



DHANVARSHA FINVEST LIMITED

DHANVARSHA ESOP PLAN 2018

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PART A: STATEMENT OF RISKS

All investments in shares or options on shares are subject to risk as the value of shares may go down or go up. In addition, employee stock options are subject to the following additional risks:

ARTICLE 1. CONCENTRATION

- 1.1. 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.

ARTICLE 2. LEVERAGE

- 2.1. Any change in the value of the share can lead to a significantly larger change in the value of the options.

ARTICLE 3. ILLIQUIDITY

- 3.1. 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.

ARTICLE 4. VESTING

- 4.1. 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 cause as defined in Article 21 – 'Termination of Employment' of this plan.

PART B: INFORMATION ABOUT THE COMPANY

ARTICLE 5. PROFILE OF THE COMPANY

- 5.1. **Dhanvarsha Finvest Limited**, (“the Company”) is a Company incorporated under the Companies Act, 1956, (CIN: L24231MH1994PLC334457) having its registered office 3rd Floor, A Wing, D. J. House, Old Nagardas Road, Andheri (East), Mumbai – 400 069, Maharashtra.
- 5.2. The Company is registered with Reserve Bank of India as Non-banking Financial Company and is engaged in the business of providing financial services to small businesses and middle and low-income sections of society.
- 5.3. The equity shares of the Company are listed on BSE Limited.

ARTICLE 6. ABRIDGED FINANCIAL INFORMATION

Balance Sheet Statement

(Rs. In lacs)

	Year Ended 31.03.2014	Year Ended 31.03.2015	Year Ended 31.03.2016	Year Ended 31.03.2017	Year Ended 31.03.2018
Sources of funds					
Paid up share capital	254.36	630.65	775.78	775.78	775.78
Reserves and Surplus (excluding revaluation	74.58	76.90	85.04	85.77	494.04
Total Networth (A)	328.94	707.55	860.82	861.55	1269.82
Non Current Liabilities					
Secured loans	0.00	0.00	0.00	0.00	0.00
Unsecured loans	1114.81	108.50	56.50	16.94	0.00
Long Term Provisions	0.00	0.00	0.00	0.00	53.66
Total Non Current Liabilities (B)	1114.81	108.50	56.50	16.94	53.66
Current Liabilities					
Short Term Borrowings	0.00	0.00	0.00	0.00	3905.00
Trade Payables	13.84	3.37	4.47	4.50	24.71
Other Current Liabilities	0.00	131.92	111.15	27.88	160.51
Short Term Provisions	1.77	1.49	4.18	5.33	74.72
Total Current Liabilities (C)	15.61	136.78	119.80	37.71	4164.94
Total Equity & Liabilities (A+B+C)	1459.36	952.83	1037.12	916.20	5488.42
Uses of funds					
Non Current Assets					
Net Fixed assets	2.12	1.28	56.86	58.28	45.94
Investments	0.00	0.00	126.77	0.00	56.25
Long Term Loans and Advances	1438.27	785.42	743.14	657.18	4033.41
Total Non Current Assets (A)	1440.39	786.70	926.76	715.46	4135.60
Current Assets					
Investments	0.00	0.00	0.00	165.20	74.68
Inventories	0.00	131.22	89.68	0.00	0.00
Trade Receivables	0.00	6.93	0.63	0.80	38.39
Cash and Cash Equivalents	1.09	10.10	2.17	18.37	250.57
Deferred Tax Assets (Liability)	17.88	17.88	17.88	16.37	17.30
Short Term Loans and Advances	0.00	0.00	0.00	0.00	909.45
Other Current Assets	0.00	0.00	0.00	0.00	62.43
Total miscellaneous expenditure not written	0.00	0.00	0.00	0.00	0.00
Total Current Assets (B)	18.97	166.13	110.36	200.74	1352.82
Total Assets (A+B)	1459.36	952.83	1037.12	916.20	5488.42

Profit & Loss Statement

(Rs. In lacs)

	Year Ended 31.03.2014	Year Ended 31.03.2015	Year Ended 31.03.2016	Year Ended 31.03.2017	Year Ended 31.03.2018
Income from Operations	30.46	15.27	181.17	125.25	735.88
Other Income	0.00	1.99	1.02	0.29	453.29
Total Income	30.46	17.26	182.19	125.54	1189.17
Total Expenditure	23.61	12.76	169.61	121.05	522.19
Profit Before Depreciation Interest and Tax	6.85	4.50	12.58	4.49	666.98
Depreciation	0.37	0.84	0.40	1.22	5.38
Interest	0.00	0.00	0.00	0.48	200.11
Profit Before Tax	6.48	3.66	12.18	2.79	461.49
Provision for Tax	0.00	1.34	4.03	2.07	53.22
Profit after Tax	6.48	2.32	8.15	0.72	408.27

ARTICLE 7. RISK FACTORS

- 7.1. The risks and uncertainties include, but are not limited to, risks and uncertainties regarding fluctuations in earnings rates, our ability to manage growth, intense competition in our areas of services including those factors which may affect our cost advantage, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price contracts, client concentration, our ability to manage our marketing & sales operations, reduced demand for our key focus areas, liability for damages on our products and services, withdrawal of governmental fiscal incentives, political instability, legal restrictions and general economic conditions affecting our industry.
- 7.2. Management Perception: Some of the risks are normal to the nature of industry in which the Company operates, and some others are beyond the control of the Company.

ARTICLE 8. CONTINUING DISCLOSURE REQUIREMENT

- 8.1. The option grantee post allotment shall be given access to copies of all documents that are sent to the members of the Company. This shall include the annual accounts of the company and the accompanying explanatory statements. However, the option grantee will not be entitled to attend and vote in the meetings till actual allotment.

PART C: SALIENT FEATURES OF THE PLAN

This part contains the salient features of the employee stock option plan of the company including the conditions regarding vesting, exercise, adjustment for corporate actions, and forfeiture of vested options.

ARTICLE 9. AUTHORITY

- 9.1. The Plan has been approved by the Shareholders by passing the necessary special resolution dated September 28, 2018 and amended vide the special resolution passed by the shareholders of the Company in the meeting held on September 29, 2022.

ARTICLE 10. PLAN OBJECTIVES

- 10.1. The objectives of the Dhanvarsha ESOP Plan 2018 ("**Plan**") are as follows:
- (i) To provide means to enable the Company to attract and retain appropriate human talent in the employment of the Company;
 - (ii) To motivate the Employees of the Company with incentives and reward opportunities;
 - (iii) To achieve sustained growth of the Company and the creation of Shareholder value by aligning the interests of the Employees with the long-term interests of the Company; and
 - (iv) To create a sense of ownership and participation amongst the Employees.

The Plan will be subject to applicable legal statutes, including, but not limited to, the Companies Act, 2013, the Income Tax Act, 1961, the Foreign Exchange Management Act, 1999 and the Securities and Exchange Board of India Act, 1992 and the rules / guidelines / regulations / notifications issued thereunder, and any statutory modifications or reenactments thereof.

ARTICLE 11. DEFINITIONS AND INTERPRETATIONS

11.1. Definitions

In this document, the following expressions including their grammatical variations or cognate expressions shall, where the context so admits, have the following meaning:

- **ABANDONMENT** means the termination of employment contract without any due notice by the employee or due to a long leave without authorization from the employer.
- **APPLICABLE LAW** means the legal requirements relating and as applicable to Employee Stock Option Plan, including, without limitation The Companies Act, 2013, as amended, the Securities and Exchange Board of India Act, 1992, as amended, the guidelines and regulations issued by SEBI including SEBI (SBEB) Regulations, 2014,

- SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all relevant tax, securities, exchange control or corporate laws of India or any relevant jurisdiction or of any stock exchange on which the shares are listed or quoted.
- **BOARD or BOARD OF DIRECTORS** means the Board of Directors of the Company for the time being and re-constituted and/or re-structured from time to time during the existence of this Plan.
 - **COMPANIES ACT** means the Companies Act, 2013 for the time being in force and as amended from time to time.
 - **COMPANY** means Dhanvarsha Finvest Limited, incorporated in India on November 9, 1994 and includes its subsidiaries, successors and assigns.
 - **COMPANY POLICY/ TERMS OF EMPLOYMENT** means the Company's policies for employees and the terms of employment as contained in the employment letter and the company handbook, which includes provisions for securing confidentiality, non-compete and non-poaching of other employees and customers.
 - **CORPORATE ACTION** means one of the following events or other similar events:
 - a change in the capital structure of the company as a result of reclassification of shares, splitting up of the face value of shares, sub-division of shares, issue of bonus shares, issue of rights shares, conversion of shares into other shares or securities and any other change in the rights or obligations in respect of shares.
 - the merger, de-merger, spin-off, consolidation, amalgamation, sale of business or other reorganization of the company (except to a subsidiary) in which all the shares are converted into or exchanged for:
 - a different class of securities of the company; or
 - any securities of any other issuer; or
 - cash; or
 - other property.
 - the sale, lease or exchange of all or substantially whole of the assets/ undertaking of the Company to any other Company or entity (except the subsidiary).
 - the adoption by the shareholders of the Company of a scheme of liquidation, dissolution or winding up.
 - **CONTRACT** The contract that regulates the relationship between the company and the option grantee following the exercise of the option right according to the Plan.
 - **DIRECTOR** means a member of the Board of the Company.
 - **DISABILITY** shall mean "Disability" as defined in any applicable agreement between the grantee and the Company or if there is no such agreement or Disability is not defined therein, then a grantee's becoming physically or mentally incapacitated as certified by a recognised medical body.

- **ELIGIBILITY CRITERIA** means the criteria as may be determined from time to time by the Committee for granting the employee stock options to the employees.
- **EMPLOYEE** means:
 - a) Permanent employees of the Company working in India or out of India;
 - b) Directors of the Company, a whole-time director or not; and
 - a) An employee as defined in clause (a) or (b) of a subsidiary, in India or outside India, or of a holding company of the Company.

Following persons are not eligible:

 - b) an employee who is a Promoter or belongs to the Promoter Group;
 - c) 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
 - d) an Independent Director.
- **ELIGIBLE EMPLOYEE** means an Employee identified by the Nomination and Remuneration Committee' as per Article 16 except such Employees who are not eligible to receive Options under Applicable Law.
- **EXERCISE** in relation to Options means, the tendering by a Grantee, of an application for the issue of shares, pursuant to the Options vested in him under the Grant and the Plan accompanied by the Exercise Price payable for the shares.
- **EXERCISE DATE** means date on which Grantee elects to exercise the vested Options.
- **EXERCISE PERIOD** in relations to the Options means the time period after Vesting of that Option which the Grantee shall have to Exercise that Option in accordance with Article 19.
- **EXERCISE PRICE** means the price payable by the Grantee for exercising the Option granted to him in pursuance of the Plan.
- **GRANT** means, individually or collectively, issue of Options to employees under the Plan.
- **GRANT DATE** means the date on which Options are granted to an Eligible Employee pursuant to the Plan and specified in the Letter of Grant.
- **GRANTEE** means an Eligible Employee who has been granted Options pursuant to the Plan where the context so requires includes his/her legal heirs and/or the nominee of such Grantee.
- **INDEPENDENT DIRECTOR** means a Director of the Company as defined under sub section 6 of section 149 of Companies Act, 2013.
- **LAPSE** means the time at which the option grantee will no longer have the right to exercise the options and the options will be forfeited.
- **LETTER OF GRANT** means the letter issued by the Company to the Employee upon grant of Options containing brief details of the Options Granted.

- **LONG LEAVE** means a period of unpaid leave, greater than 30 days, sought by the employee and approved by the employer.
- **NOMINATION AND REMUNERATION COMMITTEE or COMMITTEE** means the committee constituted by the Board of Directors as per section 178 of Companies Act, 2013 to administer the plan as defined in Article 15 of the plan.
- **NOMINEE** in relation to an Option shall mean the person nominated by the Grantee of that Option in relation to that Option under Article 25.
- **OPTION OR STOCK OPTION** means the employee stock options granted to an Employee pursuant to this Plan, which gives such Employee, a right but not an obligation to subscribe, at a future date, Shares offered by the Company at a predetermined price, in accordance with this Plan.
- **PLAN** means the **DHANVARSHA ESOP PLAN 2018**, as set out herein and as amended or modified from time to time
- **PROMOTER** means as defined under regulation 2(1)(za) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended.
- **PROMOTER GROUP** means as defined under regulation 2(1)(zb) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended.
- **RELATIVE** shall have the meaning assigned to it in the SEBI (SBEB) Regulations.
- **RELEVANT DATE** means
 - i. in the case of grant, the date of the meeting of the 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 by the Grantee.
- **RESULTANT SHARES** means equity shares issued in lieu of shares of the Company on any Change in Capital Structure or on any Corporate Action as mentioned in this Plan.
- **RETIREMENT** means retirement as per the rules of the Company.
- **SEBI** means the Securities and Exchange Board of India.
- **SEBI (SEBI & SE) Regulations** means **Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended from time to time and shall include any guidelines, regulations or law on the subject of employee stock options that supersede the SEBI (SBEB & SE) Regulations.**
- **SHARE** shall have the meaning assigned to it in the SEBI (SBEB) Regulations and where the context so requires shall include the Resultant shares.
- **SHAREHOLDER** means a person who is the registered holder of an equity share in the share capital of the Company.
- **SUBSIDIARY** means a subsidiary of the Company incorporated / acquired hereafter, as defined in the Companies Act, 2013.

- **STRATEGIC SALE** refers to the sale of a majority stake (51% or more) of the company or any sale in which a strategic partner acquires a majority stake and/or management control; from the company or the promoter group
- **TENURE OR GRANT TENURE** means the period from approval of grant date till the period in which the vested options can be exercised, during which period the grant is effective.
- **UNVESTED OPTION** means an option in respect of which the relevant vesting conditions have not been satisfied and as such, the option grantee has not become eligible to exercise the option.
- **VESTED OPTION** means an option in respect of which the relevant vesting conditions have been satisfied and the option grantee has become eligible to exercise the option.
- **VESTING** of an Option means the acquisition by the Grantee (or, by nominees, or legal heirs of the Grantee) of that Option of the right, in accordance with Article 18, to apply for shares of the Company against the option granted.
- **VESTING CONDITIONS** means the conditions subject to which the option granted would vest in a Grantee.
- **VESTING PERIOD** means the period during which the vesting of the option granted to the employee in pursuance of the Plan and subject to the Vesting Conditions takes place.

All other expressions unless defined herein shall have the same meaning as have been assigned to them under the SEBI (SBEB) Regulations.

11.2. Interpretations

In this document, unless the contrary intention expressly appears:

- a) the singular includes the plural and vice versa;
- b) the word "person" includes an individual, a firm, a body corporate or unincorporated or any authority;
- c) any word or expression importing the masculine, feminine or neuter genders only, shall be taken to include all three genders;
- d) where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings;
- e) wherever the Plan uses the word "includes". "including" or words of similar import, it shall be deemed to mean "includes without limitation", "including without limitation" etc.;
- f) wherever any provision of this Plan invests any discretion, power or ability in the Board or in the Nomination and Remuneration Committee, such discretion, power or ability shall be deemed to be absolute to the fullest extent permissible under law

- provided only that the exercise of discretion, power or ability by the Nomination and Remuneration Committee shall be subject to directions by the Board if any; and
- g) in case of any ambiguity in any provision of this Plan, the Nomination and Remuneration Committee shall have the power to clarify the provision by a resolution and the relevant provision shall be interpreted accordingly.

11.3. Article Headings

The headings/ subheadings/ titles/ subtitles are only for the sake of convenience and shall not be interpreted to restrict or otherwise affect the meaning or import of the Articles/Clauses, which shall be interpreted solely in light of the contents thereof.

11.4. References

- i) A reference to an Article is to an Article of this document.
- ii) Reference to any Act, rules, statute or notification shall include any statutory modification, substitution or re-enactment thereof.

ARTICLE 12. IMPLEMENTATION

- 12.1. The Plan shall be implemented by the Nomination and Remuneration Committee under the policy and framework laid down by the Board of Directors of the Company and in accordance with the authority delegated to the Nomination and Remuneration Committee in this regard from time to time and subject to the amendments, modifications and alterations to the Plan made by the Company and/or Board of Directors in this connection.

ARTICLE 13. STOCK AVAILABLE UNDER THE PLAN

- 13.1. The maximum number of Options that may be issued under the Plan shall not exceed an aggregate of 18,90,000 (Eighteen lakhs Ninety Thousand only) Equity Shares of the Company. Subject to Applicable Law, the Company reserves the right to increase or reduce the number of Options that may be issued under this Plan as it deems fit.
- 13.2. All Options that have lapsed (including those having lapsed by way of forfeiture) shall be added back to the number of Options that are pending to be Granted. The Company may make a Grant of such Options within the overall limit determined in accordance with the Plan on such terms as the Nomination and Remuneration Committee may decide.

ARTICLE 14. EFFECTIVE DATE AND PLAN DURATION

- 14.1. The Plan shall be deemed to have come into force on September 28, 2018.

- 14.2. The Plan shall remain in effect until all Options Granted under the Plan have been Exercised or have expired by reason of lapse of time, whichever is earlier or such other date as may be determined by the Board of Directors.
- 14.3. If any Options Granted under the Plan are terminated / forfeited / lapsed under the provisions of the Plan, such Options shall be available for further Grant under the Plan on such terms as the Nomination and Remuneration Committee may decide.

ARTICLE 15. NOMINATION AND REMUNERATION COMMITTEE

- 15.1. The plan shall be administered, implemented and supervised by the Nomination and Remuneration Committee in compliance with the terms of the plan and applicable law, as would be prevailing from time to time. These are in addition to other express powers and authorizations conferred by the plan to the Committee.
- 15.2. Nomination and Remuneration Committee consists of such directors in accordance with section 178 of Companies Act 2013 for administration and superintendence, including formulating of terms and conditions of the Plan. The Board may increase the size of the Nomination and Remuneration Committee by appointing additional members, remove existing members (with or without cause) and appoint new members in substitution thereof and fill vacancies howsoever caused. All the decisions of the Nomination and Remuneration Committee shall be taken by simple majority.
- 15.3. Subject to the terms of the Plan and Applicable Law, the powers of the Nomination and Remuneration Committee, inter alia, include the power to:
- a. determine the Employees eligible to participate under this Plan;
 - b. determine the performance parameters for Grant and/or Vesting and / or Lapse of Options granted to an Employee;
 - c. assess the performance of an Employee for granting/determining the Vesting of the Options;
 - d. determine the number of Options to be granted, to each Grantee and in the aggregate, and the times at which such Options shall be Granted;
 - e. determine the number and type of Shares to be covered by each Option granted under this Plan;
 - f. determine the Vesting Period of the Grant made to any Employee and/or any conditions subject to which such Vesting may take place;
 - g. determine the Exercise Price of each Option granted under this Plan and provide for it in the Letter of Grant relating to that Option;

- h. reprice the Options which are not exercised, whether or not they have been vested, if those Options are rendered unattractive due to fall in price of Shares in the market. Provided that such repricing shall not be detrimental to the interest of the employees.
- i. list the conditions under which Vested Options may lapse including termination of employment for fraud, misconduct or where an Employee joins a competitor, etc;
- j. determine the Exercise Period within which the Employee should exercise the Options and that Options would lapse on failure to exercise the Option within the Exercise Period;
- k. specify the time period within which the Employee shall Exercise the Vested Options in the event of termination or resignation by an Employee; for the avoidance of doubt it is clarified that this power shall, to the extent permissible in law, also include the power to stipulate a time period later than the date when such Employee's Exercise Period would otherwise have lapsed;
- l. determine the procedure for making fair and reasonable adjustments, inter alia, to the number or terms of Options and to the Exercise Price, in case of Change in the Capital Structure and/or Corporate Action. In this regard, the following shall be taken into consideration by the Nomination and Remuneration Committee:
 - i. the number and the price of Options may be adjusted in a manner such that total value of the Options remains the same after the Corporate Action;
 - ii. for this purpose global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered;
 - iii. the Vesting Period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Option holders.
- m) provide for the right of an Employee to exercise all the Vested Options in him at one time or at various points of time within the Exercise Period;
- n) list the procedure for cashless exercise of Options, if any;
- o) provide for modifications to the terms of Grant, Vesting and Exercise of Options in case of Grantees who are on long leave or whose services have been seconded to any other person by the Company or who have joined a Subsidiary at the instance of the Company;
- p) satisfy withholding tax obligations by electing to have the Company withhold from the Shares to be issued, that number of Shares having a value (computed in such manner as the Nomination and Remuneration Committee deems fit) equal to the minimum amount required to be withheld;
- q) exercise such rights and to do such acts, as may be necessary or expedient in connection with the implementation, administration and superintendence of the Plan; and
- r) If deemed fit by the Committee, Committee may make an offer to Option Grantee, to fully / partially surrender and cancel their Vested Options against settlement in cash; provided that such an offer, if made, shall be made to all Option Grantee who

hold Vested Options; and acceptance of such an offer shall be at complete discretion of the Option Grantee. The Committee may accordingly fully / partially extinguish relevant Vested Options, against settlement in cash.

- 15.4. The Nomination and Remuneration Committee shall be entitled to delegate all or any powers conferred upon it and as set-out in this Plan to the management of the Company, as it may deem fit.
- 15.5. The Committee shall frame suitable policies and systems to ensure that there is no violation of:

- SEBI (SBEB) Regulations;
 - SEBI (Prohibition of Insider Trading) Regulations, 2015
 - SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011; and
 - SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2013, as amended from time to time, by any employee.
- 15.6. The members of the Committee and their powers and functions can be specified, varied, altered or modified from time to time by the Board of Directors subject to such rules and regulations as may be in force. The Board may further provide that the Committee shall exercise certain powers only after consulting the Board of Directors of the Company, as the case may be.
- 15.7. The decision of the Nomination and Remuneration Committee shall be final and binding in respect of the Plan. The Nomination and Remuneration Committee shall be authorized to interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan and to make any other determinations that it deems necessary or desirable for the administration and implementation of the Plan. The Nomination and Remuneration Committees may correct any defect, omission or reconcile any inconsistency in the Plan in the manner and to the extent the Nomination and Remuneration Committee deems necessary or desirable. Subject to the Applicable Laws, any decision of the Nomination and Remuneration Committee in the interpretation and administration of this Plan as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to, Grantee and for Nominees and their beneficiaries or successors).
- 15.8. No member of the Nomination and Remuneration Committee shall be personally liable for any decision or action made in good faith with respect to the Plan. However, members of the Nomination and Remuneration Committee or invitees shall abstain from participating in and deciding matters that directly affect their individual ownership interests under the Plan.

ARTICLE 16. ELIGIBLE EMPLOYEE

- 16.1. The Nomination and Remuneration Committee, based on the various criteria including role/designation of the Employee, length of service with the Company, past performance record, future potential of Employee etc. (which shall be decided from time to time) shall identify the Eligible Employees for a Grant under the Plan and the terms and conditions thereof.
- 16.2. The Nomination and Remuneration Committee with or without the recommendation of the Board of Directors, may in its absolute discretion, vary or modify such criteria and /

or selection and / or the terms and conditions for Grant of Shares to any Employee or class of Employees.

ARTICLE 17. GRANT OF OPTIONS

17.1. **Grant Limits**

- a. The Committee may from time to time make Grants to one or more Employees, determined by it to be eligible for participation in the Plan in accordance with the provisions of Article 16 of the Plan. Shares shall be deemed to have been issued under the Plan only to the extent actually issued and delivered pursuant to a Grant. The aggregate number of shares which may be issued under the plan shall be adjusted in the same manner as equity shares in case of any corporate action(s).
- b. The maximum number of Shares that may be issued pursuant to the Exercise of all Options issued per Employee in any financial year under this Plan shall not exceed 3.0% of the issued capital (excluding outstanding warrants, Options and other convertible securities) of the Company [as on the date of the issuance of the Option last granted to such Employee] and the aggregate number of Shares that may be issued pursuant to the Exercise of all Options issued per Employee in any case shall not exceed 5.0% of the issued capital (excluding outstanding warrants, Options and other convertible securities) of the Company as on the date of the issuance of the Option last granted to such Employee.
- c. The Managing Director may recommend to the board and the Committee to grant option rights to any employee, other than himself, who satisfies the conditions of the granting of the option right
- d. The Grant shall be in writing and shall specify the number of options granted, the price payable for exercising the options, the date/s on which some or all of the Options shall be eligible for vesting, fulfillment of the performance and other conditions, etc. if any, subject to which vesting shall take place and other terms and conditions thereto.
- e. The option shall not be transferable and can be exercised only by the Grantee.
- f. The amount of the total option rights granted shall not, at any time, exceed 1,890,000 (Eighteen lakhs Ninety Thousand only) shares.

17.2. **Shares offered** - The shares to be offered pursuant to a Grant shall be from the authorized share capital of Dhanvarsha Finvest Limited.

17.3. **Structure of the plan** - The Company has set aside 1,890,000 (Eighteen lakhs Ninety Thousand only) shares from the authorized capital for the purpose of this Plan. Each Option entitles the Grantee thereof to apply for and be allotted one equity share of the Company at the Exercise Price.

- 17.4. **Grant Plan** - All employees who are eligible as per Article 16 of the Plan shall be granted options on the date they become eligible under the Plan. However, the Committee has the sole discretion to in its absolute right in granting options even if the employees do not meet one or more of the eligibility criteria given in Article 16.
- 17.5. **Grant Criteria** - All eligible employees will be granted options by the Committee on the basis of some or all of the following criteria, as and when they apply:
- i. Level and role of the employee;
 - ii. Tenure with the organization;
 - iii. Such other factors as the Committee may decide from time to time on the recommendation of the board, including qualifications, contribution towards the growth of the Company and other functional and managerial factors

ARTICLE 18. VESTING OF OPTIONS

- 18.1. **Vesting plan** - The vesting period for the grant shall be decided by the Committee, subject to minimum vesting period of 1 (one) year. For eligible employees as identified by the Committee and at their sole discretion, vesting of the options shall take place over a maximum of 5 (five) years from the date of grant. If any long leave is taken by the employee, then the duration of this leave will be added to the vesting period. The Committee may waive of the long leave duration on a case to case basis. Notwithstanding anything to the contrary in this plan, the Committee may be entitled to in its absolute discretion, to vary or alter the Vesting Date from employee to employee or for different grades of employees, as it may deem fit, as long as the same is not detrimental to the employee interests.
- 18.2. **Exercise of unvested options** - The Committee in its absolute discretion, may vary the terms and conditions of exercise of unvested options as it may deem fit subject to the approval of the Board, and subject to the minimum lock-in conditions applicable at that time but will not extend the vesting date and/or period as communicated to the employee in the initial grant.
- 18.3. **Acceleration of Vesting Period** - Subject to the provisions of the applicable law, the Committee may, at its absolute discretion and on a case-by-case basis, provide for accelerated Vesting. whereby, the date of Vesting is advanced to a date that is before the original Vesting date as specified in the Grant letter, provided that in no event shall the Vesting period pursuant to such accelerated Vesting be shorter than one year from the date of grant.

ARTICLE 19. EXERCISE OF OPTIONS

- 19.1. **Exercise plan** - There shall be no lock-in after the options have vested. The Vested options would be eligible to be exercised from the Vesting Date itself subject to the opening of the exercise window. The Grantee shall exercise the options before the end of eight years from the Grant Date. The Shares arising out of Exercise of Vested Options would not be subject to any lock-in-period after such Exercise, except as required by the then applicable law. Notwithstanding any provisions to the contrary in this Plan, the Options must be exercised within 8 years from the date of grant.
- 19.2. **Exercise price** - The options will be issued at a predetermined exercise price. The exercise price shall be decided by the Nomination and Remuneration Committee in line with SEBI (SBEB) Regulations and any other applicable guidelines. The Company may reprice the unexercised Options, if there is a fall in the share price in the market which renders the Grant price unattractive. However, the Company will ensure that such repricing should not be detrimental to the interest of the employees and the approval of the shareholders of the Company in General Meeting has been obtained for such repricing.
- 19.3. **Exercise Window** - The option grantee may Exercise his vested options as decided by the Nomination and Remuneration Committee during the year.
- 19.4. **Other aspects** - Notwithstanding anything contained elsewhere in the Plan, the Committee and/or the Board may, if the Exercise of Options within the Exercise period, is prevented by any law or regulation in force, defer or refuse to permit the Exercise of Options till such time as it is prohibited by the applicable laws or regulations and in such an event, the Company shall not be liable to pay any compensation or similar payment to the Employee for any loss suffered due to such refusal. Provided further, that the Board shall have the power to cancel all or any of the Options granted under the Plan if so required under any law for the time being in force.

ARTICLE 20. EXIT PLAN

- 20.1. **Whilst in employment** - The employee will be free to sell his allotted Shares in the open market, subject to any holding restrictions by SEBI, if any, at the time of the then applicable law. In event of a Strategic Sale, all Vested Options of the employee will be exited in the currency of the transaction (cash or equity swap, as the case may be).
- 20.2. **Whilst not in employment** - The ex-employee will be free to sell his Shares in the open market, subject to any holding restrictions by SEBI, if any, at the time of the then applicable law. In event of a Strategic Sale, all Exercised Options of the ex-employee will be eligible for exit in the currency of the transaction (cash or equity swap) as for existing employees of the Company.

ARTICLE 21. TERMINATION OF EMPLOYMENT

21.1. If a Grantee's employment with the Company terminates:

- i. For Cause, then all Options, vested (but not Exercised) or unvested, stand cancelled.
- ii. Cause shall mean, as determined by the Committee, which include but not limited to, (i) the engaging of the Employee in willful, reckless or grossly negligent misconduct which is determined by the Committee to be detrimental to the interest of the Company or any of its affiliates, monetarily or otherwise, or (ii) the Employee's pleading guilty to or conviction of a felony (iii) theft, sexual harassment, fraud, misfeasance, breach of trust or wrongful disclosure of any secret or confidential information about the Company to any third party, or (iv) employment of the Employee in any other organization or provision of services by the Employee for any other organization while employed with the Company.
- iii. Due to voluntary resignation on the part of the Grantee, all vested options have to be exercised within his last working day, post which they will be considered forfeited. All unvested options will lapse post the submission of resignation. The Nomination and Remuneration Committee may at its discretion extend the window to exercise the vested options, on a case to case basis.
- iv. On completion of his employment (or other service) due to Retirement or Superannuation, all unvested options will immediately vest - subject to the minimum lock in conditions as specified by the Companies Act, SEBI or any other applicable guidelines at that point of time and the Grantee shall have the right to Exercise the Options within a period of 24 months from his last working day or within 8 years from the date of grant whichever is earlier, post which the options will be forfeited.
- v. In the event of abandonment by an employee, all Options, vested (but not Exercised) or unvested, stand cancelled.
- vi. In event of termination of employment without a cause, all Options that are unvested, stand cancelled as on the date of such termination
- vii. For reasons other than those referred above in Article 21 or Article 22 below, the Committee will decide whether the vested options on the date of separation can be exercised by the employee or not, and such decision shall be final.

ARTICLE 22. DEATH AND TOTAL & PERMANENT DISABILITY

22.1. If a Grantee dies or becomes totally and permanently disabled while an employee of the Company, the granted Stock Options shall vest and can be exercised as below:

- i. In the event of death of an Employee while in employment with the Company, all the Options granted to him till such date and lying unvested shall vest in the Beneficiary/ nominees of the deceased Employee subject to SEBI (SBEB) Regulations. All the vested Options shall be permitted to be exercised within a period of 24 months from the date

- of death of the Employee or the expiry of the Exercise Period, whichever is earlier. Any vested Options not exercised within this aforesaid period shall lapse and stand forfeited and cancelled at the end of the aforesaid period.
- ii. In the event that the termination of an Employee's employment with the Company is as a result of total or permanent incapacity (i.e., incapacity to engage in work as a result of sickness, mental disability or otherwise or by reason of accident), all the Options granted to him till such date of permanent incapacitation and lying unvested, shall vest in him on that day. All the vested Options shall be permitted to be exercised within a period of 24 months from the date of permanent incapacitation or the expiry of the Exercise Period, whichever is earlier. Any vested Options not Exercised within this aforesaid period shall lapse and stand forfeited and cancelled at the end of the aforesaid period.

ARTICLE 23. NON-ASSIGNABILITY

- 23.1 The Option shall not be transferable or assignable by the Employee, otherwise than by will or the laws of descent and distribution and the Option shall be exercisable, during the Employee's lifetime, only by him or, during periods of legal disability, by his legal representative/inheritor. No Option shall be subject to execution, attachment or similar process. The Options granted shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner. If the Grantee tries to transfer or abandon or dispose of the option right or the rights relating thereto whether voluntarily or obligatorily, the said right(s) shall expire immediately.

ARTICLE 24. RIGHTS OF AN EMPLOYEE

- 24.1. **Shareholder rights** - Neither Employee, nor his successor, shall have any of the rights of a shareholder of the Company with respect to the Options until the shares are allotted by the Company.
- 24.2. **Change of Employment within Company** - Except as may be otherwise provided in this Plan, the Option granted hereunder shall not be affected by any change of employment so long as the employee continues to be employed by the Company, a holding company or a subsidiary of the Company. In the event that an employee who has been granted benefits under a Plan 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.
- 24.3. **Terms and conditions of Shares** - All Shares acquired under the Plan will rank pari passu with all other Shares of the Company for the time being in issue. Dividend in respect of Shares allotted on Exercise of the Options shall be payable from the date of allotment.

ARTICLE 25. STOCK OPTION/GRANTS

- 25.1. **Stock Option Grant** - Each Option shall be evidenced by a signed Letter of Grant between the Company and the Grantee, which shall contain such terms, and conditions as may be approved by the Nomination and Remuneration Committee. The Grantee shall have the right to appoint any individual or legal entity in writing as his /her nominee under the Plan in the event of his death / total and permanent disability. Such designation may be revoked in writing by the Grantee at any time during the time of employment and a new nominee may be appointed in writing on the form provided by the for such purpose. Such nominee shall be the only legal representative recognized by the Company/ the Nomination and Remuneration Committee as the inheritor of the Grantees option to the exclusion of all others.
- 25.2. **Option period** - The option period for the Dhanvarsha ESOP Plan 2018, as specified by the Nomination and Remuneration Committee is eight years from the Grant Date.
- 25.3. **Limitations on Exercise of Option** - Any Option granted hereunder shall be exercisable at such times and under such conditions as determined by the Nomination and Remuneration Committee and as permissible under the terms of the Plan. An Option shall not, however, be exercised for fractional shares.

ARTICLE 26. CHANGE IN CAPITAL STRUCTURE OR CORPORATE ACTION

- 26.1. Except as hereinafter provided, a Grant made shall be subject to adjustment, by the Nomination and Remuneration Committee, at its discretion as to number and price of Options or Shares, as the case may be, in the event of 'Corporate Action' as defined in this Plan.
- 26.2. The existence of the Plan and the Grants made hereunder shall not in any way affect the right or the power of the Board of Directors or the shareholders or the Company to make or authorize any 'Corporate Action' including any issue of shares, debt or other securities having any priority or preference with respect to the Shares or the rights thereof, and with respect to pricing of the shares (shares may be issued at par or at any price as may be decided by the Board of Directors or the Company which may be lower than the price at which stock option is / will be granted to the Employees, from time to time).
- 26.3. If there is a 'Corporate Action' before the Options granted under this Plan are exercised, the Employee shall be entitled on exercise of the Options, to such number of Resultant Shares to which he would have been entitled as if all the Options not exercised by him

had been exercised by him before such 'Corporate Action' of the Company had taken place and the rights under the Options shall stand correspondingly adjusted.

26.4. The Shares in respect of which the Options are granted, are Shares as presently constituted. But if and when, prior to the expiry of the Exercise Period there is a 'Corporate Action' of the Company, the number of Shares with respect to which the Options may thereafter be exercised shall, in the event of:

- An increase in the number or Resultant Shares, be proportionately increased, and the Exercise Price, be proportionately reduced.
- A reduction in the number of Resultant Shares be proportionately reduced, and the Exercise Price, be proportionately increased.

Provided further that in case the provisions of applicable law restrict/prohibit the issue of shares at a discount to its par value, the Exercise Price shall not be less than the amount as prescribed under such law.

ARTICLE 27. AMENDMENT OR TERMINATION OF PLAN

27.1. The Company may by special resolution in a general meeting vary the terms of the ESOP offered pursuant to an earlier resolution of the shareholders but not yet Exercised by the Grantee provided that it is not prejudicial to the interests of the option holders, under SEBI (SEBE) Regulations and other applicable law.

27.2. Without prejudice to the above, the Board of Directors, without any reference to or consent of the Grantee concerned, amend the Plan or Grant or any Agreement to comply with any laws, regulations or guidelines, which is or may hereinafter, become applicable to this Plan.

ARTICLE 28. OTHERS

28.1. **Consequence of failure to exercise options:** The amount payable by the Grantee, if any, at the time of Grant of Option:

- a) may be forfeited by the Company if the Option is not Exercised by the Grantee (or his/ her Nominee/ legal heirs) within the Exercise Period; or
- b) may be refunded to the Grantee (or his/ her Nominee/ legal heirs) if the Options are not Vested due to non-fulfillment of conditions relating to Vesting of Option as per the Plan.

28.2. **No right to a Grant** - Neither the adoption of the Plan nor any action of the Board of Directors or the Nomination and Remuneration Committee shall be deemed to give an person any right to be granted any Option or to purchase Equity Shares, to receive a Grant

or to any other rights hereunder, and then only to the extent of and on the terms and conditions expressly set forth therein.

- 28.3. **No Employment Rights Conferred** - Nothing contained in the Plan or in any Grant made hereunder shall (i) confer upon any Employee any right with respect to continuation of employment or engagement with the Company or its Subsidiary, or (ii) interfere in any way with the right of the Company or its Subsidiary to terminate employment or services of any Employee at any time.
- 28.4. **No Restriction of Corporate Action** - Nothing contained in the Plan shall be construed to prevent the Company from taking any corporate action which is deemed by the Company to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Plan or any future Grant under the Plan. No Employee, beneficiary or other person shall have any claim against the Company as a result of such action.
- 28.5. **Accounting Policies** - The Company shall comply with the accounting policies as may be applicable as per Applicable Law from time to time.
- 28.6. **Taxes** - All Options granted under the Plan shall be subject to all applicable taxes, withholding tax (including, but not limited to, Fringe Benefit Tax or tax on perquisites, as and if applicable) and/or any levy and/or any contribution and/or any payment (by whatever name it is called) arising due to participation in the Plan (in or outside India), if any, and the Company accordingly, shall withhold such taxes and/or levy and/or contribution and/or payment in full unless the Nomination and Remuneration Committee decides otherwise.

Notwithstanding anything contained in the Plan, no Shares/sale proceeds thereof, as the case may be, shall be issued/disbursed to the Employees/Nominees/ legal heirs by the Company in case the Shares are sold, on Exercise of the Options under the Plan, unless applicable taxes, withholding tax (including but not limited to Fringe Benefit Tax, if applicable), levy, contribution and payment are recovered in full, except if the Nomination and Remuneration Committee at its sole discretion decides to recover part of the same from the Employee/Nominee. Grantees shall be deemed to have authorised the Company to sell Shares to discharge withholding and other obligations and appropriate or pay the proceeds thereof on behalf of the Employee.

- 28.7. **Dissolution or liquidation** - In the event of the dissolution or liquidation of the Company, each Option will terminate immediately prior to the consummation of such action, unless otherwise determined by the Board.

28.8. **Confidentiality** - The Employee shall ensure complete confidentiality in respect of all documents, matters and discussions in relation to the Plan, Grant or any connected matter. Any violation may result in forfeiture of Options (whether vested or unvested) or compulsory retransfer of Shares to a nominee as the Nomination and Remuneration Committee may deem fit without prejudice to the other action which may be taken in this regard.

28.9. **Employee to comply with Applicable Laws** - The Employee shall ensure that there is no violation of any Applicable Law including SEBI Regulations on insider trading, substantial acquisition of shares and fraudulent practices.

The Employee shall keep the Company / the Board / the Nomination and Remuneration Committees, fully indemnified and shall hold them harmless against any loss, cost or liability arising in connection with a violation of Applicable Law by the Employee.

28.10. **Regulatory approvals** - The implementation of the Plan, the Grant of any Option under this Plan and the issuance of any Shares under the Plan shall be subject to the procurement by the Company and the Employees of all approvals and permits required by any regulatory authorities having jurisdiction over the Plan, the Options or the Shares issued pursuant thereto. Employees will, if requested by the Nomination and Remuneration Committee, provide such assurances and representations to the Company or the Nomination and Remuneration Committee, as the Company or the Nomination and Remuneration Committee may deem necessary or desirable to ensure compliance with all applicable legal and accounting requirements.

28.11. **Conditions upon issuance of Shares** - Notwithstanding any other provision of the Plan or any agreement entered into by the Company pursuant to the Plan, the Company shall not be obligated, and shall have no liability for failure, to issue or deliver any Options/Shares under the Plan unless such issuance or delivery would comply with the Applicable Laws, with such compliance determined by the Company in consultation with its legal counsel.

28.12. **New Plans** - Nothing contained in the Plan shall be construed to prevent the Company from implementing any other new employee stock option plan or similar plan, directly or through any trust settled by the Company which is deemed by the Company to be appropriate or in its best interest, whether or not such other action would have any adverse impact on the Plan or any Grant made under the Plan. No Employee or other person shall have any claim against the Company and/or trust as a result of such action.

28.13. **Restriction on transfer of option** - Options granted to an Employee shall not be transferable and shall be Exercisable only by such Employee or his/ her nominees or his/

her legal heirs as provided in this Plan. Options shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner except as may be permitted by the Nomination and Remuneration Committee in its sole discretion.

- 28.14. **Information to Employees** - Grantees under the Plan post allotment shall receive financial statements annually regarding the Company during the period the Options are outstanding.
- 28.15. **Any outflow under ESOP Plan** - Any outflow for the company on any account including but not limited to any tax, cess, duty or levy (including Perquisite Value Tax) etc., as applicable from time to time at present or in future due to/under this Plan shall be recoverable from the concerned employee.
- 28.16. **Notice and correspondence** - Any notice required to be given by, or any correspondence from, an Employee to the Company / Nomination and Remuneration Committee, may be given at the Company's registered office, or such other address as may be notified in writing.
- 28.17. **Plan exhaustive and severable** - This Plan, along with the letter of grant constitutes the entire understanding in relation to its subject matter. The Plan supersedes all other agreements and understandings whether oral or written with respect to such subject matter including, in the event of a conflict and the letter of grant. In the event that any term, condition or provision of this Plan is held to be a violation of any Applicable Law, then without prejudice to Article 26.1, the Board shall have the power to amend the Plan to omit such or any other term, condition or provision and in such an event the remaining provisions of the Plan shall continue in full force and effect.
- 28.18. **Disputes** - Any disputes or differences of any nature arising in relation to the Plan, any Option hereunder or in relation to any rights or obligations hereunder or under any letter of grant shall be referred to the Nomination and Remuneration Committee and its decision shall be final and binding in all respects. If the Nomination and Remuneration Committee are evenly divided on any issue, then the dispute shall be referred to the Board whose decision on the matter shall be final and binding in all respects.
- 28.19. **Governing Law:** The Plan shall be construed in accordance with and subject to the laws of Republic of India and other applicable laws. The shares issued pursuant to this Plan shall be governed by the Corporate and Securities Laws of the India and in a case where the Shares are listed on a stock exchange in a country other than India, the laws of the country/stock exchange in which the Shares are listed shall also apply. The courts at Mumbai shall have the exclusive jurisdiction.

IN WITNESS WHEREOF THE FOLLOWING DIRECTOR OF THE COMPANY HAS SET HIS
HAND ON SEPTEMBER 28, 2018.

SIGNED BY

Karan Neale Desai
Managing Director & CEO
Dhanvarsha Finvest Limited

In the presence of

Narender Tater
Chief Financial Officer

M Vijay Mohan Reddy
Company Secretary