

LAXMI INDIA FINANCE LIMITED

EMPLOYEES STOCK OPTION SCHEME – 2023



## PART A

### STATEMENT OF RISKS

All investments in shares, options are subject to risk as the value of shares may go down or go up. In addition, the 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 share can lead to a significantly larger change in the value of the options.
3. **Illiquidity:** The options cannot be transferred to anybody, and therefore the employees cannot mitigate their risks by selling the whole or part of their benefits 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:**

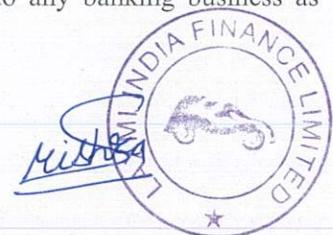
##### • **History :-**

Our Company was incorporated as 'Laxmi India Finleasecap Private Limited' at New Delhi under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 10, 1996, issued by the Registrar of Companies, Delhi and Haryana. Our Company changed its registered office to the state of West Bengal pursuant to the order dated July 19, 2011 passed by the Hon'ble Company Law Board, Bench at New Delhi. Further, the registered office of our Company was shifted from the state of West Bengal to the state of Rajasthan pursuant to the order dated December 01, 2020 passed by the Regional Director, Eastern Region. Subsequently, the name of our Company was changed to 'Laxmi India Finance Private Limited' to align it with our business activities pursuant to a resolution passed by our Shareholders dated January 25, 2023 and a fresh certificate of incorporation dated March 10, 2023 was issued by the Registrar of Companies, Rajasthan at Jaipur. Thereafter, our Company was converted into a public limited company, the name of our Company was changed to 'Laxmi India Finance Limited' and a fresh certificate of incorporation dated October 08, 2024 was issued by the Registrar of Companies, Rajasthan at Jaipur. Our Company has been granted a certificate of registration dated March 28, 2001 under former name Laxmi India Finleasecap Private Limited by the RBI to carry on the business of a non-banking financial company without accepting public deposit. Subsequently, the RBI granted a certificate of registration dated April 25, 2018 pursuant to shifting of the registered office of our Company to the state of West Bengal from Delhi. Pursuant to shifting of registered office of our Company to the state of Rajasthan, the RBI had granted a certificate of registration dated March 15, 2021. Consequent to change in name of the Company to Laxmi India Finance Private Limited, the RBI had granted a certificate of registration dated March 31, 2023, to our Company. Pursuant to conversion of our Company from a private limited company into a public limited company, the RBI has granted a certificate of registration dated February 7, 2025 to our Company. We have been categorized as NBFC-Middle Layer as per the Scale Based Regulations.

##### • **Main Objects:-**

The main objects as contained in our Memorandum of Association are as follows:

1. To carry on finance and investment business and to purchase, acquire, hold, and dispose off or otherwise deal in shares, debentures, stocks, bonds, obligations and securities issued or guaranteed by any Company constituted or carrying on business in India or elsewhere and debentures, stocks, bonds, obligations and securities issued by any authority whatsoever, and to act as share brokers, sub brokers, factors or otherwise.
2. To act as investors, guarantors, underwriters and financiers with the object of financing Industrial/ Commercial enterprises, to lend or deal with the money either with or without interest or securities including in current or deposit account with any bank or banks, other person or persons upon such terms, conditions and manner as may from time to time be determined and to receive money on agents, or loan upon such terms and conditions as the Company may approve, provided the Company shall not do any banking business as defined in the Banking Regulations Act, 1949.



3. Subject to the approval of SEBI and other Authorities where required to render financial services and to act as merchant bankers, financial advisor, management consultants, advisors, managers, underwriters, to the issue of shares, debentures, securities to act as registrars, and shares transfer deposit to provide services like portfolio management and equity research analysis. But the Company shall not carry on banking business under the Banking Regulations Act, 1949.
4. To carry on and undertake the business of finance and leasing and to finance the operations of all kinds and to finance on purchasing, sale of all kinds of plant and machinery and equipment that the Company may think fit and to assist in financing of all and every kind and description of hire purchase or deferred payment or similar transaction and to subsidise finance or assist in subsidizing or financing the sale and maintenance of any goods, articles or commodities of all and every kind and description upon any terms whatsoever and to finance, of all forms of immovable and movable property including land and building, plant and machinery, equipment, ships, aircrafts, automobile, computers and all consumers, commercial and industrial items and to lease and finance with them in any manner regardless of whether property purchased and leased by new and/or used.

The main objects contained in our Memorandum of Association enable our Company to carry on the business presently being carried on and proposed to be carried on by our Company.

• **Present Business: -**

We offer a diversified range of lending products to meet the distinct needs of our customers. Our business verticals comprise:

**(a) MSME Finance:** We offer secured loans to MSME customers in the form of loans against property, to support their business operations, expansion and working capital needs.

**(b) Vehicle Finance:** We provide secured loans to our customers for purchasing used commercial vehicles, used personal vehicles, used tractors, two-wheelers, electric two-wheelers and electric three-wheelers.

**(c) Construction Loans:** We offer secured loans to retail customers for purchasing residential property or constructing, renovating or extending their homes.

**(d) Others:** We provide (i) small-ticket unsecured business and personal loans to MSME and retail customers for their working capital requirements and personal use, respectively; and (ii) wholesale loans to other NBFCs.

2. **Abridged financial information:** Abridged financial information, for the last five years for which audited financial information is available, as specified by the Board from time to time.

**Financials for FY in accordance with IND AS.**

**Balance Sheet**

*for the year ended 31<sup>st</sup> March*

(Currency: Indian rupees) (in lakhs)



Particulars		31 <sup>st</sup> March, 2025	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March ,2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>I. ASSETS</b>						
<b>(1) Financial assets</b>						
(a)	Cash and Cash Equivalents	10,242.9 9	4,227.00	9,528.4 2	4,687.97	5,218.23
(b)	Bank balance other than Cash and cash equivalents	11,233.9 3	7,296.28	7,379.3 1	1,606.14	1,286.47
(c)	Receivables	17.12	31.33	7.05	-	-
(d)	Loans	112,691. 15	81,523.8 7	56,821. 07	44,623.0 5	41,537.2 3
(e)	Investments	2,927.41	1,451.09	766.64	2,034.65	101.22
(f)	Other Financial Asset	2,181.51	2,434.24	2,031.6 6	2,189.20	2,281.51
	<b>Total Financial assets</b>	<b>139,294. 10</b>	<b>96,963.8 1</b>	<b>76,534. 15</b>	<b>55,141.0 1</b>	<b>50,424.6 6</b>
<b>(2) Non-Financial assets</b>						
(a)	Current tax Assets	34.62	215.81	183.78	-	-
(b)	Deferred tax Assets (Net)	-	-	-	-	70.73
(c)	Property, Plant and Equipment	1,276.35	1,107.23	1,008.4 8	603.15	520.38
(d)	Property, Plant and Equipment under development	-	-	-	-	-
(e)	Intangible Assets under development	4.98	7.63	(0.00)	10.77	3.85
(f)	Other Intangible Assets	7.86	3.95	3.51	8.81	4.24
(g)	Other non-financial assets	633.94	185.93	140.56	235.04	149.46
	<b>Total non- Financial assets</b>	<b>1,957.75</b>	<b>1,520.55</b>	<b>1,336.3 3</b>	<b>857.77</b>	<b>748.66</b>
	<b>Total Assets</b>	<b>141,251. 85</b>	<b>98,484.3 6</b>	<b>77,870. 48</b>	<b>55,998.7 8</b>	<b>51,173.3 2</b>
<b>II. EQUITY AND LIABILITIES</b>						
<b>LIABILITIES</b>						
<b>(1) Financial liabilities</b>						
(a)	Payables					
	i. Trade Payables					
	- total outstanding dues of micro enterprises and small enterprises	2.61	17.03	1.16	2.98	-
	- total outstanding dues of creditors other than micro enterprises and small enterprises	192.21	106.20	113.48	1,717.30	1,764.45
	ii. Other Payables					
	- total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-



	- total outstanding dues of creditors other than micro enterprises and small enterprises	134.60	117.30	1.16	-	-
(b)	Debt Securities	2,738.55	500.21	2,317.43	2,878.86	3,926.29
(c)	Borrowings (Other than Debt Securities)	110,172.89	75,373.87	59,231.26	38,334.75	35,172.71
(d)	Subordinated Liabilities	794.87	793.56	-	-	-
(e)	Other Financial Liabilities	879.17	617.56	327.98	-	-
	<b>Total Financial liabilities</b>	<b>114,914.90</b>	<b>77,525.73</b>	<b>61,992.47</b>	<b>42,933.89</b>	<b>40,863.45</b>
<b>(2) Non-Financial liabilities</b>						
(a)	Current Tax Liabilities	67.43	6.38	6.38	-	-
(b)	Provisions	155.73	113.65	112.88	92.03	73.52
(c)	Deferred Tax Liabilities (Net)	129.67	497.30	388.07	157.25	-
(d)	Other Non-Financial liabilities:	194.98	168.50	116.23	73.52	53.58
	<b>Total Non- Financial Liabilities</b>	<b>547.81</b>	<b>785.83</b>	<b>623.57</b>	<b>322.80</b>	<b>343.32</b>
	<b>Total liabilities</b>	<b>15,462.71</b>	<b>78,311.56</b>	<b>62,616.04</b>	<b>43,256.69</b>	<b>41,206.77</b>
<b>EQUITY</b>						
(a)	Equity share capital	2,090.72	1,986.28	1,831.72	1,589.02	1,431.28
(b)	Other equity	23,698.42	18,186.52	13,422.72	11,153.07	8,535.27
	<b>Total Equity</b>	<b>25,789.14</b>	<b>20,172.80</b>	<b>15,254.44</b>	<b>12,742.09</b>	<b>9966.55</b>
	<b>Total Equity and Liabilities</b>	<b>141,251.85</b>	<b>98,484.36</b>	<b>77,870.48</b>	<b>55,998.78</b>	<b>51,173.32</b>

### Statement of Profit and loss

for the year ended 31<sup>st</sup> March

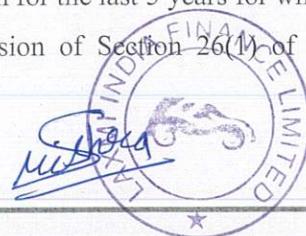
(Currency: Indian rupees) (in lakhs)

Particulars	31 <sup>st</sup> March, 2025	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>INCOME</b>					
Revenue from operations	24,571.26	17,313.75	12,835.93	9,815.54	8,876.90
Other income	232.51	188.15	113.93	5.1	0.70
<b>Total Income (I)</b>	<b>24,803.77</b>	<b>17,501.90</b>	<b>12,949.86</b>	<b>9,820.65</b>	<b>8,877.60</b>



<b>EXPENSES</b>					
Employee benefits expense	5,402.73	4,320.44	3,190.65	1,978.40	1,292.88
Finance costs	11,462.74	8,342.05	6,388.08	4,986.72	4,950.54
Depreciation and amortisation expense	190.05	152.98	111.42	88.34	90.43
Impairment on financial instruments	1,189.06	187.49	164.19	47.13	160.56
Other expenses	1,823.68	1,535.49	1,107.02	742.42	608.15
<b>Total expenses (II)</b>	<b>20,068.26</b>	<b>14,538.45</b>	<b>10,961.36</b>	<b>7,843.01</b>	<b>7,102.56</b>
<b>Profit before tax (I-II)</b>	<b>4,735.51</b>	<b>2,963.45</b>	<b>1,988.50</b>	<b>1,977.64</b>	<b>1,775.04</b>
<b>Tax expense:</b>					
Current tax	1,506.00	609.45	354.71	264.95	429.82
Taxation related to earlier years	(6.47)	3.34	2.36	(6.44)	290.37
Deferred tax charge/(credit)	(364.46)	104.10	92.27	230.66	5.88
<b>Total tax expenses</b>	<b>1,135.07</b>	<b>716.88</b>	<b>449.34</b>	<b>489.17</b>	<b>726.07</b>
<b>Profit for the year</b>	<b>3,600.44</b>	<b>2,246.57</b>	<b>1,539.16</b>	<b>1,488.47</b>	<b>1,048.97</b>
<b>Other Comprehensive Income</b>					
<b>Items that will not be reclassified to profit or loss in subsequent period</b>					
Re-measurement gains /(losses) on defined benefit plans	(12.59)	20.35	7.69	(10.66)	13.29
Income tax effect on such items	3.17	(5.12)	(1.94)	2.68	(3.35)
Subtotal(A)	(9.42)	15.23	5.76	(7.98)	9.94
<b>Items that will be reclassified to profit or loss</b>	-	-	-	-	-
Subtotal(B)	-	-	-	-	-
<b>Total other comprehensive income for the year, net of tax</b>	<b>(9.42)</b>	<b>15.23</b>	<b>5.76</b>	<b>(7.98)</b>	<b>9.94</b>
<b>Total comprehensive income for the year, net of tax</b>	<b>3,591.01</b>	<b>2,261.79</b>	<b>1,544.91</b>	<b>1,480.49</b>	<b>1,058.91</b>
Earnings per equity share					
Basic (in Rs.)	8.78	6.11	9.67	10.15	7.51
Diluted (in Rs.)	8.78	5.66	9.67	10.15	7.51
Nominal value of Equity Shares	5.00	5.00	10.00	10.00	10.00

The Company shall disclose the full set of abridged financial information for the last 5 years for which audited financial information is available, as prescribed under provision of Section 26(1) of the



Companies Act, 2013 as amended or re-enacted from time to time, to the Option grantee/s at the time of each grant.

3. **Risk Factors:** Management perception of the risk factors for the company (i.e., sensitivity to foreign exchange rate fluctuations, cost/time overrun, regulatory changes, credit defaults, interest rate movements, operational and IT systems etc.).
4. **Continuing disclosure requirement:** The option shall be provided copies of all documents that are sent to the members of the company. This shall include the annual accounts of the company as well as notices of meetings and the accompanying explanatory statements.



PART C

Salient Features of the Scheme

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## 1. Introduction:

- 1.1 This Scheme shall be called as Laxmi India Finance Limited Employees Stock Option Scheme - 2023 ("hereinafter referred as "Scheme").
- 1.2 The Scheme was approved by the Board of Directors and the Shareholders of the Company on August 12, 2023 and September 19, 2023 respectively.
- 1.3 The Scheme shall be effective from September 19, 2023 i.e., date of Shareholders approval ("*Effective Date*") and ESOP scheme shall continue to be in force until
- (i) the date on which all of the Employee Stock Options available for grant under the as Laxmi India Finance Limited Employees Stock Option Scheme - 2023 have been granted and exercised or have been cancelled or are lapsed and the Board does not intend to do further grant; or
- (ii) It's termination by the Board by passing a Board resolution to this effect when no options are outstanding or if any options are outstanding then the same are appropriately settled by the Board with the concerned option grantees by a formal communication either by payout of benefit (if any) or otherwise.

whichever is earlier.

## 2. Term of the Scheme:

- 2.1 The Scheme shall continue in effect unless terminated by the Committee or Board of Directors of the Company as per clause 1.3 of the Scheme
- 2.2 Any such termination of the Scheme shall not affect Options already granted and the powers of the Committee in relation to such Options, shall remain in force and effect as if the Scheme had not been terminated unless mutually agreed otherwise between the Grantee/ Nominee / Legal Heirs and the Company.

## 3. Purpose of the Scheme:

- 3.1 To reward the Employees for their association and performance.
- 3.2 To motivate the Employees to contribute to the growth and profitability of the Company.
- 3.3 To motivate the Employees with incentives and reward opportunities for better performance.
- 3.4 To retain the Employees for the growth of the Company.
- 3.5 To catapult the quality of life of hard working, high performing, honest and loyal employees, and their families.
- 3.6 Bringing a sense of association with the Company and its growth.

## 4. Definitions:



In this Scheme, except where the context otherwise requires, the following expressions or terms shall have the meanings as indicated there against.

**4.1 "Abandonment"** means absence of an Employee from work for a period of 30 days or more without having communicated to the Employer any reason of absence.

**4.2 "Act"** means the Securities and Exchange Board of India Act, 1992. (15 of 1992);

**4.3 "Applicable Law"** means every law relating to Employee Stock Option Schemes in force, including, without limitation to Companies Act, 2013, as amended, and all relevant revenue, tax or corporate Laws of India to the extent applicable;

**4.4 "Associate Company"** means any present or future associate company of the Company, as defined in the Companies Act, 2013;

**4.5 "Board of Directors"** means the board of directors of the Company and includes any committee formed by the board.

**4.6 "Body Corporate"** shall have the same meaning as defined in section 2(11) of the Companies Act, 2013, as amended from time to time.

**4.7 "Cash Mechanism"** means a route under which the Grantee will receive the Shares equivalent to the number of the Options exercised after the Grantee has made the payment of the Exercise Price, applicable taxes and other charges, if any, in accordance with the terms and conditions of the Scheme and as mentioned in the grant letter.

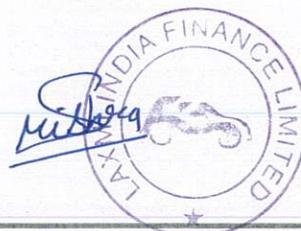
**4.8 "Company"** means Laxmi India Finance Limited incorporated under Companies Act, 1956, having registered office at 2 DFL, Gopinath Marg MI Road, Jaipur, Jaipur, Rajasthan, India, 302001

**4.9 "Committee"** means the Nomination and Remuneration Committee of the Board as constituted from time to time in accordance with Companies Act as amended from time to time read with the rules made thereunder and shall also constitute and act as Compensation Committee for the purposes of Securities and Exchange Board of India (SBEB & SE), Regulations.

**4.10 "Companies Act"** means the Companies Act, 2013 and rules made thereunder and include any statutory modifications or re-enactments thereof;

**4.11 "Cause"** means any of the following acts or omissions by an Employee in addition to any provisions prescribed in the offer or terms of employment amounting to misconduct or breach of terms of employment as determined by the Board after giving the Employee an opportunity of being heard:

- (i) dishonest statements or acts of an Employee, with respect to the Company;



- (ii) a felony or any misdemeanor involving moral turpitude, deceit, dishonesty or fraud committed by the Employee;
- (iii) gross negligence, misconduct or insubordination of the Employee in connection with the performance of his duties and obligations towards the Company;
- (iv) breach by the Employee of any terms of his employment agreement or the Company's policies or other documents or directions of Company including the reasons of non-performance;
- (v) participating or abetting a strike in contravention of any law for the time being in force;
- (vi) Misconduct as provided under the labor laws after following the principles of natural justice;

**4.12 "Control"** shall have the same meaning as defined under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

**4.13 "Corporate action"** means a change in the capital structure of the Company as a result of bonus issue, rights issue, split of shares and consolidation of shares.

**4.14 "Director"** shall have the same meaning as defined under Section 2(34) of the Companies Act, 2013, as amended from time to time.

**4.15 "Employee"** means:

- (i) an employee as designated by the company, who is exclusively working in India or outside India; or
- (ii) a director of the company, whether a whole-time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or
- (iii) an employee as defined in sub-clauses (i) or (ii), of a group company including subsidiary or its associate 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 anybody corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the company.

**4.16 "Employee Stock Options" or "Options"** means the options granted to an employee which gives such an employee a right to purchase or subscribe at a future date, the shares offered by the Company, directly or indirectly, at a pre-determined price;

**4.17 "Employee stock option scheme or ESOS"** means a scheme under which a company grants employee stock options to the employees directly;

**4.18 "Eligible Employee"** means an Employee who satisfies the Eligibility Criteria.



**4.19 "Eligibility Criteria"** means the criteria, as may be determined from time to time by the Committee for Grant of Options to the Eligible Employees including without limitation employee pay-band, loyalty, performance-linked parameters such as work performance, work experience, role and functions of the employee, Company performance, performance potential for future contribution, merit, conduct, business performance and such other parameters as may be decided by the Committee from time to time.

**4.20 "Exercise"** means making of an application by the Option Grantee to the Company for issue of Shares in the form of cash (inclusive through banking channel) against the Vested Options in the Option Grantee in pursuance to this Scheme on payment of the Exercise price and full payment of tax amount if any required to be deducted by the Company in accordance with the procedure laid down by the Company for such exercise.

**4.21 "Exercise Period"** means the time period after vesting within which a Grantee can exercise his/her right to apply for Shares against the vested Options.

**4.22 "Exercise Price"** means the price payable by the Grantee for exercising the options vested in him/her in the form of cash (inclusive through banking channel) in pursuance to the scheme.

**4.23 "Exercise Window"** means a period as may be decided and intimated by the Committee within which vested Options can be exercised within the overall exercise period, from time to time.

**4.24 "Fair Market Value"** means the value computed in respect of the Options granted based on the date of grant by use of mathematical/ statistical model such as Black Scholes.

**4.25 "Grant"** means the process by which the company issues options under the Scheme.

**4.26 "Grant Date"** means the date on which the Committee approves the grant.

**4.27 "Grantee"** shall mean an eligible Employee to whom Options have been granted under the Scheme.

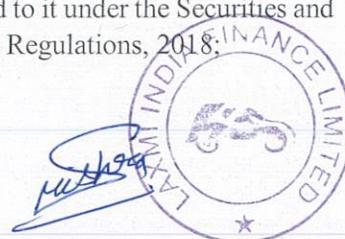
**4.28 "Group Company"** in relation to the Company means a company falling in the "group". Group means two or more companies which, directly or indirectly, are in a position to—

- (i) exercise twenty-six per cent or more of the voting rights in the other company; or
- (ii) appoint more than fifty per cent of the members of the Board of Directors in the other company; or
- (iii) control the management or affairs of the other company;

**4.29 "Holding Company"** means any present or future holding company of the Company as defined in the Companies Act.

**4.30 "Independent Director"** shall have the same meaning as assigned to it under Companies Act, 2013, and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

**4.31 "Initial Public Offer or IPO"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.



**4.32 "Insider"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

**4.33 "Key Managerial Personnel" in relation to a company, means—**

- (i) the Chief Executive Officer or the managing director or the manager;
- (ii) the company secretary;
- (iii) the whole-time director;
- (iv) the Chief Financial Officer;
- (v) such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- (vi) such other officer as may be prescribed

**4.34 "Long Leave"** means a leave approved by the company taken by the Grantee for a period of more than three months out of twelve months starting from the date of Grant / Vesting, as the case may be.

Provided that the period of Long Leave shall not include the period in which the Grantee is on a sabbatical or maternity leave. In all other events including approved earned leave and sick leave, the period of leave shall be included to calculate the Long Leave unless otherwise determined by the Committee.

**4.35 "Listing"** means listing of Shares of the Company on any recognized Stock Exchange.

**4.36 "Market Price"** means the latest available closing price on a recognised stock exchange on which the shares of the company are listed on the date immediately prior to the relevant date. —If such shares are listed on more than one recognized stock exchange, then the closing price on the recognized stock exchange having higher trading volume shall be considered as the market price;

**4.37 "Options / Employee Stock Options"** means the option given to an employee which gives such an employee a right to purchase or subscribe at a future date, the shares offered by the company, directly or indirectly, at a pre-determined price;

**4.38 "Permanent Incapacity"** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents a Grantee from performing any specific job, work or task which the said Grantee was capable of performing immediately before such disablement, as determined by the Committee based on a certificate of medical expert identified by the Company;

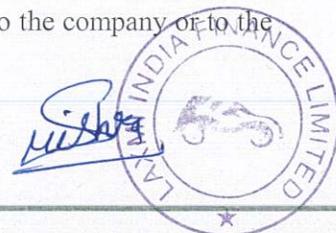
**4.39 "Promoter"** shall have the same meaning as assigned to them to the term under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

**4.40 "Promoter Group"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

**4.41 "Relative"** shall have the same meaning as defined in section 2(77) of the Companies Act, 2013, as amended from time to time.

**4.42 "Relevant Date"** means,-

- (i) in the case of grant, the date of the meeting of the compensation committee on which the grant is made; or
- (ii) in the case of exercise, the date on which the notice of exercise is given to the company or to the



trust by the employee;

**4.43 "Retirement"** means retirement as per the rules of the Company or any of its Subsidiary Companies

**4.44 "Scheme"** shall mean Laxmi India Finance Limited Employees Stock Option Scheme - 2023 and shall include any alteration(s), amendment(s), addition(s), deletion(s), modification(s), or variation(s) thereof from time to time;

**4.45 "SEBI"** means the Securities and Exchange Board of India;

**4.46 "SEBI (SBEB & SE) Regulations"** means the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations 2021 as amended and enacted from time to time read with all circulars and notifications issued thereunder;

**4.47 "Shares"** means Equity Shares of the Company.

**4.48 "Subsidiary Company"** means any present or future subsidiary company of the Company, as defined in the Companies Act, 2013;

**4.49 "Unvested Option"** means an Option, which is not vested.

**4.50 "Vested Option"** means an Option, which has vested in pursuance to the Scheme and has thereby become exercisable.

**4.51 "Vesting"** means the process by which the Grantee becomes entitled to receive the benefit of a grant and subsequent right to apply for acquisition or purchase for Shares of the Company against the Options granted to him in pursuance under the scheme.

**4.52 "Vesting Date"** means the date on and from which the Option vests with the Grantees.

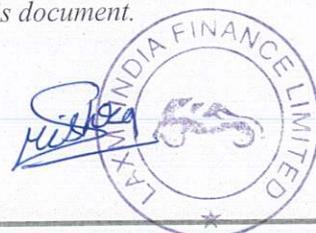
**4.53 "Vesting period"** means the period during which the vesting of option, granted under any of the schemes takes place;

**4.54 "Whole Time Director"** shall have the same meaning as defined in section 2(94) of the Companies Act, 2013, as amended from time to time.

**Interpretation:**

*In this document, unless the contrary intention appears:*

- a) The singular includes the plural and vice versa.*
- b) The word "person" includes an Individual, a Firm, a Body Corporate or Unincorporated Body or Authority.*
- c) Any word or expression importing the masculine, feminine or neutral genders only, shall be taken to include all three genders.*
- d) Any word which is not defined under the Scheme shall be interpreted in line with Companies Act, 2013.*
- e) Articles headings are for informatio11 only and shall not affect the construction of this document.*
- j) A reference to an article is respectively a reference to an article of this document.*



g) Reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution, or re-enactment thereof.

## **5. Implementation & Administration:**

**5.1** The Scheme shall be implemented through direct route for extending the benefits to the Eligible Employees by way of fresh allotment and will follow cash mechanism.

**5.2** The Board/Committee shall subject to applicable laws, inter alia, determine the following:

- a) the quantum of Options, Shares or benefits as the case may be, per Employee and in aggregate under a Scheme;
- b) the kind of benefits to be granted under this Scheme;
- c) the conditions under which Options, Shares or other benefits as the case may be, may vest in Employees and may lapse in case of termination of employment for misconduct;
- d) the schedule for Vesting of the Options granted to Employees;
- e) the price at which the Options are to be granted from time to time (which will be the Exercise Price for the Options at a future date).
- f) the exercise period within which the Employee can exercise the Options and that Options would lapse on failure to exercise the same within the exercise period;
- g) the specified time period within which the Employee shall exercise the vested Options or in the event of termination or resignation;
- h) the right of an Employee to exercise all the Options, as the case may be, vested in him at one time or at various points of time within the exercise period;
- i) the procedure for making a fair and reasonable adjustment to the entitlement including 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. In this regard, the following shall, inter alia, be taken into consideration by the Board/Committee:
  - i. the number and price of Options shall be adjusted in a manner such that total value to the Employee of the Options remains the same after the corporate action.



- ii. the vesting period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Employee(s) who is granted such Options;
- j) the grant, vesting and exercise of Shares, Options or in case of Employees who are on long leave;
- k) eligibility to avail benefits under this Scheme in case of Employees who are on long leave;
- l) the procedure for funding the exercise of Options;
- m) procedure for buy-back of specified securities issued under SEBI (SBEB and SE) Regulations, if to be undertaken at any time by the Company, and the applicable terms and conditions, including:
  - i. permissible sources of financing for buy-back;
  - ii. any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
  - iii. limits upon quantum of specified securities that the Company may buy-back in financial year.
- n) Amend any terms and conditions of any Options granted under the Scheme to the extent it is not inconsistent with the terms of the Scheme and not prejudicial to the interest of the Option Grantee.

**5.3** Post grant of Options to the employees and before the exercise of such Options (whether vested or unvested), if in the opinion of Board/Committee any of the Option Grantee/s act against the business interest of the Company, then the Board/Committee shall have exclusive power to cancel the Options granted to such Option Grantee/s.

**5.4** Post grant of Options to the employees and before the exercise of such Options (whether vested or unvested), if in the opinion of Board/Committee the performance of any of the Option Grantee/s is not satisfactory/acceptable, then the Board/Committee shall have exclusive power to cancel the Options granted to such Option Grantee/s.



- 5.5 Post grant of Options to the employees and before the exercise of such Options (whether vested or unvested), if in the opinion of Board/Committee the performance of any of the Option Grantee/s is not satisfactory/acceptable and that such Option Grantee is given notice to improve his/her performance within specific time period and in the interim in case of death or permanent in-capacitance of such Option Grantee/s, the provisions under point 5 and 6 of Clause 7.2 (b) of this Scheme shall not apply.
- 5.6 The Committee shall frame suitable policies and procedures to ensure that there is no violation of securities laws including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended from time to time, the Company and its Employees, as may be applicable.
- 5.7 Approve forms, documents, deeds, writings and/or agreements for use in pursuance of Laxmi India Finance Limited Employees Stock Option Scheme - 2023.
- 5.8 To decide upon the treatment of vested and unvested Options in the event of Corporate Actions taking into consideration the following:
- the number and/or price of Options shall be adjusted in a manner such that the total value to the Grantee of the Options remains the same after the Corporate Action.
  - the vesting period and the life of Options shall be left unaltered as far as possible to protect the rights of the Grantees who have been granted such Options.
- 5.9 To accelerate the vesting of Options on a case - to - case basis, subject to completion of minimum 1 year from the date of grant.
- 5.10 To determine or impose other conditions for administration of the Scheme, as it may deem appropriate.
- 5.11 To decide upon treatment of vested and unvested Options in cases of dispute between the Grantee and Company.
- 5.12 To appoint such agents as it shall deem necessary for the proper administration of the Scheme.
- 5.13 A member of the Committee shall abstain from participating in and deciding on any matter relating to grant of any Options to himself.

**6. Pool of the Scheme:**

- 6.1 The maximum number of Options that may be granted pursuant to this Scheme shall not exceed 20,90,000 Options, which shall be convertible into 20,90,000 Equity Shares having face value of Rs. 05/-each.



6.2 If any Option granted under the Scheme lapses or is forfeited or surrendered under any provision of the Scheme, such Option shall be available for further grant under the Scheme unless otherwise determined by the Committee.

6.3 Further, the maximum number of Options that can be granted and the Shares arise upon exercise of these Options shall stand adjusted in case of corporate action.

6.4 The Company reserves the right to increase such number of Options and Shares as it deems fit, in accordance with the applicable laws.

#### **7. Appraisal Process/Eligibility Criteria's:**

7.1 The Committee may on the basis of all or any of the following criteria, decide on the Employees who are eligible for the grant of Options under the Scheme and the terms and conditions thereof:

√ Loyalty: It will be determined on the basis of tenure of employment of an Employee in the Company.

√ Performance of Employee: Employee's Performance during the financial year on the basis of the parameters decided by the Company.

√ Performance of Company: Performance of the Company as per the standards set by the Committee.

√ Any other criteria as decided by the Committee from time to time.

7.2 The Employees satisfying the eligibility criteria shall be termed as "Eligible Employee".

7.3 New Joinees can also participate in the Scheme and be granted Options based upon the discretion of the Committee.

7.4 Nothing in the Scheme or in any Option granted pursuant to the Scheme shall confer on any Employee, any right to continue in the employment of the Company or interfere in any way with the right of the Company to terminate the Employee's employment at any time.

#### **8. Grant of Options:**

8.1 The Committee shall grant Options to one or more Eligible Employees, in accordance with the terms and conditions of the Scheme for the time being in force and subject to Employee's employment terms or his continuity in the employment, and other parameters as set out by the Committee.

8.2 Subject to availability of Options in the pool under the Scheme, the maximum number of Options that can be granted to any eligible Employee during any one year shall not be equal to or exceed 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant. The Committee may decide to grant such number of Options equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) to any eligible Employee as the case may be, subject to the separate approval of the Shareholders in a general meeting.



8.3 No amount shall be payable at the time of grant of Options.

8.4 Upon grant, an Eligible Employee shall become Grantee under the Scheme.

8.5 Subject to the Corporate Action(s) taken by the Company, if any, the grant of 1 (One) Option to an eligible Employee under this Scheme shall entitle the holder of the Option to apply for 1 (One) Share in the Company upon payment of exercise price, applicable taxes and other charges, if any.

8.6 The Options granted shall not be transferable to any other person or Organization.

8.7 The Options granted shall not be pledged, hypothecated, mortgaged, or otherwise encumbered or alienated in any other manner.

8.8 The Options granted, whether vested or unvested, shall not have any voting or other rights.

#### **9. Method of Acceptance:**

9.1 Any Grantee who wishes to accept the grant made pursuant to the Scheme, must deliver a signed copy of Grant Letter to the Committee or any of its authorized representatives within 30 (Thirty) days from the date of receipt of the Grant Letter. The Committee may extend the said period of 30 (Thirty) days for such duration as it may deem fit for the benefits of the Grantees.

9.2 Any Grantee who fails to return the signed copy of grant letter and/or fails to provide his acceptance within the above-mentioned time period shall, unless the Committee determines otherwise, be deemed to have rejected the grant and the Company is not liable to pay any such amount on such rejection.

9.3 The Grantee is not required to pay any amount at the time of acceptance of the Grant.

9.4 Subject to the terms contained herein, the acceptance in accordance with this article, of a Grant made to a Grantee, shall conclude a contract between the Grantee and the Company, pursuant to which each Option shall, on such acceptance, be an Unvested Option.

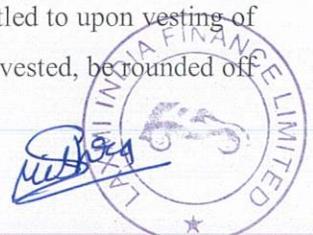
#### **10. Vesting of Options:**

10.1 The vesting period shall commence from the grant date and shall be minimum of 1 (One) year from the grant date and a maximum of 4 (Four) years from the grant date, at the discretion of and in the manner prescribed by the Committee.

10.2 The vesting schedule will be clearly defined in the grant letter of respective Grantees subject to minimum and maximum vesting period as specified in Article 10.1 above.

10.3 The actual specific vesting percentages, vesting schedule and other conditions (if any) shall be communicated by the Committee to the Grantees at the time of grant.

10.4 Further any fraction entitlement, to which the Grantee would become entitled to upon vesting of Options (other than the last tranche of vesting), then the Options to be actually vested, be rounded off



to the nearest lower integer. Accordingly, in the last vesting, the number of the Options to be vested shall include the Options which was not earlier vested due to fraction adjustment.

**10.5** The Committee shall have the power to modify or accelerate the vesting schedule on a case-to-case basis subject to the minimum gap of 1 (One) Year between the grant and first vesting.

#### **11. Exercise Price:**

**11.1** Under this Scheme, the Exercise Price shall be as may be determined by the Committee/Board as is allowed under the Companies Act, 2013 and SEBI (SBE and SE), Regulations, 2021, which in any case will not be lower than the face value of the equity shares of the Company on the date of such grant. Further the exercise price can be different for different set of employees for options granted on same/different dates and shall be in conformity with the applicable accounting policies/standards, if any.

**11.2** Further, the Committee has the power to re-price the grants in future if the grant made under the Scheme is rendered unattractive due to the fall in the price of Shares, subject to the Shareholders approval of the Company by the means of Special Resolution.

**11.3** The aggregate exercise price payable at the time of exercise shall be paid, as per the discretion of the Grantee, by a Cheque, NEFT, or electronic payment, deduction from salary (if salary of the month of exercise is payable and is sufficient to cover the relevant amount) or by a demand draft drawn in the name of the Company.

**11.4** The tax amount arising at the time of exercise of Options shall be payable by the Grantee at the time of exercise, as per the discretion of the Grantee, by a Cheque, or NEFT or electronic payment or deduction from Employee's salary (in case the salary of the month of exercise is payable and sufficient to cover the relevant amount), or by a demand draft drawn in the name of the Company.

#### **12. Exercise of Options:**

**12.1** After vesting, the Options can be exercised, wholly or partially through cash mechanism by submitting the exercise application, as prescribed by the Committee from time to time, along with exercise price, applicable taxes and other charges.

**12.2** The vested Options, which were not exercised by the Grantees as mentioned in Clause 12.3, shall lapse from the hands of the Grantees.

**12.3** For the purpose of article 12.1, the options can be exercised as under:

##### **(a) While in employment:**

- (i) The Exercise period shall not be more than 5 (Five) years from the date of respective vesting of Options. The Options granted may be exercised by the Grantee at one time



or at various points of time within the exercise period as determined by the Board/Committee from time to time.

- (ii) The Vested Options shall be exercisable by the employees by a written application (or by electronic means through a software) to the Company expressing his/ her desire to exercise such Options in such manner and on such format as may be prescribed by the Board/Committee from time to time. The Options shall lapse if not exercised within the specified exercise period.

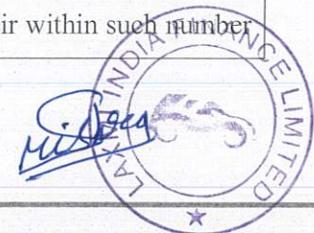
(iii) **Exercise Period in case of separations:**

Options can be exercised as per provisions outlined below\*:

Sr. No.	Separations	Vested Options	Unvested Options
1	<b>Resignation</b>	Subject to the terms and conditions, all Vested Options as on date of submission of resignation may be exercised by the Option Grantee on or before his last working day or before the expiry of the Exercise period with the Company, whichever is earlier.	All Unvested Options on the date of submission of resignation shall stand cancelled with effect from that date.
2	<b>Termination (With cause like fraud, misconduct etc.)</b>	All Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
3	<b>Termination (Without cause)</b>	All Vested Options which were not exercised at the time of such termination may be exercised by the Option Grantee on or before his last working day with the Company or before the expiry of the Exercise period, whichever is earlier.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.



4	<b>Retirement or early Retirement approved by Company</b>	All vested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee within the originally allowed exercise period.	All Unvested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee within the originally allowed exercise period.
5	<b>Death</b>	All Vested Options, granted under a scheme to him/her till his/her death shall vest, with effect from the date of his/her death, in the legal heirs or nominees of the deceased employee, as the case may be and such Options may be exercised by the Option Grantee's nominee or legal heir immediately, within such number of days as communicated by the Committee, failing which all the unexercised Options shall lapse irrevocably and the rights there under shall be extinguished, unless otherwise determined by the Committee whose decision will be final and binding.	All Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heir/s within such number of days as communicated by the Committee.
6	<b>Permanent Disability</b>	All Vested Options, granted to him/her under a scheme as on the date of permanent incapacitation shall vest in him/her on that day and such Options may be exercised by the Option Grantee or, if the Option Grantee is himself, unable to exercise due to such disability, the nominee or legal heir, within such number of	All Unvested Options as on the date of such Permanent Disability shall vest immediately and can be exercised by the Option Grantee or, if the Option Grantee is himself unable to exercise due to such incapacity, the nominee or legal heir within such number



		days as communication by the Committee, failing which all the unexercised Options shall lapse in irrevocably and the rights there under shall be extinguished, unless otherwise determined by the Committee whose decision will be final and binding.	of days as communicated by the Committee.
7	<b>Abandonment**</b>	All the Vested Options shall stand cancelled.	All the Unvested Options shall stand cancelled.
8	<b>Any other reason not specified above</b>	The Board/Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of separation shall stand cancelled with effect from that date.

\*In case of any regulatory changes warranting any change in vesting schedule/conditions/exercise period in any of the above separation conditions, the provision of such change shall apply.

\*\*The Board/Committee, at its sole discretion shall decide the date of cancellation of Options and such decision shall be binding on all concerned. Provided that, in accordance with Applicable Law, notwithstanding anything to the contrary contained herein, the Company shall not vary the terms of Laxmi India Finance Limited Employee Stock Option Scheme- 2023, in any manner which may be detrimental to the interests of the Employees.

**12.4** In the event that an employee, who has been granted benefits under a scheme, is transferred or deputed to an associate company prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed employee even after the transfer or deputation.

**12.5** In the event that an employee who has been granted benefits under a scheme, is transferred pursuant to scheme of arrangement, amalgamation, merger or demerger or continued in the existing Company, prior to the vesting or exercise, the treatment of Options in such case shall be specified in such scheme of arrangement, amalgamation, merger or demerger provided that such treatment shall not be prejudicial to the interest of the Employee.



**12.6** The Options not exercised within the Exercise Period shall lapse and the Employee shall have no right over such lapsed or cancelled Options. The amount paid by the employee, if any, at the time of grant, vesting or exercise of Options -

- (a) may be forfeited by the Company if the Options are not exercised by the employee within the exercise period; or
- (b) may be refunded to the employee if the Options are not vested due to non-fulfilment of conditions relating to vesting of Options as per Laxmi India Finance Limited Employee Stock Option Scheme-2023

**12.7** The mode and manner of the exercise shall be communicated to the Grantees individually.

**12.8** Notwithstanding anything contained elsewhere in the Scheme, the Company may not allot Shares, in the event of the Grantee being found to be involved in fraud, misfeasance, misconduct, moral turpitude, gross negligence, breach of trust, breach of employment or employment related contracts or like event(s) and in such an event(s) the rights under the Options (whether vested or not) shall lapse, forthwith, without any claim against the Company by the Grantee, without any recourse to the Grantee.

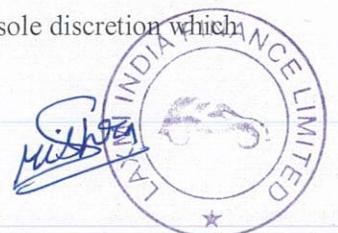
**12.9** In case if there is an alleged fraud, misfeasance, misconduct, moral turpitude, gross negligence, breach of trust, breach of employment or employment related contracts or like event(s) on part of Grantee and the proceedings are underway in form of any police investigations or in any court of law, then the time period of exercise of Options shall pause for such Grantee and shall resume post clearance only.

**12.10** If the vesting or exercise of Options is prevented by any law or regulation in force and the Company is forbidden to allot Shares pursuant to exercise of Options under such law or regulation, then in such an event the Company or the Committee shall not be liable to compensate the Grantee in whatsoever

**12.11** The Committee shall have the power to cancel all or any of the Options granted under the Scheme, if so required, under any law for the time being in force or the order of any jurisdictional court. In the event of any such cancellation, the Company or the Committee shall not be liable to compensate the Grantee in any manner.

**12.12** In the event of a Grantee going **on Long Leave**, the treatment of Options Granted to him/her, whether vested or not, shall be determined by the Committee whose decision shall be final & binding.

**12.13** In the event of abandonment of service by a Grantee, all Options (Vested Options or Unvested Options) at the time of abandonment of service, shall stand terminated forthwith. The date of abandonment of service by the Grantee shall be decided by the Committee at its sole discretion which decision shall be binding on such Grantee.



**12.15** In the event where a dispute arises between Grantee and the Company, vesting and/or exercise of Options will be put on hold till the date of settlement, to the satisfaction of the Committee.

**13. Lock in Period:**

**13.1** The Shares issued upon exercise of options shall be freely transferable and shall not be subject to lock-in period restriction after such exercise except such restrictions as may apply under the applicable laws/regulatory authority from time to time. However, the Board or Committee as may be authorized by the Board, may in some cases, provide for lock in of shares issued upon exercise of options, which shall be mentioned in the grant letter issued to the option Grantee.

**14. Other terms and conditions:**

**14.1** Nothing herein is intended to or shall give the Grantee, any right to status of any kind as a Shareholder of the Company in respect of any Share covered by the grant unless Grantee exercises the Options and becomes the registered Shareholder of the Company.

**14.2** The Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he/she may suffer by reason of being unable to exercise an Options in whole or in part.

**15. Notices and correspondence:**

**15.1** Any notice required to be given by a Grantee to the Committee or any correspondence to be made between a Grantee and the Committee may be given or made to the Committee at the corporate office or registered office of the Company or at the place as may be notified by the Committee in writing or at the specific designated email id of the Committee, if any.

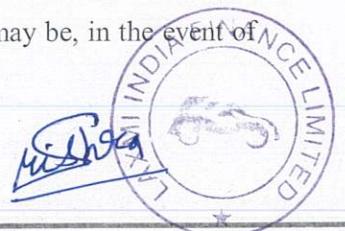
**15.2** Any notice, required to be given by the Committee to a Grantee or any correspondence to be made between the Committee and a Grantee shall be given or made by the Committee at the address in the records of the Company or at the official email id of the Grantee.

**16. Nomination of Beneficiary:**

**16.1** Each Grantee under the Scheme is required to nominate, from time to time, any person to whom any benefit under the Scheme is to be delivered in case of his or her death before he/she receives all of such benefit. Each such nomination shall revoke all prior nominations by the same Grantee, shall be in a form prescribed by the Company and will be effective only when filed by the Grantee in writing with the Company during the Grantee's lifetime.

**17. Corporate Action:**

**17.1** Except as hereinafter provided, any grant made shall be subject to adjustment, by the Committee, at its discretion, as to the number and price of Options or Shares, as the case may be, in the event of Corporate Action as defined herein.



**17.2** In the event of a Corporate Action in the Company, the Committee, subject to the provisions of applicable laws, shall make fair and reasonable adjustments to the Options granted and not exercised, as it deems fit, with respect to the number of Options and exercise price and shall make any other necessary amendments to the Scheme for this purpose.

#### **18. Disclosure and Accounting Policies:**

**18.1** The Company shall comply with the disclosure and accounting policies as prescribed by appropriate authority from time to time. Presently it is to be done as per ICAI Guidance Note 18 (The Accounting note on the Share based employee benefit). The Company shall use appropriate valuation methodology to value its Options.

**18.2** Compensation cost will be booked in the books of accounts of the Company over a vesting period.

**18.3** In addition to the information that a company is required to disclose in relation to employee benefits under the Companies Act, 2013 (18 of 2013), the Board of Directors of such a company shall also disclose the details of the scheme(s) being implemented, as specified in Part F of Schedule – I of these regulations.

#### **19. Taxability on the Grantee:**

**19.1** The exercisable Options are subject to the applicable provisions of the Income tax Act, 1961.

There would be a double point of Taxation on the Employee:

**Point 1:** At the time of exercise of the Options the difference between the Fair market price of the Shares as on date of exercise of the Options and the exercise price will be added as a perquisite under salary in the month of exercise. The Employee will be liable to pay the taxes at the individual slab rate in which he/she falls.

E.g.: Exercise Price= Rs. 10 per Option / Market Price of share on exercise = Rs. 30 per shares / Perquisite= Rs.30 - Rs.10= Rs. 20/- per share.

Suppose employee falls in 30% slab, his perquisite tax will be Rs.6/-

**Point 2:** At the time of sale of the shares of the Company by the Employee. If the Employee sells the Shares after holding them for 12 months, then tax on LTCG (Long Term Capital Gain) will be levied and if Shares are sold within 12 months of holding then tax on STCG (Short Term Capital Gain) will be levied.

E.g.: Sale Price= Rs. 100 per Option / Cost of acquisition = Rs. 30 per shares

Capital Gain= Rs. 100 - Rs.30 = Rs. 70/- per share.

#### **20. Surrender of Options:**



**20.1** Any Grantee to whom the Options are granted under this Scheme, may at any time, surrender his/her Options to the Company. In such case the Company would not be liable to pay any compensation to the Grantee on account of his surrender of Options. The Options so surrendered will be added back to the pool of the Scheme and pursuant to this the Grantee shall cease to have all rights and obligations over such Options.

**21. Exit Route:**

**21.1** The Company gets its shares listed on recognized Stock exchange/s and then eventually gets de-listed from all the recognized Stock Exchange/s, then the Board/Committee shall have the powers to set out terms and conditions for the treatment of Vested Options and Unvested Options in due compliance of the Applicable Law.

**21.2** The Options whose rights have been brought back will be added back to the pool of ungranted Options & pursuant to this the Grantee shall cease to have all rights & obligations over such Options.

**22. Arbitration:**

**22.1** In the event of a dispute arising out of or in relation to the provisions of this Scheme, the relevant parties shall attempt in the first instance to resolve such dispute 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 reasonable attempts, which attempt shall continue for not more than 30 days, gives 10 days' notice thereof to the other party in writing.

**22.2** In case of such failure by the parties to resolve the dispute in the manner set out above, either party may refer the dispute to a single arbitrator to be appointed by the Committee. The arbitration proceedings shall be held in Jaipur, India under and in accordance with the Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof. The arbitrator shall give a reasoned award in writing in English. The arbitrator 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 Jaipur, India.

**23. Accounting Methods:**

The Company shall follow the requirements including the disclosure requirements of Accounting standard IND AS 102 on Share-based payments and / or any relevant Accounting Standards prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 including any 'Guidance Note on Accounting for employee share-based payments' issued in this regard and conform to the applicable accounting policies issued by the Institute of Chartered Accountants of India or any other regulator from time to time under any other Applicable Laws including the disclosure requirements prescribed therein.

**24. Certificate from Secretarial Auditors:**



The Board shall at each annual general meeting place before the shareholders of the Company a certificate from the secretarial auditors of the Company that the Scheme has been implemented in accordance with the SEBI (SBEB & SE) Regulations, 2021 and in accordance with the resolution of the Company in the general meeting. The Board shall also make the requisite disclosures of the Scheme, in the manner specified under the SEBI (SBEB & SE) Regulations.

**25. Governing Law:**

**25.1** This Scheme and all related documents thereunder shall be governed by and construed in accordance with the applicable laws of India.

**25.2** Any term of the Scheme that is contrary to the requirement of any applicable laws shall not apply to the extent it is contrary.

**25.3** The Courts at Jaipur, India shall have exclusive jurisdiction on any matter arising out of this Scheme.

**26. Regulatory Approvals:**

**26.1** The implementation of the Scheme, the granting of any Options under the Scheme and the issuance of any Shares under this Scheme shall be subject to the procurement by the Company and the Grantee / Nominee / Legal Heirs of all approvals and permits, if any, required by any regulatory authorities having jurisdiction over the Scheme.

**26.2** The Grantee / Nominee / Legal Heirs under this Scheme will, if requested by the Committee/ Company, provide such assurances and representations to the Company or the Committee, as the Committee may deem necessary or desirable to ensure compliance with all applicable legal and accounting requirements.

**27. Modification of Scheme:**

**27.1** A company may by special resolution of its shareholders vary the terms of the schemes offered pursuant to an earlier resolution of the general body but not yet exercised by the employees, if such variation is not prejudicial to the interests of the employees.

**27.2** Notwithstanding the provisions of this Clause (27.1), a company shall be entitled to vary the terms of the scheme to meet any regulatory requirement without seeking shareholder's approval by special resolution.

**27.3** The notice for passing a special resolution for variation of terms of the scheme shall disclose full details of the variation, the rationale therefore, and the details of the employees who are beneficiaries of such variation.

**28. Confidentiality:**



**28.1** Notwithstanding anything contained in this Scheme, the Grantee shall not divulge the details of the Scheme and/or his holdings to any person except with the prior written permission of the Committee unless so required to do under the applicable laws or any statutes or regulations applicable to such Grantee.

**29. Insider Trading:**

The Employee shall ensure that there is no violation of:

- a. SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time as and when applicable; and
- b. SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as and when applicable; and
- c. Any other regulations to prevent fraudulent or harmful practices relating to the Securities Market, as and when applicable.

The Employee shall keep the Company, the Board/Committee fully indemnified in respect of any liability arising for violation of the above provisions.

**30. Miscellaneous:**

**30.1** The Company is authorized to draft all applicable forms/declarations/ returns and such other documents as may be required in line with applicable laws and regulations to implement the scheme.

**30.2** The Company shall maintain a register at its registered office for Options in in the prescribed format, if any, as amended from time to time and shall forthwith enter therein the particulars of Options granted.

\*\*\*\*\* End of the Scheme \*\*\*\*\*

