



Jubilant FoodWorks Limited

CIN No. : L74899UP1995PLC043677

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POSTAL BALLOT NOTICE

NOTICE PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013 (“THE ACT”) READ WITH THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014 (“THE RULES”), OTHER APPLICABLE PROVISIONS, IF ANY, OF THE ACT (INCLUDING ANY STATUTORY MODIFICATION OR RE-ENACTMENT THEREOF FOR THE TIME BEING IN FORCE) AND REGULATION 44 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (SEBI LODR REGULATIONS)

The Resolutions and Explanatory Statement setting out the material facts pertaining to the said Resolutions (pursuant to Section 102 of the Act and the Rules made thereunder) and applicable provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and SEBI LODR Regulations is annexed hereto along with the Postal Ballot Form (the “Form”) for your consideration.

The Board of Directors of the Company (“the Board”) has appointed Dr. S. Chandrasekaran (Membership No. FCS 1644), Partner, M/s. Chandrasekaran Associates, Practicing Company Secretaries, failing him, Mr. Rupesh Agarwal (Membership No. ACS 16302), Partner, M/s. Chandrasekaran Associates, Practicing Company Secretaries, as Scrutinizer for conducting the Postal Ballot (including remote e-voting) in a fair and transparent manner.

You are requested to peruse the proposed Resolutions alongwith the Explanatory Statement and read carefully the instructions forming part of this Notice and return the Form duly filled and signed (at the marked places in the Form) alongwith Assent (FOR) or Dissent (AGAINST) for the said Resolutions, in the attached self-addressed, business reply envelope, so as to reach the Scrutinizer before the close of working hours (5.00 p.m IST) on Wednesday, November 2, 2016. Please note that any Form(s) received after the said date and time will be strictly treated as if no reply has been received.

Members having shares in demat form and in physical form may vote either by way of Postal Ballot or by way of remote e-voting (“e-voting”). For this purpose, the Company has engaged the services of Central Depository Services Limited (CDSL). In case a Member has voted through e-voting facility, he/she is not required to send the physical Form. In case a Member votes through e-voting facility as well as sends his/her vote through physical form, the vote cast through e-voting shall only be considered and the voting through physical form shall not be considered by the Scrutinizer.

The e-voting facility is available at the link www.evotingindia.com. Please refer the instructions for e-voting given after the Proposed Resolutions for the process and the manner in which e-voting is to be carried out.

SPECIAL BUSINESS:

Resolution No. 1:- Approval of JFL Employees Stock Option Scheme 2016 (ESOP 2016)

To consider and, if thought fit, to give assent or dissent, to the following resolution to be passed as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and in accordance with the Memorandum and Articles of Association of the Company, provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”), provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB Regulations”), and subject to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the member(s) of the Company be and is hereby accorded to the formulation and implementation of ‘**JFL Employees Stock Option Scheme 2016**’ (hereinafter referred to as “ESOP 2016” or the “Scheme”) and authorising the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee, including the Nomination, Remuneration & Compensation Committee, which the Board has constituted to exercise certain powers, including the powers, conferred by this resolution) to create, grant, offer, issue and allot from time to time, in one or more tranches, not exceeding 3,50,000 (Three Lakh Fifty Thousand) Stock Options to or for the benefit of such (i) permanent employees of the Company who hold the designation of Vice President or above whether working in India or outside India; (ii) Directors of the Company, whether a Whole-time Director or not but not an Independent Director; (iii) permanent employees and Directors (other than independent directors) of a holding and/or subsidiary company(ies) (present & future) of the Company whether working in India or outside India; and (iv) other employees and persons as may be permitted under the applicable laws and as may be approved by the Board, from time to time, which would give rise to the issue of equity shares not exceeding 3,50,000 (Three Lakh Fifty Thousand) equity shares at such price, in one or more tranches and on such terms and conditions, as contained in the Scheme and summarized in the Explanatory Statement annexed hereto and to provide for grant and subsequent vesting and exercise of options by eligible employees in the manner and method contained in the Explanatory Statement, as the Board may decide in accordance with the provisions of the applicable laws and the provisions of ESOP 2016.

RESOLVED FURTHER THAT the equity shares to be issued and allotted as mentioned herein before shall rank *pari passu* with the then existing equity shares of the Company for all purposes.

RESOLVED FURTHER THAT in case of any corporate action(s) such as right issues, bonus issues, change in capital structure, merger, split, consolidation of shares, sale of division/undertaking and others, the ceiling as aforesaid of 3,50,000 (Three Lakh Fifty Thousand) shares shall be deemed to be increased/decreased, as may be determined by the Board, to facilitate making a fair and reasonable adjustment to the entitlements of participants under ESOP 2016.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take requisite steps for listing of the equity shares allotted under ESOP 2016, from time to time, on the Stock Exchanges where the equity shares of the Company are listed.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to ESOP 2016.

RESOLVED FURTHER THAT the Board be and is hereby authorized to formulate, decide upon and bring into effect the ESOP 2016 as per the terms approved in this resolution and at any time to modify, change, vary, alter, amend, suspend or terminate ESOP 2016 subject to compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of ESOP 2016 and do all other things incidental to and ancillary thereof.

RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary including authorizing the Board to appoint various intermediaries, Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of ESOP 2016 as also to make applications to the appropriate Authorities, for their requisite approvals as also to initiate all necessary actions for and to settle all such questions, difficulties or doubts whatsoever that may arise and take all such steps and decisions in this regard.”

Resolution No. 2: Approval of Grant of Stock Options to the Employees/Directors of Holding, and/or Subsidiary Company (ies) (Present & Future) under the ESOP 2016

To consider and, if thought fit, to give assent or dissent, to the following resolution to be passed as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB Regulations”), other applicable laws and subject to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the member(s) of the Company be and is hereby accorded to grant the stock options under the ‘**JFL Employees Stock Option Scheme 2016**’ (“ESOP 2016” or the “Scheme”) to the present and future, permanent employees of the holding and subsidiary Company(ies) and their director(s), whether Whole-time director or not, but excluding independent directors, if any, from time to time as contained in the Scheme, on such terms and conditions, as set out in the Scheme and summarised in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors including Nomination, Remuneration & Compensation Committee be and are hereby authorized to do all such acts, deeds, and things, as they may, in their absolute discretion deem necessary including appointment of various intermediaries, Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of ESOP 2016 as also to make applications to the appropriate Authorities, for their requisite approvals as also to initiate all necessary actions for and to settle all such questions, difficulties or doubts whatsoever that may arise and take all such steps and decisions in this regard.”

Resolution No. 3: Implementation of the ESOP 2016 through JFL Employees Welfare Trust

To consider and, if thought fit, to give assent or dissent, to the following resolution to be passed as a Special Resolution:

“**RESOLVED THAT** pursuant to provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB Regulations”) and other applicable laws, if any, consent of the member(s) of the Company be and is hereby accorded to the Board of Directors including Nomination, Remuneration & Compensation Committee to implement the ‘**JFL Employees Stock Option Scheme 2016**’ (hereinafter referred to as “ESOP 2016” or the “Scheme”) through the JFL Employees Welfare Trust (“ESOP Trust”).

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors including the Nomination, Remuneration & Compensation Committee or the officers authorised by them in this regard be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulty or doubts that may arise in this regard without requiring the Board of Directors to secure any further consent or approval of the member(s) of the Company.”

Resolution No. 4: Authorization to the JFL Employees Welfare Trust for Secondary Acquisition

To consider and, if thought fit, to give assent or dissent, to the following resolution to be passed as a Special Resolution:

“**RESOLVED THAT** pursuant to provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB Regulations”) and other applicable laws, if any, and in supersession of the resolution passed pursuant to agenda item no. 8 by the shareholders at the annual general meeting of the Company held on September 3, 2015, the consent of the member(s) of the Company be and is hereby accorded for secondary acquisition of equity shares of the Company by the JFL Employees Welfare Trust (ESOP Trust), in one or more tranches, of up to 2% of the paid up equity capital of

the Company or such other maximum limit as may be permitted under SEBI SBEB Regulations, in every financial year, as of the end of the financial year immediately preceding such financial year in which acquisition is made, subject to the overall limits on secondary acquisition specified in the SEBI SBEB Regulations, for the purpose of implementation of all share based employee benefit schemes as may be formulated by the Company from time to time, including the JFL Employees Stock Option Scheme 2016 and the JFL Employees Stock Option Scheme 2011.

RESOLVED FURTHER THAT the ESOP Trust is also permitted to accept shares by way of gift from any person for the purpose of utilising such shares for the purpose of all share based employee benefit schemes that may be formulated by the Company from time to time, including the JFL Employees Stock Option Scheme 2016 and the JFL Employees Stock Option Scheme 2011.

RESOLVED FURTHER THAT the above limits on the secondary acquisition of shares of the Company by the ESOP Trust shall, as provided in the SEBI SBEB Regulations, automatically include within their ambit the expanded capital of the Company where such expansion has taken place on account of corporate action including issue of bonus shares, split or rights issue.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors including the Nomination, Remuneration & Compensation Committee or the officers authorised by them in this regard be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulty or doubts that may arise in this regard without requiring the Board of Directors to secure any further consent or approval of the member(s) of the Company.”

Resolution No. 5: Payment of Commission to Non-Executive Directors of the Company

To consider and, if thought fit, to give assent or dissent, to the following resolution to be passed as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (‘Act’), Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and any other law for the time being in force and in accordance with Article 101 of the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to the payment of commission to Directors other than the Managing/Whole-time/Executive Directors (hereinafter called the “Non-Executive Directors” or “NEDs”), not exceeding in the aggregate, 1% (one per cent) per annum of the net profit of the Company to be paid to and distributed amongst the NEDs in such amounts or proportions and in such manner as the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including the Nomination, Remuneration & Compensation Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) may determine, subject to a maximum of Rs. 10,00,000/- (Rupees Ten lakhs) per annum, to any such Non-Executive Director, calculated in accordance with the provisions of Section 198 of the Act, and such payment shall be made in respect of the profits of the Company for each financial year commencing from April 01, 2016.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or expedient in this regard.”

By Order of the Board
For Jubilant FoodWorks Limited

Sd/-
(Mona Aggarwal)
Company Secretary
(Membership No. 15374)

Date : September 26, 2016
Place : Noida

NOTES:

1. The Explanatory Statement and reasons for the proposed Resolutions pursuant to Section 102 of the Act setting out material facts are appended to the Notice. Notice shall also be available on the website of the Company www.jubilantfoodworks.com.
2. The Notice is being sent by prescribed mode to all the Members, whose names appear in the Register of Members/list of Beneficial Owners, received from National Securities Depository Limited (NSDL) /Central Depository Services (India) Limited (CDSL) as on cut off date i.e. Friday, September 23, 2016. A person who is not a member as on cut- off date shall treat this notice for information purpose only.
3. Voting rights shall be reckoned in proportion to the paid-up equity shares registered in the name of the Member as on Friday, September 23, 2016. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. Friday, September 23, 2016 only shall be entitled to avail the facility of remote e-voting / Postal Ballot.
4. Pursuant to provisions of the Companies (Management and Administration) Rules, 2014, Notice of the Postal Ballot may be served on the members through electronic transmission. Members who have registered their e-mail IDs with depositories or with the Company are being sent, Notice of Postal Ballot through e-mail and members who have not registered their e-mail IDs will receive Notice of Postal Ballot along with Postal Ballot Form sent through permitted mode of dispatch. Members who have received Postal Ballot Notice by e-mail and who wish to vote through physical Ballot Form may download the Postal Ballot Form from the 'Investors' section on the Company's website: www.jubilantfoodworks.com.
5. There will be only one Postal Ballot Form for every folio irrespective of the number of Joint Shareholder(s).
6. Resolutions passed by the members by requisite majority shall be deemed to have been passed on the last date of receipt of postal ballot forms /e-voting (i.e. November 2, 2016).

7. A Member cannot exercise his vote by proxy on Postal Ballot.
8. A Member need not use all the votes or cast all the votes in the same way.
9. All the material documents referred to in the explanatory statement will be available for inspection at the Registered Office of the Company at Plot 1A, Sector 16A, Noida – 201301, U.P. and the Corporate Office of the Company at 5th Floor, Tower –D, Logix Techno Park, Sector 127, Noida – 201304, U.P. during the office hours (11.00 a.m. to 01.00 p.m.) on all working days until the last date for receipt of votes by Postal Ballot/e-voting.
10. Incomplete, unsigned or incorrect, defaced or mutilated Postal Ballot Forms will be rejected. The Scrutinizer's decision on the validity of a Postal Ballot will be final and binding.

11. Voting through electronic means

- i. In compliance with provisions of Section 108, 110 of the Act read with Rules prescribed thereunder, as amended, and Regulation 44 of the SEBI LODR Regulations, 2015, the Company is pleased to provide e-voting facility to its Members, holding shares in physical or dematerialized form, as on the cut-off date, being Friday, September 23, 2016 to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice through the electronic voting service facility arranged by Central Depository Services (India) Limited (CDSL). Members have option to vote either through remote e-voting or through Postal Ballot Form.
- ii. The e-voting period commences at 09.00 a.m. on Tuesday, October 4, 2016 and ends at 05.00 p.m. on Wednesday, November 2, 2016. During this period, member(s) of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, September 23, 2016, may cast their vote by e-voting. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- iii. **The process and manner for e-voting are as under:**
 - (i) Log on to the e-voting website www.evotingindia.com during the voting period
 - (ii) Click on "Shareholders"
 - (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - c. Members holding shares in Physical Form: Enter Folio Number registered with the Company
 - d. Next enter the Image Verification as displayed and Click on "Login"
 - e. If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for any Company/entity, then your existing password is to be used. If you are a first time user follow the steps given below.
 - (iv) Fill up the following details in the appropriate boxes:

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent separately to you in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- (v) After entering these details appropriately, click on "SUBMIT" tab.
- (vi) Members holding shares in physical form will then reach directly the EVSN selection screen. However, member(s) holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) For Member(s) holding shares in physical form, the details can be used only for e-voting on the resolution contained in this Notice.
- (viii) Click on the relevant EVSN of Jubilant FoodWorks Limited on which you choose to vote.
- (ix) On the voting page, you will see Resolution Description and against the same option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the "Resolutions File Link" if you wish to view the entire Resolution details.

- (xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xiv) If Demat account holder has forgotten the login password then enter the User ID and image verification code and click on "Forgot Password" & enter the details as prompted by the system.
- (xv) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Window phone users can download the app from App Store and Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xvi) A. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com and register themselves as Corporates.
- B. They should e-mail a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- C. After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- D. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- E. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xvii) Any person, who acquires shares of the Company and becomes the member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. Friday, September 23, 2016, may follow the same procedure as mentioned above for e-voting.
12. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call on toll free no. 18002003355.
13. The Scrutinizer shall after the conclusion of voting unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than Forty Eight hours of the conclusion of voting i.e. Friday, November 4, 2016, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or any other Director of the Company authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
14. The results of the Postal Ballot (including remote e-voting) would be announced by the Chairman or any other Director of the Company authorized by him in writing on Friday, November 4, 2016, at the Registered Office of the Company. The said results would be displayed at the Registered Office and Corporate Office of the Company, intimated to CDSL and the Stock Exchanges where the Company's shares are listed and displayed alongwith the Scrutinizer's Report on the Company's website viz. www.jubilantfoodworks.com.
15. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company at www.jubilantfoodworks.com and on the website of CDSL immediately after the declaration of result by the Chairman or any other Director of the Company authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges.

**By Order of the Board
For Jubilant FoodWorks Limited**

Sd/-
(Mona Aggarwal)
Company Secretary
(Membership No. 15374)

Date : September 26, 2016
Place : Noida

EXPLANATORY STATEMENT

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (hereinafter referred to as the “Act”):

Item No. 1 to 4

In order to attract, reward and retain the talented and key Employees in the competitive environment and encourage them to align individual performance with company objectives, the Company intends to implement **JFL Employees Stock Option Scheme 2016 (“ESOP 2016” or the “Scheme”)**.

Pursuant to Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB Regulations”), the Company is seeking approval of its members to offer ESOP 2016 scheme to eligible employees (defined herein below).

As per the SEBI SBEB Regulations, approval of member(s) by way of a separate Special Resolution is also required to be obtained by the Company, if (i) the benefits of the ESOP 2016 are to be extended to the employees of the holding/subsidiary Company; and (ii) the Scheme is to be implemented through a trust.

The special resolution set out at Item No. 2 proposes to cover the employees of the holding/subsidiary(ies) of the Company (present/ future) under ESOP 2016.

The SEBI SBEB Regulations provide that if a scheme involves secondary acquisition or gift or both, then it is mandatory for the Company to implement such a scheme through a trust, subject to compliance of conditions stated in the SEBI SBEB Regulations. The shares for the purpose of ESOP 2016 may be allotted by way of primary issuance by the Company and/or acquired by way of secondary acquisition by the ESOP Trust and/or by way of a gift to ESOP Trust.

In this connection, at the annual general meeting held on September 3, 2015, the shareholders had approved secondary acquisition of shares of up to 2% of the paid up equity capital of the Company in every financial year by the JFL Employees Welfare Trust (ESOP Trust) for the purpose of implementing the JFL Employees Stock Option Scheme 2011. Given that the Company now proposes to put in place the JFL Employees Stock Option Scheme 2016, approval of the members is sought for the purpose of permitting the ESOP Trust to acquire shares by way of secondary acquisition for the purpose of any and all share based benefits schemes that may be formulated by the Company from time to time, including the JFL Employees Stock Option Scheme 2016 and the JFL Employees Stock Option Scheme 2011. The secondary acquisition of shares shall be subject to the overall limits on secondary acquisition of shares of the Company as specified in the SEBI SBEB Regulations for all share based employee benefits schemes of the Company. The above limit shall include within its ambit the expanded capital of the Company where such expansion has taken place on account of corporate actions including issue of bonus shares, splits or rights issue. The SEBI SBEB Regulations provide that the above limit will not be applicable where shares are allotted to the Trust by way of new issue of shares or gift from the promoter or promoter group or other shareholders.

The special resolutions set out at Item Nos. 3 & 4 propose to authorize the Board of Directors including Nomination, Remuneration & Compensation Committee to implement the ESOP 2016 through the ESOP Trust and to authorize the ESOP Trust to acquire equity shares of the Company from the secondary market in future, if required.

The main features of the ESOP 2016 are as under:

a) Brief description of the Scheme:

The Company proposes to introduce ESOP 2016 to attract, reward and retain the talented and key eligible employees of the Company in the competitive environment and encourage them to align individual performance with the Company's objectives. The Company views employee stock options as instruments that would enable the employees to share the value they would create and contribute to the Company in the years to come. Options granted under the Scheme shall vest on satisfaction of vesting conditions which can thereafter be exercised resulting in allotment/transfer of equity shares of the Company.

The Nomination, Remuneration & Compensation Committee (“Committee”) shall administer ESOP 2016 and may delegate certain functions to the ESOP Trust in the event of secondary acquisition of shares by the ESOP Trust. All questions of interpretation of the ESOP 2016 shall be determined by the Committee and such determination shall be final, conclusive and binding.

b) Total number of Options to be granted:

The total number of options to be granted under ESOP 2016 shall not exceed 3,50,000 (Three Lakh Fifty Thousand). Each option when exercised shall be converted into 1 (one) fully paid up equity share of the Company. The options may be granted in one or more tranches as may be decided by the Committee.

In case of any corporate action(s) such as right issues, bonus issues, change in capital structure, merger, split, consolidation of shares, sale of division/undertaking and others, the ceiling as aforesaid of 3,50,000 (Three Lakh Fifty Thousand) shares shall be deemed to be increased/decreased, as may be determined by the Committee, to facilitate making a fair and reasonable adjustment to the entitlements of participants under ESOP 2016 such that the total value to the employee of the options remains the same after the corporate action.

c) Identification of classes of employees entitled to participate in ESOP 2016:

Following classes of employees are entitled to participate in ESOP 2016.

- a) Permanent employees of the Company with the designation ‘Vice President’ and/or above, whether working in India or outside India;

- b) Director of the Company, whether a whole-time director or not;
- c) Employees/directors as enumerated in sub clauses (a) and (b) above, of a Holding Company and Subsidiary Company of the Company (whether existing presently or in the future), whether working in India or outside India; and
- d) Such other persons, as may from time to time be allowed under Applicable Laws and as may be decided by the Committee.

Following persons are not eligible to participate in the ESOP 2016:

- a) an employee who is a Promoter or belongs to the Promoter Group;
- b) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company; and
- c) an Independent Director within the meaning of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

d) Requirements of vesting and period of vesting:

Options Granted under this Scheme would vest based upon the performance criteria or any other criteria as may be decided by the Committee and specified in the Grant Letter. The vesting period shall commence any time after the expiry of 1 (one) year from the date of the Grant of such options and shall end over a maximum period of 5 (five) years from the Grant date.

e) Maximum period within which the options shall be vested:

The maximum period within which options granted under ESOP 2016 shall vest would not be more than 5 (five) years from the date of grant of such options.

f) Exercise price or pricing formula:

The exercise price shall be fixed by the Committee at its discretion and specified in the grant letter but it shall not be less than the face value of the shares (subject to any fair and reasonable adjustments that may be made on account of corporate actions of the Company in order to comply with the SEBI SBEB Regulations.)

g) Exercise period and the process of Exercise:

Eligible Employee will be permitted to exercise vested options on and from the date of vesting of the options for an exercise period as may be determined by the Committee and set out in the Grant Letter. However, in no event shall the Exercise Period exceed a period of 5 (five) years from the Vesting Date.

The vested options shall be exercisable by the employees by submitting an application to the Company/Committee/ESOP Trust expressing his/her desire to exercise such vested options in such manner and in such format as may be prescribed by the Committee. The vested options shall lapse if not exercised within the specified exercise period.

h) Appraisal process for determining the eligibility of employees under ESOP 2016:

The appraisal process for determining the eligibility shall be decided by the Committee from time to time.

i) Maximum number of Options to be issued per employee and in aggregate:

Subject to the limits specified in the SEBI SBEB Regulations, the maximum number of options that may be granted to an eligible employee shall not exceed (i) 12,000 (Twelve Thousand) per grant; and (ii) 1,00,000 (One Lakh) in aggregate. The total number of options granted under ESOP 2016 shall in no event be equal to or more than one percent (1%) of the paid up equity capital (excluding outstanding warrants and conversions) of the Company at the time of the grant of the option.

The maximum number of options which can be granted in aggregate under ESOP 2016 shall be 3,50,000 (Three Lakh Fifty Thousand).

j) Maximum quantum of benefits to be provided per employee under the ESOP 2016:

The maximum quantum of benefits underlying the options issued to an eligible employee shall be equal to the difference between the option exercise price and the market price of the shares as on the exercise date.

k) Implementation or administration of Scheme:

The Scheme shall be implemented and administered directly by the Company/or through the ESOP Trust. However, any secondary acquisition of shares for the purposes of ESOP 2016 will be done only through the ESOP Trust.

l) Source of acquisition of shares under the Scheme:

The Scheme contemplates primary issuance of shares by the Company as well as secondary acquisition of shares by the ESOP Trust, including acquisition by way of a gift of shares to the ESOP Trust.

m) Amount of loan to be provided for implementation of the Scheme(s) by the Company to the trust, its tenure, utilization, repayment terms, etc.:

Currently the Company proposes to allot shares to eligible employees upon exercise of the options by way of a primary issuance of shares. Therefore currently no loan is sought to be provided to the ESOP Trust by the Company. In the event that funds are required by the ESOP Trust for the purpose of secondary acquisition of shares, the Company may provide loan to the ESOP Trust as per applicable laws.

n) Maximum percentage of secondary acquisition:

Subject to the overall limits specified in the SEBI SBEB Regulations, the maximum number of shares that may be acquired by way of secondary acquisition by the ESOP Trust for the purpose of implementing all share based employee benefits schemes of the Company (including the JFL Employees Stock Option Scheme 2016 and the JFL Employees Stock Option Scheme 2011) shall not exceed 2% of the paid up equity capital of the Company or such other maximum limit as may be permitted under SEBI SBEB Regulations, in every financial year, as determined as of the end of the immediately preceding financial year in which acquisition is made.

o) Disclosure and Accounting Policies:

The Company shall comply with the accounting policies and disclosure requirements prescribed under Regulation 15 of SEBI SBEB Regulations.

p) Method of option valuation:

The Company shall adopt the fair value method or any other method as per applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India or prescribed under any other statutory provisions from time to time for valuation of options.

q) Declaration (if applicable):

In case the Company has opted for Intrinsic Value method for expensing of the benefits of the scheme, the difference between the Employee compensation cost so computed and the Employee compensation cost that shall have been recognized if it had used the Fair Value, will be disclosed in the Directors' Report and the impact of this difference on profits and on Earnings Per Share ("EPS") of the Company will also be disclosed in the Directors' Report.

As the ESOP 2016 provides for issue of Shares to be offered to employees of the Company, Consent of the members is being sought pursuant to Section 62(1) (b) and all other applicable provisions, if any, of the Act and as per Regulation 6 of the SEBI SBEB Regulations.

A draft copy of the ESOP 2016 is available for inspection as per details mentioned in note no. 9 to the accompanying notice of the postal ballot.

None of the Directors or Key Managerial Personnel of the Company including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution(s) mentioned at Item No. 1 to Item No. 4, except to the extent of the stock options that may be granted to them under ESOP 2016.

Your Directors, therefore, recommend the passing of the resolution(s) mentioned at Item No. 1 to Item No. 4 as Special Resolution(s).

Item no. 5

Pursuant to provisions of the Companies Act, 2013 ('Act') and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('LODR Regulations'), Non-Executive Directors have been entrusted with enhanced responsibilities requiring greater time commitments, attention and higher level of oversight. In view of the same and to partially compensate for the strategic inputs provided by them for the growth of the business, it is considered appropriate that the remuneration payable to the Non-Executive Directors of the Company should be commensurate with their increased role, responsibilities and duties.

In terms of Regulation 17(6) of LODR Regulations, payment of any fee (excluding sitting fee) or compensation to the Non-Executive Directors of the Company require approval of members. The Commission proposed to be paid in aggregate to all the Non-Executive Directors of the Company shall not exceed 1% (one per cent) of net profits of the Company computed in accordance with Section 198 of the Act and subject to maximum of Rs. 10,00,000/- (Rupees Ten Lakhs) per annum to each Non-Executive Director.

The payment of commission will be subject to the availability of sufficient profit and compliance with the applicable statutory requirements and shall be over and above the sitting fees payable to them.

All the Directors of the Company (except the CEO cum Whole-time Director and the Key Managerial Personnel and their relatives) are concerned or interested in the resolution to the extent of the commission that may be received by each of them.

The Board of Directors recommends resolution set out at item no.5 for your consideration and approval by way of an Ordinary Resolution.

**By Order of the Board
For Jubilant FoodWorks Limited**

Sd/-
(Mona Aggarwal)
Company Secretary
(Membership No. 15374)

Date : September 26, 2016
Place : Noida