercise of any Option; and/or
- e) the maximum number of Shares referred to in Clause 3 above

Provided that:

- (a) any such adjustment shall give the Grantee the same proportion of the issued share capital of the Company for which such Grantee would have been entitled to subscribe had he Exercised all the Options held by him immediately prior to such adjustment;
- (b) any such adjustment shall be made on the basis that the aggregate Exercise Price payable by a Participant on the full Exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event;
- (c) any such adjustment shall be made in accordance with the SEBI Regulations;
- (d) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its face value; and
- (e) the issue of Shares or other securities of the Company as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment.

In respect of any adjustment referred to in this Clause 11, other than any made on a capitalisation issue, the Company's auditors or an independent financial adviser must confirm to the Board in writing that the adjustments satisfy the requirements of this Clause 11.

## **12. Deduction of Tax**

- a. The Company shall have the right to deduct from the Grantee's salary, any of the employee's tax obligations arising in connection with the Employee Stock Option or the Shares acquired upon the Exercise thereof. The Company shall have no obligation to deliver Shares or to release Shares from an escrow established in pursuance of the Agreement until the Company's tax deduction obligations, if any have been satisfied by the Grantee.
- b. In addition to existing applicable taxes, any other taxes introduced in future by the State Government or Central Government or any other relevant authority shall also be deducted/collected from the Grantee. The Company reserves the right to not allot the Options / Issue Equity Shares in case the Grantee is unable to discharge in full the obligation(s) in the respect of applicable Taxes.

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- c. The Grantee shall be required to indemnify the Company with respect to any Tax liability arising out of the Grant, Vesting and/or Exercise of Options.

## **13. Authority to vary terms**

The NRC may, if it deems necessary, vary the terms of the Scheme, subject to the SEBI Guidelines and other Applicable Laws at any time and from time to time:

- 13.1 Revoke, add to, alter, amend or vary all or any of the terms and conditions of the Plan, or all or any of the rights and obligations of the Grantee/Participant/ Beneficiary;
- 13.2 Formulate various sets of special terms and conditions in addition to those set out herein, to apply to the Grantee/Participant/ Beneficiary. Each of such sets of special terms and conditions shall be restricted in its application to those Grantee/Participant/Beneficiary; and
- 13.3 Alter the Exercise Price, if the Option becomes unattractive due to fall in market price of the Shares.

Provided that no variation, alteration, addition or amendment to the Scheme can be made if it is detrimental to the interests of the Grantee/Participant and the approval of the Shareholders in General Meeting has been obtained unless the terms are varied to meet any regulatory requirements.

## **14. Miscellaneous**

### **14.1 Government Regulations**

This Scheme shall be subject to all Applicable Laws, and approvals from governmental authorities. The Grant and the allotment of shares under this Scheme shall also be subject to the Company requiring Employees to comply with all Applicable Laws.

### **14.2 Inability to obtain authority**

The inability of the Company to obtain authority from any regulatory body having jurisdiction, or under any Applicable Laws for the lawful issuance and sale of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to issue or sell such Shares.

### **14.3 Neither the existence of this Scheme nor the fact that the Grantee on any occasion been granted an Employee Stock Option shall give him any right entitlement or expectation that he has or will in future have any such right entitlement or expectation to participate in this Scheme by being granted an Employee Stock Option on any other occasion.**

### **14.4 The rights granted to the Grantee upon the grant of an Employee Stock Option shall not afford the Grantee any right or additional right to compensation or damages in**

# AYM SYNTEX LIMITED

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consequence of the loss or termination of his office or employment with the Company of the group for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

- 14.5 The Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to exercise an Employee Stock Option in whole or in part in consequence of the loss or termination of his office or employment with the Company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).
- 14.6 The Grantee shall comply of SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations 2003, to the extent applicable as well as any code of conduct or such similar policy procedure or system formulated or adopted by the NRC and communicated to the Grantee from time to time. Any violation of the Applicable Laws or code of conduct may result in cancellation of all Vested and Unvested Options (whether accrued or not) as well as subject the Grantee to disciplinary action at the discretion of the Company.
- 14.7 This Scheme shall not confer on any person any legal or equitable rights against the Company or the NRC directly or indirectly or give rise to any cause of action at law or in equity against the Company or the NRC.
- 14.8 The Company shall bear the costs of establishing and administering this Scheme, including any costs of the Company's auditors or any independent financial adviser in relation to the preparation of any confirmation by them or provision of any other service in relation to this Scheme.

## **15. Notices**

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

The Company Secretary  
AYM Syntex Limited  
*Trade World, B Wing, 9<sup>th</sup> Floor,  
Kamala Mills Compound, Senapati Bapat Marg,  
Lower Parel, Mumbai- 400013, Maharashtra, India*

## **16. Governing Law and Jurisdiction**



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

## **17. Tenure**

The Scheme shall continue in effect unless terminated by the Company or the NRC. Any such termination of the Scheme shall not affect Options already granted and such Options shall remain in full force and effect as if the Scheme had not been terminated unless mutually agreed otherwise between the Participants and the Company or the NRC

## **18. Income Tax Rules**

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

## **19. Arbitration**

In the event of a dispute arising out of or in relation to the provisions of this Scheme (including a dispute relating to the construction or performance thereof), the relevant parties shall attempt in the first instance to resolve such disputes through an amicable settlement. The attempt to bring about an amicable settlement shall be considered to have failed as soon as one of the parties hereto, after a reasonable attempt, which attempt shall continue for not more than 90 days, gives 90 day notice thereof to the other party in writing. In case of such failure, either party may refer the dispute to a single arbitrator appointed by both the parties and failing such agreement, to three arbitrators, one to be appointed by each party and the third arbitrator to be jointly appointed by the two arbitrators appointed by the parties. The arbitration proceedings shall be held at Mumbai under and in accordance with the Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof. The arbitrator(s) shall give a reasoned award in writing. The arbitrator(s) shall also decide on the costs of the arbitration proceedings. The parties shall submit to the arbitrator's award and the award shall be enforceable in competent court of law at Mumbai.

## **20. Severability**

If any of the provisions mentioned in this Scheme are determined to be invalid or unenforceable, the remaining provisions shall remain in effect and binding on the parties to the fullest extent permitted by Applicable Laws.

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## **21. Confidentiality**

The Participant shall not divulge the details of the Scheme and/or his holdings to any person except with the prior written permission of the NRC unless so required to do under the Applicable Laws or any statutes or regulations applicable to such Participant. In case of failure to comply with this Clause by the Participant, the Grant or the contract referred to in Clause 8.4 above, as the case may be, shall, unless the NRC decides otherwise, stand automatically terminated without any surviving right/ liability for any party.

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## PART A- STATEMENT OF RISKS

All investments in Shares or Options on Shares are subject to risk as the value of Shares may go down or up. In addition, Employee Stock Options are subject to the following additional risks:

1. **Concentration:** The risk arising out of any fall in value of Shares is aggravated if the Employee's holding is concentrated in the Shares of a single company.
2. **Leverage:** Any change in the value of the Shares can lead to a significantly larger change in the value of the option as an option amounts to a levered position in the share.
3. **Liquidity:** The Options cannot be transferred to anybody, and therefore the Employees cannot mitigate their risks by selling the whole or part of their Options before they are exercised.
4. **Vesting:** The Options will lapse if the employment is terminated prior to vesting. Even after the Options are vested, the unexercised Options may be forfeited if the Employee is terminated for gross misconduct.

## PART B- INFORMATION ABOUT THE COMPANY

### 1. Business of the Company

AYM Syntex Limited (Formerly known as Welspun Syntex Limited) is in the field of manufacturing POY/FDY/PTY/DTY/BCF etc., the specialized textiles products which are used in automotive industry, carpet, bathrug besides sarees and garments since the last 3 decades. It is listed on BSE and NSE, last traded equity price is Rs. 42.85 as on 22<sup>nd</sup> January 2021.

Mandawewala Enterprise Limited the holding Company in which Mr. Rajesh R. Mandawewala holds 99.99% stake is the promoter of the Company. The Company has branch offices at Surat, Bangalore, Erode, Salem, Tirupur, Karur, Belgaum, Banaras and Amritsar to cater to the requirements of all types of customers.

The equity shares of the Company are currently listed and traded on the BSE and NSE.

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## 2. Abridged financial statements:

### Statement of Profit and Loss

(Amount in Lacs)

		FY 19-20	FY 18-19	FY 17-18	FY 16-17	FY 15-16
I	<b>INCOME</b>	IND AS	IND AS	IND AS	IND AS	IGAAP
	Revenue from operations	102,798	99,198	86,117	82,802	80,089
	Other income	113	93	97	87	
	Interest income	224	497	462	291	288
	<b>Total Income</b>	<b>103,135</b>	<b>99,788</b>	<b>86,676</b>	<b>83,180</b>	<b>80,377</b>
II	<b>EXPENDITURE</b>					
	Cost of materials consumed	57,228	58,643	50,542	46,885	43,154
	Change in inventories of finished goods, goods-in-process and stock-in-trade (Increase)/ Decrease in construction work- in-progress	(707)	(86)	(1,034)	(1,311)	(34)
	Subcontracting, civil and repair work	-	-	-		
	Employee benefits expense	6,172	6,713	6,588	5,917	5,132
	Other Expenses	30,677	26,770	23,655	21,661	21,312
	<b>Total Expenditure</b>	<b>93,370</b>	<b>92,041</b>	<b>79,751</b>	<b>73,153</b>	<b>69,563</b>
III	Exceptional item - Income/(Loss)	445	-	-		
IV	<b>EBITDA (I-II+III)</b>	<b>9,320</b>	<b>7,747</b>	<b>6,925</b>	<b>10,027</b>	<b>10,813</b>
V	Finance Cost	3,824	3,443	2,793	2,273	2,154
VI	Depreciation	4,478	3,761	3,297	3,027	2,426
VII	<b>Profit/ (Loss) before tax (IV-V-VI)</b>	<b>1,018</b>	<b>544</b>	<b>835</b>	<b>4,728</b>	<b>6,234</b>
VIII	<b>Tax expenses</b>					
	Current tax (incl tax relating to earlier years)	175	104	180	956	1,330
	Deferred tax	(898)	(144)	(139)	(229)	
	MAT credit entitlement					(1,330)
IX	<b>Profit/ (Loss) after tax (VII-VIII)</b>	<b>1,741</b>	<b>583</b>	<b>794</b>	<b>4,000</b>	<b>6,234</b>

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## **PART C - SALIENT FEATURES OF THE EMPLOYEE STOCK OPTION SCHEME**

- 1) Employee Stock Options (ESOP) offered by the Company to the Grantees entitles them to buy shares of the Company at a future date and in a pre-determined manner. This provides an opportunity to the Grantees to acquire a stake in the Company and is intended to create an ownership attitude and align their interests with those of the Company. ESOPs confer a right and not an obligation on the Grantee to acquire shares of the Company at a future date at a pre-determined price.
- 2) Managerial persons as may be determined by the NRC being Permanent Employees of the Company are eligible to participate in the Scheme.
- 3) A Committee of the Board, designated as "**NRC Committee**" has been formed, which is entrusted with the authority to formulate and implement the ESOP.
- 4) For the ease of understanding, the typical sequence of events and the salient features of the Scheme are described below:
  - (i) The NRC meets to discuss and deliberate upon Options to be granted to the Grantees considering the potential contributions of the managerial persons to the critical aspects of the business, strength and competency of the employees viz a viz business challenges and past records in terms of achievements of targets/milestones.
  - (ii) On the recommendation of the NRC Committee, the Board of Directors of the Company has authorized the NRC Committee to determine Grantees, which among others include the provision for grant of Options, subject to necessary approvals as may be required under applicable laws.
  - (iii) Upon receipt of the approval as mentioned above, the NRC Committee shall grant the Option to managerial persons as the NRC Committee may feel appropriate applying the appraisal process mentioned above.
  - (iv) The Vesting of Options shall be as per the decision of NRC committee. The vesting schedule (i.e. exact proportion in which and the exact period over which the Options would vest) would be determined by the Remuneration Committee. The Options granted under the Scheme may vest in one or more tranches.

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- 5) In the case of separation of the Grantee from the employment of the Company, for reasons of normal retirement or a retirement specifically approved by the Company,
  - (i) all Vested Options should be exercised by the Grantee immediately after, but in no event later than three months from the date of such Grantee's retirement, and
  - (ii) all Unvested Options will stand cancelled as on the date of such retirement, unless otherwise determined by the NRC Committee whose determination will be final and binding.
- 6) In case the Grantee dies in service, all the Vested and Unvested Options that may be exercised by him will vest immediately in his Nominee (or legal heir in case there is no Nominee). The Nominee / legal heir will be entitled to Exercise the Options at any time prior to the completion of 6 months from the Date of Death.
- 7) If Grantee's services are terminated on account of misconduct or due to breach of the policies or the terms of employment of the Company, all Employee Stock Options granted to the Grantee, including the Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination
- 8) Price of ESOP shall be at the discretion of NRC but it shall not be less than face value of equity share and not exceed market price of the equity share of the Company as on date of grant of Option in compliance with the SEBI Regulations.
- 9) In case of re-organisation of capital structure and other corporate actions, the NRC Committee is empowered to make suitable amendments/adjustments to either the number of Options to give effect to such corporate actions as may necessitate such amendments / adjustments in accordance with Clause 11 of the Scheme.
- 10) The Equity Shares of the Company are traded in dematerialised form on the BSE Limited & The National Stock Exchange Limited. The Grantee is required to have demat account with any depository participant of their choice and intimate particulars thereof in the Exercise Letter.
- 11) The Options are not transferable or tradable. These Options can only be Exercised by the Grantee. In the event of death of the Grantee, his Nominee or in case there is no Nominee, his/her legal heirs may Exercise the Options.

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- 12) All taxes consequent upon the Grant / Exercise of Options have to be borne by the Grantee.

ASHITOSH SHETH  Digitally signed by ASHITOSH  
SHETH  
Date: 2021.03.09 19:55:21 +05'30'

# AYM SYNTEX LIMITED

Plot no.1, Survey no.374/1/1, Village Saily, Silvassa, U T of Dadra and Nagar Haveli

## SCHEDULE I

### NOTICE OF STOCK OPTION GRANT

Date:

Name of the Option Grantee:

Designation:

Place:

We are pleased to grant you options to subscribe to shares of AYM Syntex Limited subject to the terms and conditions of AYM ESOP 2021 and the Option Agreement to be executed by you.

The details of the grant are as follows:

Exercise price per Option (Rs.)	
Number of Options granted	
Exercise period	Upto first anniversary from the date of vesting of the Employee Stock Options
Vesting Schedule	As per the table given below:

Period	Vesting proportion

For AYM Syntex Limited

Director

ASHITOSH SHETH  Digitally signed by ASHITOSH SHETH  
Date: 2021.03.09 19:55:46 +05'30'