



## **Aditya Infotech Limited**

### **Aditya Infotech Employee Stock Option Plan 2024**

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## **PART A: STATEMENT OF RISK**

All investments in shares or options are subject to market risks as the value of shares may fluctuate. In addition, employee stock options are subject to the following additional risks:

### **1. Concentration**

The risk arising out of any fall in value of shares is aggravated if the employee's holding is concentrated in the shares of a single company.

### **2. Leverage**

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

### **3. Illiquidity**

The options under this plan cannot be transferred to anybody, and therefore the employees cannot mitigate their risks by selling whole or part of their options before they are exercised.

### **4. Vesting**

The options will lapse if the employment is terminated prior to vesting. Even after the options are vested, the unexercised options may be forfeited if the employee is terminated for reasons defined in Clause 16 – 'Termination/Cessation of employment' of this plan.

## **PART B: INFORMATION ABOUT THE COMPANY**

### **5. Business Profile of the Company:**

Aditya Infotech Limited was incorporated on 27 March, 1995 having its Registered Office at F-28, Okhla Industrial Area Phase - 1, New Delhi, Delhi-110020, India.

Aditya Infotech Limited (AIL), the company offers a comprehensive range of advanced video security and surveillance products, technologies and solutions for enterprise and consumer segments under our 'CP PLUS' brand which has strong recall value. In addition, we offer solutions and services such as fully integrated security systems and Security-as-a-Service directly and through our distribution network who address the requirements of end-customers engaged in a broad range of sectors such as banking, insurance, real estate, healthcare, industrial, defence, education, hospitality, manufacturing, retail and law enforcement.

Our business is primarily classified as: (i) manufacturing and trading activities; and (ii) trading activities. Our manufacturing and trading activities include the manufacture and sale of our CP PLUS products and the provision of after-sales services in relation to the CP PLUS products sold by us, while our trading activities are limited to distribution of products of Dahua.

We were assigned the 'CP PLUS' brand in 2014 with the aim of providing wider access to cost-effective security and surveillance products, solutions and services.

#### **Present Business Activity:**

Our product portfolio, including products that we source from third parties, deploy wide variety of security technologies such as artificial intelligence ("AI") and machine learning ("ML") to deliver Edge-based AI analytics, all developed inhouse by our dedicated research and development ("R&D") team, integrated Internet of Things ("IoT") ecosystem for connected and smart homes as well as a number of cloud services, including health monitoring systems ("HMS") and attendance management systems ("AMS"). Our product line comprises high definition ("HD")-analog cameras, digital video recorders ("DVRs"), internet protocol ("IP") network cameras, network video recorders ("NVRs"), biometric products, access control products, mobile surveillance solutions, body-worn cameras, thermal cameras, temperature screening solutions, interactive displays, routers, cables, power supplies ("SMPS"), racks and other accessories and products. We also partner with other companies and government agencies to develop indigenized innovations including Indian-made Systems on Chips ("SoCs") and thermal cameras.

**Main Object of the Company as stated in the Memorandum of Association of the Company:**

- a) To carry on the business of manufacture, assembles, importers, exporters, marketing, launching, repairers and to up-grade, buy, sell, process, rebuild with or without foreign colorations all types of computers, computers screens monitors, computers hardware, computers peripherals, key boards, printers, including DTP, Lan system, CD ROM Drivers, multimedia kits, memory SIMMS UPS, CTV modem, E-mail, cable network, dish antenna of all speed & compositions, its spares, parts, accessories. Also to manufacture, process & deal otherwise in all kinds of computer consumables like floppies, ribbons papers, stationery, monitor, screen, covers, files, discs etc.
- b) To develop, obtain, modify, market under license or otherwise, process, export, import computer software's, programmes and/or computers operating systems either in standard form and/or to meet specific requirements of various customers. Also get them registered for protection under the local or international laws.
- c) To manufacture, import, export, process, remake, repair, buy, sell, assemble all kinds of office equipment- electrical electronic; mechanical, automatic, communication aids like, EPBX/PBX exchange, telex, telephones, satellite communications etc. also to deal, trade, manufacture, import, export, process, and assemble their parts accessories spares etc.
- d) To carry on in India or elsewhere the business as manufactures, assemblers, designers, buyers, sellers, importers, exporters, franchisers, distributors, marketers of all kind of security and surveillance products including CCTV products including Thermal Cameras, and the audio products including speakers, mixers, digital audio products, and IP solutions, metal detectors, vehicle surveillance, access control, video door phones, biometric time and attendance instruments, thermo-ware, plastic moulded tableware's, glassware's, smart IOT products, smart phones & mobile phones, safety electronics and futuristic technology products, Tripods, Webcam Stands and mounts, Wall mounts and Stands, service parts of all products as cited above, etc. and also to provide the repair, maintenance, servicing on all cited products.
- e) To design, establish, develop, organize, arrange, manage and carry out basic / fundamental research, applied research, development, experimental work, commercial work, scale up works and every description in all branches of science, engineering and technology for awareness towards the development of CCTV surveillance, electronic security and safety products, computer peripherals, storage devices, smart IOT products, smart phones & mobile phones, futuristic technology products or any other products as referred in clause above.
- f) To carry on business as manufacturers, producers, processors, makers, convertors, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, packers, stockists, agents, subagents, merchants, distributors, consignors, or otherwise deal in all types of medical equipment and accessories including but not limited to gloves, Masks, N95 Masks, safety goggles, bandages, surgical furniture, medical equipments, diagnostic equipments, healthcare products and instruments including all types of thermometers, medical kits and all kinds and varieties of disposable and non-disposable surgical instruments, kits and equipments including personal protective kits and Sterilization kits.

**6. Abridged financial information:**

The abridged financial information of the Company for the last 5 (Five) years for which audited financial information is available along with last audited accounts is available on the website of the Company at <https://adityagroup.com/>.

**7. Risk Factors:**

The Company's business is subject to various generic risks and industry specific risks including those specified below:

**a) Sensitivity to Foreign Exchange Rate Fluctuation:**

In today's global business environment, the Company, operating in the manufacturing and trading activities, undertakes financial transactions outside India in compliance with the Foreign Exchange Management Act, 1999 (FEMA). Consequently, receipts may be denominated in foreign currencies rather than Indian Rupees. Fluctuations in exchange rates whether appreciation or depreciation of the Indian Rupee can directly affect the cash flows arising from such international transactions.

**b) Difficulty in availability of raw materials or Marketing of Product:**

The Company may encounter challenges in the consistent availability and timely procurement of key components and raw materials, including semiconductors, electronic parts, and packaging materials. Such challenges may arise from global supply

chain disruptions, regulatory restrictions, geopolitical developments, or reliance on specific suppliers or countries for critical inputs.

Further, the marketing and distribution of surveillance and security products may be affected by evolving customer preferences, rapid technological advancements, competitive pressures, or changes in regulatory frameworks governing safety, data privacy, or cybersecurity standards. These factors could impact the Company's ability to meet market demand or achieve its targeted growth in both domestic and international markets.

We maintain inspection plans that provide various parameters for maintaining stock-in-trade and stock of raw materials. Further, physical stocking is done at defined intervals in accordance with our policy and our existing stock is reviewed at regular intervals for quality purposes.

**c) Cost/ Time Overrun:**

Controlling time and cost overruns is critical to the successful execution of the Company's projects, including product development, technology upgradation, manufacturing expansion, and large-scale deployment of surveillance solutions. Delays or escalations beyond the planned timelines or budgets—whether due to supply chain constraints, regulatory clearances, or implementation challenges—can adversely affect profitability. In the highly competitive and technology-driven security industry, any deviation from projected cost or time parameters may result in loss of market opportunities, margin pressures, and increased strain on resources.

**d) Industry Specific Risks:**

Changing laws, rules or regulations and legal uncertainties in India, including adverse application of taxation laws and regulations, may adversely affect our business, results of operations, cash flows and financial condition.

**e) Dynamic scenario:**

Technological advancements may render existing manufacturing processes obsolete, requiring the Company to invest significantly in new equipment, raw materials, or sustainable and compliant production methods. In the industry of Company, where innovation, quality standards, and regulatory expectations evolve rapidly such changes may have a material impact on the Company's financial resources, operational continuity, and overall competitiveness.

**f) Political instability or changes in the Government in India or in the Government of the states where we operate could cause us significant adverse effects:**

The Company is incorporated in India, with all of its operations, assets, and personnel located within the country. As a result, our business performance—as well as the market price and liquidity of our Equity Shares—is influenced by factors such as exchange rate fluctuations, interest rates, government policies, taxation, and broader political and economic developments within India, including social or regional instability.

The Indian government has historically played a significant role in regulating the economy and continues to influence various sectors, including healthcare and consumer products. Our operations are subject to regulations not only at the central level but also in the individual states where we operate. While successive governments since 1991 have pursued economic liberalization and reforms, there is no assurance that such policies will persist. Any political or regulatory instability could slow reform momentum, impact sector-specific policies—such as those governing personal care, healthcare products, or foreign investment—and adversely affect our business, financial condition, and future prospects. A shift in government policy or enforcement, particularly in areas of product regulation, environmental standards, or consumer safety, could also negatively impact our operations and the value of our Equity Shares.

**g) Risk arising from changes in interest rates and banking policies:**

Increased interest rates will have a bearing on profitability and credit controls will have an effect on our liquidity and will have serious effect on adequate working capital requirements.

The above risks and uncertainties include but are not limited to risks and uncertainties relating to dependencies on few customers and suppliers, changes in the regulatory framework, adverse development in the any of the customer industries to whom substantial part of the product is given, downgrading of credit worthiness, political instability, legal restrictions and general economic conditions affecting the industry.



**8. Continuing disclosure requirement:**

The option grantee 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. The Grantees shall have access to the Company's financial statements through the Company website.



## **PART C: SALIENT FEATURES OF THE SCHEME**

This part contains the salient features of the Employee Stock Option Scheme of the company including the conditions regarding vesting, exercise, adjustment for corporate actions, and forfeiture of vested options.

### **9. Name and objectives of the Plan:**

**9.1.** The Plan shall be called the Aditya Infotech Ltd. Employee Stock Option Plan 2024 (or “Aditya Infotech Ltd. ESOP Scheme 2024” or the “Plan” or the “Scheme”).

**9.2.** The objectives of the Plan are as follows:

- 9.2.1. To align employee interest with that of shareholders in such manner that the employee would be motivated to take decisions in the interest of the shareholders,
- 9.2.2. To provide wealth creation opportunities to our employees linked to value creation.
- 9.2.3. To retain our best performing, critical talent
- 9.2.4. To reward tenured employees for their association, dedication, and past contribution

### **10. Definitions and Interpretations**

#### **10.1. Definitions**

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

- 10.1.1. **Abandonment** means absence of an Employee from work for a period as declared by Human Resource Department of the Employer Company on case to case basis in accordance with Code of Conduct of the Employer Company.
- 10.1.2. **Act** means the Companies Act, 2013 for the time being in force and as amended from time to time.
- 10.1.3. **Applicable Law** means the legal requirements relating and as applicable to Employee Stock Option Schemes, including, without limitation, The Companies Act, 2013, as amended, Companies (Share Capital and Debenture) Rules, 2014, the Securities and Exchange Board of India Act, 1992, as amended, the guidelines and regulations issued by the Securities and Exchange Board of India including the SEBI ESOP Regulations, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, 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.
- 10.1.4. **Board/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.
- 10.1.5. **Change in Capital Structure** means 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.
- 10.1.6. **Company** means Aditya Infotech Ltd., incorporated in 1995.
- 10.1.7. **Company Policy/ Terms of Employment** means the Employer 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.



- 10.1.8. **Compensation Committee/ Committee/ Administrator** shall mean the 'Nomination and Remuneration Committee' constituted and set up by the Company for the implementation and administration of the Plan.
- 10.1.9. **Corporate Action** means and includes` one of the following actions:
- (a) The merger, de-merger, spin-off, consolidation, amalgamation, sale of business or other reorganization of the company (except to a subsidiary).
  - (b) 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).
  - (c) The adoption by the shareholders of the Company of a scheme of liquidation, dissolution or winding up.
- 10.1.10. **Separation/ Cessation date** means the last working day of the Employee in the Employer Company.
- 10.1.11. **Director** means a director of the Board of the Company.
- 10.1.12. **Eligibility criteria** means the criteria as may be determined from time to time by the Compensation Committee for granting the employee stock options to the Employees (defined below).
- 10.1.13. **Employee** means:
- (a) an employee as designated by the company, who is exclusively working in India or outside India; or
  - (b) 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
  - (c) An employee as defined in sub-clauses (a) or (b) 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:
    - i. An employee who is a Promoter or belongs to the Promoter Group
    - ii. A Director who either himself or through his relative or through any Body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company.
- 10.1.14. **Employer Company** means the Company as defined in clause 10.1.6 and Group Company including Subsidiary, Associate Company, in India or outside India, Holding Company of the Company.
- 10.1.15. **Exercise** in relation to options means, submission of an application by Grantee to the Company for issue of shares against Vested Options in pursuance of the Plan in accordance with the procedure laid down by the Company for Exercise of such Options.
- 10.1.16. **Exercise Date** means the date on which an Employee of the Employer Company Exercise the Options and submit an application along with the payment of the exercise application money in the designated Bank Account of the Company.
- 10.1.17. **Exercise Period** means a period of four (4) years commencing from the date of respective Vesting, during which an Employee may Exercise his/her right to apply for Shares against the Vested Options in pursuance of the Plan.
- 10.1.18. **Exercise Price** means the price, if any, payable by the Grantee in order to exercise the Options granted to him in pursuance of this Plan, the Exercise Price shall however be subject to accounting policies as specified under the Act and the Regulations.
- 10.1.19. **Exercise Window** means a period within which vested Options can be exercised within the overall exercise period, which shall be as decided by the Committee from time to time.
- 10.1.20. **Market Price** means the latest available closing price on a Recognized Stock Exchange on which the Shares of the Company are listed, on the date immediately prior to the Relevant Date. If the shares

are listed on more than one stock exchange, then the stock exchange where there is highest trading volume shall be considered.

- 10.1.21. **Grant** means the process by which the Company individually or collectively, issues the Options to Employees under the Plan.
- 10.1.22. **Grantee** means an Eligible Employee who has been granted Stock Options pursuant to the Plan where the context so requires includes his/her legal heirs and/or designated beneficiary.
- 10.1.23. **Grant Date** means the date on which Compensation Committee approves the grant.
- 10.1.24. **Long Leave** means a period of unpaid leave, greater than 30 days, sought by the employee and approved by the Employer Company.
- 10.1.25. **Managing Director/Chairman:** The Managing Director/Chairman of the company appointed from time to time.
- 10.1.26. **Relevant date** means the date of the meeting of the Compensation Committee on which the Grant is made.
- 10.1.27. **Option or Stock Option** means the right but not an obligation, given to an employee to convert such options in the equity shares of the Company at a future date, at a pre-determined price.
- 10.1.28. **Option Agreement or Grant Letter or Letter of Grant** means a written agreement entered into between the Company and an Employee with respect to Grant of an Option to such Employee on such terms and conditions as stipulated in this Plan and as may be suggested/recommended by the Committee from time to time.
- 10.1.29. **Option Pool/ESOP Pool/ Pool** means the total number Options which will be available for grant to Eligible Employees of the Company under the Plan.
- 10.1.30. **Permanent Incapacity** shall mean any incapacity in whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said employee was capable of performing immediately before such disablement, as determined by the Compensation Committee at its discretion.
- 10.1.31. **Plan** means the Aditya Infotech Ltd. Employee Stock Option Plan 2024 as set out herein and as amended or modified from time to time.
- 10.1.32. **Promoter** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended;
- 10.1.33. **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, as amended;
- 10.1.34. **Resultant shares** means the 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.
- 10.1.35. **Retirement** means retirement as per the extant rules of the Company.
- 10.1.36. **Secretary or Company Secretary** means Company Secretary and Compliance officer of the Company of the Company, who shall be the convenor and secretary to the Committee.
- 10.1.37. **Secretarial auditor** means a company secretary in practice appointed by the company under rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 to conduct secretarial audit pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



- 10.1.38. **SEBI ESOP Regulations/ SEBI Regulations** shall mean Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended.
- 10.1.39. **Share** means and includes equity shares and securities convertible into equity shares and includes American Depository Receipts, Global Depository Receipts or other depository receipts representing underlying equity shares or securities convertible into equity share.
- 10.1.40. **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.
- 10.1.41. **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.
- 10.1.42. **Vesting** means the process by which the Grantee becomes entitled to receive the benefit of a Grant made to him/her under the Plan.
- 10.1.43. **Vesting Conditions** means the conditions subject to which the Option granted would vest in an Option Grantee.
- 10.1.44. **Vesting Period** means the period during which the vesting of the Option granted to the Grantee in pursuance of the Plan takes place.
- 10.1.45. **Voluntary Resignation** means a Grantee who voluntarily separates/resigns from the Employer Company for any reason, in circumstances other than by reason of Death and Permanent Disability.
- 10.1.46. **Working Day** means the day on which recognized stock exchange is open for business.

The definitions as given above are for the purposes of interpretation of this Plan only and should not be used for any other purpose.

## 10.2. Interpretations

In this document, unless otherwise stated or intention appears:

- (a) The singular includes the plural and vice versa
- (b) The word person includes an individual, a firm, a body corporate or any other authority as per the context
- (c) Any word or expression importing the masculine or feminine genders shall be taken to include all these genders.
- (d) Any word which is not defined under the plan shall be interpreted in line with SEBI ESOP Regulations, as amended, Securities and Exchange Board of India Act, 1992, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, or the Companies Act, 2013, as amended, or Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended, and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those legislation.
- (e) In case of lack of clarity on an issue raised either by the Employee(s) or the Company, the interpretation of the Committee shall be treated as final.
- (f) Any amendments in the SEBI ESOP Regulations /other applicable laws shall be binding even if not incorporated in this Plan.

## 10.3. Section headings

The section heading are for information only and shall not affect the construction of this document.



#### 10.4. References

- 10.4.1. A reference to a clause or schedule is respectively a reference to a clause or schedule of this document. The Schedules, if any, to this document shall for all purposes form part of this document
- 10.4.2. Reference to any Act, Rules, Regulations, Statutes or Notifications/ Circulars/ Press Notes shall include any statutory modification, substitution or re-enactment thereof.

#### 11. Implementation

- 11.1. The Plan shall be implemented by the Committee under the policy and framework laid down by the Board of Directors of the Company, in accordance with the authority delegated to the Committee in this regard from time to time and shall be subject to the amendments, modifications and alterations to the Plan confirmed and approved by the Shareholders of the Company and/or Board of Directors in this connection wherever being needed.
- 11.2. The issuance of shares will be under the guidance, advice and direction of the Committee constituted under this Plan.

#### 12. Effective date of the Plan

##### 12.1. Effective dates

The Plan shall be deemed to have come into force from June 17, 2024 i.e., the date on which terms of this Plan were approved by the Shareholders of the company in General Meeting by way of Special Resolution<sup>1</sup>.

##### 12.2. Administration of the Plan

The Plan shall be administered and managed by the Committee and will be 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. The Plan will be implemented by the Committee directly and will involve issue of new shares by the Company for extending the benefits to the eligible Employees and will not involve any secondary acquisition. The issue of shares shall take place on and upon successful exercise of vested options in accordance with the terms and conditions of this Plan.

All decisions, determinations and interpretations with respect to, connected with or arising out of or related to the plan shall be with the Committee. Any such decision shall be final, conclusive and binding upon all persons including the company, any participants, shareholders and any employees.

##### 12.3. Constitution of the Compensation Committee

- a. Nomination & Remuneration Committee is designated as Compensation Committee which shall be constituted in accordance with provisions of Regulation 19 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time, for administration and superintendence, including formulating of terms and conditions of the Plan.
- b. All the decisions of the Nomination & Remuneration Committee shall be taken in accordance with applicable laws. Any member of the Nomination & Remuneration Committee to whom any matters relating to the Plan relate to or who has an interest in such matters shall not vote on such matters.

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<sup>1</sup> The plan has been amended by Shareholders at Annual General Meeting of the Company held on July 07, 2025, by way of Special Resolution.

The plan has been further ratified by Shareholders by way of a special resolution passed through Postal Ballot w.e.f. March 28, 2026.



#### 12.4. Terms and Conditions of the Plan

The Committee shall have the power to formulate the detailed terms and conditions of the schemes which shall, *inter alia*, include the following provisions:

- 12.4.1. Determine the eligibility criteria for Grant of Options to Employees;
- 12.4.2. the quantum/maximum number of Options to be granted under the Plan per Employee and in aggregate under the Plan;
- 12.4.3. the determination of the exercise price of options;
- 12.4.4. to determine Employees to whom options may from time to time be granted hereunder against the eligibility criteria;
- 12.4.5. the conditions under which Options may vest in employees and may lapse in case of termination of employment for misconduct;
- 12.4.6. the Exercise Period within which the Employee should Exercise the Option and that Option would lapse on failure to Exercise the same within the Exercise Period;
- 12.4.7. the specified time period within which the Employee shall Exercise the Vested Options in the event of termination or resignation of an employee;
- 12.4.8. the right of an Employee to Exercise all the Options vested in him/her at one time or at various points of time within the Exercise Period;
- 12.4.9. the procedure for funding the exercise of options.
- 12.4.10. Approve forms, writings and / or agreements for use in pursuance of this Plan;
- 12.4.11. Ensuring compliances with the guidelines applicable to ESOP Scheme;
- 12.4.12. the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of Corporate Actions viz. rights issue, bonus issue, split or consolidation of shares, merger, sale of division etc.. In this regard, the following shall, *inter alia*, be taken into consideration by the Compensation Committee:
  - (a) 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;
  - (b) 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;
- 12.4.13. the Grant, Vesting and Exercise of Options in case of Employees who are on long leave.
- 12.4.14. the right to determine the exercise price in line with SEBI ESOP Regulations.
- 12.4.15. Eligibility to avail benefits under this Plan, in case of Employees who are on long leave;
- 12.4.16. the procedure for buy-back of specified securities issued under SEBI ESOP 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' (as defined under Securities and Exchange Board of India (Buyback of Securities) Regulations 2018) that the company may buy-back in a financial year.
- 12.4.17. to amend, alter, vary or modify any other terms of the plan, get them approved from Board and implement them, where such variation is to meet any regulatory requirement only

- 12.4.18. Determine the conditions under which the options shall be accelerated at the discretion of the /Committee.
- 12.4.19. Determining of disallowance of Options in case of any breach or misconduct by Grantee.
- 12.4.20. Laying down procedure for implementation of the Scheme/Plan;
- 12.4.21. Determine the method with the Company shall use to value the options;
- 12.4.22. Approving allotment of shares consequent to exercise of employee stock options under the Plans
- 12.4.23. All questions of interpretation under this Scheme shall be determined by the Compensation Committee and shall be final and binding upon all the persons having interest in such Plan.
- 12.4.24. Notwithstanding anything contained herein and in accordance with the applicable Law, the Board may make rules, policies in relation to the said Scheme/Plan which shall be binding on the Compensation Committee and the Grantee.

The Committee shall frame suitable policies and systems to ensure that there is no violation of the Applicable Laws by the Company and the Employees, including:

- SEBI ESOP Regulations;
- SEBI (Prohibition of Insider Trading) Regulations, 2015; and, as amended,
- Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (as amended)
- Relevant provisions of the Act.

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.

### **13. Grant of Options**

#### **13.1. Grant Limits**

- 13.1.1. 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 Clause 20 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.
- 13.1.2. The Managing Director may recommend to Committee to grant any employee, other than himself/herself, who satisfies the conditions of the granting of the option right, the right of purchase of a number of shares under this program, except for the option right granted to the Managing Director himself/herself, which right shall be included in the powers of the Chairman of the Board of Directors. However, the final decision to whom Options will be granted will rest with the Committee.
- 13.1.3. 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 and the shares acquired under the Grant shall be eligible for vesting, on fulfillment of the vesting conditions, subject to which vesting shall take place and other terms and conditions thereto. It is hereby clarified that such terms may be different for different Grants and/or different Eligible Employees.
- 13.1.4. No amount shall be payable by an employee at the time of Grant of Options.



- 13.1.5. No employee shall be entitled to such number of options equal to or exceeding 1% of the issued Capital of the Company at the time of grant of options. Approval of shareholders by way of separate resolution in the general meeting/Postal Ballot shall be obtained by the company in case of Grant of option during any one year, equal to or exceeding one per cent. of the issued share capital (excluding outstanding warrants and conversions) of the company at the time of grant of option.
- 13.1.6. The total number of options granted shall not, at any time, exceed **3,170,100<sup>2</sup> options** convertible into equal number of fully paid-up equity shares of the Company, which will be available for grant to eligible employees of the Company under the Plan.
- 13.1.7. Where such employee is a director nominated by an institution as its representative on the Board of Directors of the Company –
- i. the contract or agreement entered into between the institution nominating its employee as the director of the Company and the director so appointed shall, inter alia, specify the following:
    - a) whether the grants by the company under this Plan can be accepted by the said employee in his capacity as director of the Company;
    - b) that grant if made to the director, shall not be renounced in favour of the nominating institution; and
    - c) the conditions subject to which fees, commissions, other incentives, etc. can be accepted by the director from the Company.
  - ii. the institution nominating its employee as a director of the company shall file a copy of the contract or agreement with the said company, which shall, in turn file the copy with all the recognised stock exchanges on which its shares are listed.
  - iii. the director so appointed shall furnish a copy of the contract or agreement at the first board meeting of the company attended by him after his nomination.
- 13.1.8. In the event of any conflict between the terms of this Plan and the Letter of Grant, the terms of this Plan shall prevail.

### 13.2. Shares issued.

The shares to be issued pursuant to a Exercise of Options shall be from the authorized share capital of the Company.

### 13.3. Structure of the Plan

The Company may grant **3,170,100<sup>2</sup> options convertible into fully paid-up equity shares of the Company** under this Plan. Each Option entitles the eligible employees to apply for and be allotted one equity share of Rs. 1 each fully paid-up on payment of the exercise price. The limit may be appropriately revised by the Company in case of any change in capital structure or corporate action necessitating the same subject to the provisions of Clause 23 of this Plan.

Vested options that are forfeited or surrendered or lapse due to non-exercise or unvested options that get cancelled due to resignation of the Grantee or otherwise would be added back to the pool and will be available for being re-granting at a future date.

In case of any change in capital structure or corporate action(s), a fair and reasonable adjustment shall be made to the number of options granted.

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<sup>2</sup> Pursuant to the Board and Shareholders' Resolutions dated June 12, 2024, and June 17, 2024, respectively, the Company approved a bonus issue of its equity shares in the ratio of 4:1 to its existing shareholders, resulting in an increase in outstanding equity shares from 63,402 to 3,17,010.

Further, pursuant to Board and Shareholders' Resolutions dated June 12, 2024, and June 17, 2024, respectively, the face value of the equity shares of the Company was sub-divided from ₹10 each to ₹1 each, thereby increasing the number of equity shares from 3,17,010 to 31,70,100.



#### **13.4. Grant Plan**

All employees who are eligible as per Clause 20 of the Plan shall be granted options. However, the Committee has the discretion, for reasons to be recorded in the minutes of that meeting, in granting options prior to the employees meeting all the eligibility criteria given in Clause 20.

There shall be a minimum period of one year between the Grant of Options and the Vesting of Option.

#### **13.5. Grant Criteria**

All eligible employees will be granted options by the Committee on the basis of some or all of the following criteria, basis the discretion of the Committee:

- Level and role of the Employee;
- Performance of the Employee;
- Tenure with the organization;
- Grade with the organization
- Such other factors as the Committee may at its discretion decide from time to time

Grantee shall not have the right to receive any dividend or to vote or in any manner enjoy the benefits available to a shareholder in respect of an option granted to him/her, till the options are exercised by them and shares are issued to him/her upon such exercise of the option.

### **14. Vesting of Options**

#### **14.1. Vesting period**

The minimum vesting period shall be at least 1 (one) year from the date of Grant. In the event of death or Permanent Incapacity of Grantee, the minimum vesting period of one year shall not be applicable and in such instances, the options shall vest with effect from the date of his/her death or Permanent Incapacitation, as the case may be, in the legal heirs or nominees of the deceased Grantee or to the Grantee in case of Permanent Incapacity.

Vesting of the options shall take place over a maximum period of 4 (four) years from the date of Grant. The specific Vesting schedule and Vesting Conditions subject to which Vesting would take place would be outlined in the Grant Letter.

The Committee at the time of grant may specify certain criteria linked to the individual and/ or organizational performance or any other criteria as it may deem fit for all or a part of the Options the fulfilment of which might be a requisite for the options to vest.

Notwithstanding anything to the contrary in this plan, the Committee may be entitled to in its discretion, for reasons to be recorded in the minutes of that meeting, to vary or alter the Vesting Date from employee to employee or class there, as it may deem fit, subject to any changes in regulation or to protect employee or the Company's interest, provided that these changes are not prejudicial to the employee interest.

The grantee is not required to pay any amount at the time of Vesting of Options.

#### **14.2. Exercise of unvested options**

The Committee in its discretion, for reasons to be recorded in the minutes of that meeting, may vary the terms and conditions of exercise of unvested options as it may deem fit, subject to the minimum lock-in conditions, if applicable, at that time but will not extend the vesting date and/or period as communicated to the employee in the initial grant.

#### **14.3. Acceleration of vesting period**

Subject to the provisions of the applicable law, the Committee may, at its discretion and on a case-by-case basis, for reasons to be recorded in the minutes of that meeting, 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 Option Agreement,



provided that in no event shall the Vesting period pursuant to such accelerated Vesting be shorter than one year from the date of grant.

**14.4. Suspension during Vesting Period**

Notwithstanding anything contrary contained in the Plan, the Committee may at its discretion suspend the vesting of the option during the period Grantee has been suspended by the Employer Company or is subject to any disciplinary inquiry/proceeding due to an act of misconduct or breach of policies/ terms of employment.

**15. Exercise of Options**

**15.1. Exercise**

There shall be no lock-in after the options have vested. 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. Grantee can Exercise all the Options vested in him at one time or at various points of time within the Exercise Period.

The Secretary of the Committee shall notify all the Option Grantees, informing opening of the Exercise Window and to allow them to Exercise the Options.

Upon valid Exercise the Company will allot requisite number of Shares to the Grantee and upon such allotment, the Grantee shall become a member of the Company.

**15.2. Exercise price/Grant price**

The Exercise Price would be decided at the Committee's discretion at the time of Grant and shall be linked with the Market Price in line with SEBI ESOP Regulations and subject to conforming to the accounting policies specified in Regulation 15 of SEBI ESOP Regulations. The Committee has discretion to provide suitable discount on price arrived above. However, the Exercise Price shall not exceed the fair market value as on the Date of Grant and shall not be below the Face Value of the Share of the Company.

Such Exercise Price will be intimated to the eligible Employee at the time of Grant of Options to them.

Provided that, the Company may re-price the Options which are not exercised, whether or not they have been vested, if the Plan were to be rendered unattractive due to fall in the price of the Shares in the market.

However, the Company will ensure that such re-pricing will not be detrimental to the interest of the employees and the approval of the shareholders of the Company by special resolution in general meeting has been obtained for such re-pricing.

**15.3. Exercise period**

The exercise period for the Options granted to an Employee shall commence from the Vesting of Options. The Exercise period shall be decided by the Committee subject to a maximum period of 4 (four) years from the date of each Vesting of Options.

The option holder shall have the right to defer exercising of Options in a particular exercise window and may exercise them in any subsequent exercise window. However, such deferment shall in no event extend beyond the overall Exercise Period, and any Options not exercised within the Exercise Period shall lapse.

The options shall be exercisable by the Grantee by a written application or through any mode as may be prescribed by the Committee, to the Company to exercise the options in such manner, on payment of exercise amount or any other amount payable therein and on execution of such documents, as may be prescribed by the Committee.



#### 15.4. Other aspects

Notwithstanding anything contained elsewhere in the Plan, the Committee 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 Committee shall have the power and be and is, hereby, authorized to cancel all or any of the Options granted under the Plan if so, required under any law for the time being in force.

#### 16. Termination/Cessation of employment

If a Grantee's employment (or other service) with the Employer Company:

- 16.1.** Terminates for Cause ("Gross Misconduct"), then all Options, vested (but not Exercised) or unvested, stand cancelled.

Cause shall mean, as determined by the Committee, which include but not limited to, (i) the engagement of the Employee in willful, reckless or grossly negligent misconduct or incompetence displayed or any other conduct in contravention of the provisions of the Code of Conduct of the Company, 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/ Employer 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 Employer Company.

- 16.2.** Suspended or is under investigation/enquiry for any reason, then the Options Granted but not Vested and Options Vested but not Exercised, shall stand suspended and shall not Vest nor it shall be Exercisable until the enquiry is completed and any decision is taken by the Committee. In case the Grantee is found guilty and his/her services are terminated for Cause, such Options shall be dealt with in accordance with Clause 16.1 above.

- 16.3.** Terminates or voluntary resignation on the part of the employee or termination of employment without a cause, all the vested Options on Cessation Date can be exercised prior to the expiry of Exercise Period or within 180 days from the Cessation date, whichever is earlier. The Vested Options not Exercised within the period specified above will lapse without any liability on the Company or its affiliates. All Unvested Options as on Cessation date shall lapse from the hands of Grantee, without any liability on the Company or its affiliates.

- 16.4.** Terminates due to the Grantee is transferred or deputed to any Subsidiary, Associate or Holding Company of the Company, if any, prior to Vesting or Exercise of Stock Options Granted to such Grantee, the Vesting and Exercise as per the terms of the Grant shall continue in case of such transferred or deputed Grantee even after such transfer or deputation.

- 16.5.** Terminates on completion of his/ her employment (or other service) due to Retirement or superannuation, the Grantee can Exercise the vested Options as on cessation date prior to the expiry of Exercise Period or within 180 days of date of Retirement, whichever is earlier. All Vested Options not Exercised within the period specified above will lapse without any liability on the Company or its affiliates. All Unvested Options would continue to vest in accordance with the respective vesting schedules, as mentioned in grant letter, even after retirement or superannuation in accordance with the company's policies and the Applicable Law.

- 16.6.** In the event of Abandonment by an employee, all Options, Vested (but not Exercised) or Unvested, stand cancelled with immediate effect.

- 16.7.** For reasons other than those referred in Clause 16 or 17, 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.



## 17. Death and Permanent Incapacity

If a Grantee dies or becomes permanently incapable while an Employee of the Employer Company, the granted Stock Options shall vest and can be exercised as below:

- 17.1.** In the event of death of Grantee while in employment with the Employer Company, all the Options granted to him/her till such date and lying unvested shall vest in the legal heirs/Beneficiary/nominees of the deceased (subject to applicable regulatory guidelines) Grantee immediately, with effect from the date of death of Grantee. All the vested options shall be permitted to be exercised by the legal heirs/Beneficiary/nominees of the deceased, within a period of 12 (twelve) months from the date of death of the Grantee or the expiry of the Exercise Period, whichever is earlier. Any vested options not exercised within this aforesaid period shall lapse, and such lapsed options without any liability on the Company or its affiliates and shall again become available for issuance under the Plan.
- 17.2.** In the event that the termination of Grantee employment with the Employer Company is as a result of Permanent Incapacity, all the Options granted to him/her till such date of permanent incapacitation and lying unvested, shall vest in him/her or his/her legal heir/nominee, as the case may be, on that day subject to applicable regulatory guidelines. All the Vested Options shall be permitted to be exercised within a period of 12 (twelve) 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 without any liability on the Company or its affiliates, and the Shares covered by such Option shall again become available for issuance under the Plan.
- 17.3.** For reasons other than those referred above, the Committee will decide whether the Vested Options on the date of separation/cessation can be exercised by the Employee or not, and such decision shall be final.

**Note:** Subject to the treatment of Vested Options as given in clause 16 and 17 above, the Committee shall ensure that an Exercise Window is made available to enable Exercise of Vested Options by the Grantees/ Legal Hiers. Note that where no Exercise Window is available within such period, the Grantees/ Legal Hiers shall be eligible to Exercise Vested Options in the next available Exercise Window, as intimated by the Committee.

## 18. Restriction on transfer of Options and Shares

Options granted to the Eligible Employee shall not be transferable, pledged, hypothecated, mortgaged or otherwise alienated in any manner. During the lifetime of the Employee, the Options shall be exercisable only by such Employee, and in case of death or permanent incapacity of an Employee shall be exercisable by the Employee's designated legal heirs or nominees, as the case may be.

## 19. Rights of an employee

- 19.1. Shareholder rights**  
Neither Employee, nor his successor in interest, shall have any of the rights of a shareholder of the Company with respect to the shares for which the Option is exercised until such shares are issued by the Company.
- 19.2. Change of Employment within Employer 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 Employer Company.
- 19.3. Change of Employment pursuant to scheme of arrangement**  
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 shall be as specified in such scheme of arrangement, amalgamation, merger or demerger.
- 19.4. 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.



## 20. Eligibility

- 20.1. A Stock Option Grant made pursuant to the Plan may be Granted only to an individual who, at the time of Grant is an Employee of the Company as defined in clause 10.1.13.
- 20.2. The Committee however is authorized to change the eligibility criteria from time to time, subject to approval of the Board and in accordance with the SEBI ESOP Regulations.
- 20.3. Each Grant shall be evidenced by a written instrument duly executed by or on behalf of the Company.

The Committee will determine the specific employees or class of employees who will be eligible for award of stock options based on the performance criteria and such other criteria as may be decided.

## 21. Appraisal of Eligible Employees

The appraisal process for determining the eligibility of the employee will be specified by the Committee and may be based on criteria such as seniority of employee, length of service, past performance record, merit of the employee, future potential, contribution by the employee and/or such other criteria that may be determined by the Committee.

## 22. Stock Option/Grants Agreement

### 22.1. Stock Option Agreement

Each Option shall be evidenced by an Agreement between the Company and the Grantee, which shall contain such terms, and conditions as may be approved by the Committee. Each Agreement shall specify the effect of termination of employment, permanent incapacity, retirement or death on the exercisability of the Option and such other terms and conditions as the Committee may deem necessary.

Under each Agreement, a Grantee shall have the right to appoint any individual or legal entity in writing as his nominee under the Plan in the event of his death / permanent incapacity (as per Clause 17). 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 Committee for such purpose. Such nominee shall be the only legal representative recognized by the Committee as the inheritor of the Grantees options to the exclusion of all others.

### 22.2. Limitations on Exercise of Option

Any option granted hereunder shall be exercisable within exercise window and under such conditions as determined by the Committee and as permissible under the terms of the Plan, which shall be specified in the Agreement evidencing the Option. An Option shall not, however, be exercised for fractional shares.

### 22.3. Maximum Quantum of benefit under the Plan

The maximum quantum of benefits that will be provided to every Eligible Employee under the Scheme will be the difference between the market value of Company's Share on the stock exchanges as on the date of exercise of Options and the Exercise Price paid by the Grantee.

## 23. Change in Capital Structure or Corporate Action

- 23.1. Except as hereinafter provided, a Grant made shall be subject to adjustment, by the Committee, at its discretion as to number and price of Options or Shares, as the case may be, in the event of 'Change in Capital Structure' or a 'Corporate Action' as defined in this Plan.
- 23.2. 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 'Change in Capital Structure' or 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) and , shall not be prejudicial to the interest of the Grantee.

**23.3.** If there is a 'Change in the Capital Structure of the Company' before the Options granted under this Plan are exercised, the Grantee shall be entitled on exercise of the Options, to such number of Resultant Shares to which he/she would have been entitled as if all the Options not exercised by him/her had been exercised by him/her before such 'Change in the Capital Structure' of the Company had taken place and the rights under the Options shall stand correspondingly adjusted.

**23.4.** 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 'Change in the Capital Structure' 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 of 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.

**23.5.** In the event of 'Corporate Action', the Committee, at least seven days prior to any 'Corporate Action' or thirty days thereafter, acting in its absolute discretion with or without the consent or approval of the Employee, as it may deem fit, shall in respect of the outstanding Options act on any of the following alternatives:

- Provide that on any exercise of Options hereafter, the Employee shall be entitled to the Shares and / or Resultant Shares as if the Employee had been a Holder of the Shares on exercise of the Options.
- Make such adjustments to the Options outstanding to reflect the 'Corporate Action', as may be necessary,
- Require the mandatory surrender to the Company, by all or some of the Employees, of all or some of the outstanding Options, irrespective of whether, the Options, have vested or not, as on that date, and in such an event the Committee shall pay such Employees an amount in cash or otherwise, per Option, as the case may be, of the 'Change in Control Value' after deducting the balance Exercise Price payable, if any.
- In case of share split where the face value of shares of the Company is reduced, the maximum number of shares agreed and available for being granted under the Plan shall stand modified accordingly so as to ensure that the cumulative face value prior to such split shall remain unchanged after the share split.
- In case of any Bonus issuance made by the Company, the effect of such issuance shall be made to the options which were granted before or at that the time of such issuance in the ratio in which the effect was give to the existing shareholders of the Company at the time of issuance.

## **24. Amendment or Termination of Plan**

**24.1.** The shareholders may by way of a special resolution, 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. The notice for passing a special resolution for variation of terms of the Plan shall disclose full details of the variation, the rationale therefore, and the details of the Employees who are beneficiaries of such variation.

**24.2.** Without prejudice to the above, the Committee, may without any reference to or consent of the Employee 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.

**24.3.** The Scheme shall continue in effect unless:



- i. terminated by the Board of Directors , or
- ii. the Committee in consultation with Board resolves that Options under the pool shall not be further granted, and duly recorded by way of a resolution, or
- iii. the date on which all of the Options available for Grant under the Scheme have been granted and exercised, whichever is earlier.

**24.4.** Any such termination of the Scheme shall not affect Options already Granted and the powers of the Committee in relation to such Options, and the same shall remain in full force and effect as if the Scheme had not been terminated unless mutually agreed otherwise between the Grantee / nominee / legal heirs and the Company.

## **25. Consequence of failure to Exercise Options**

The amount payable by the Employee, if any, at the time of grant, vesting or exercise of option—

- May be forfeited/cancelled by the Company if the Option is not Exercised by the employee within the Exercise Period; or
- The amount may be refunded to the Employee if the Options are not vested due to non-fulfilment of conditions relating to Vesting of Option as per the Plan.

## **26. Listing**

The shares arising pursuant to the Aditya Infotech Ltd. Employee Stock Option Plan 2024 shall be listed immediately upon exercise, on the stock exchanges where the securities of the Company are listed subject to compliance with applicable law, subject to the following conditions:

- a) The scheme is in compliance with these SEBI ESOP Regulations;
- b) A statement, as specified in Part D of Schedule – I of SEBI ESOP Regulations, is filed and the company obtains an in-principal approval from the recognized stock exchange(s);
- c) As and when an exercise is made, the company notifies the concerned stock exchange(s) as per the statement as specified in Part E of Schedule – I of SEBI ESOP Regulations.

## **27. Others**

### **27.1. No right to a Grant**

Neither the adoption of the Plan nor any action of the Committee shall be deemed to give an Employee any right to be granted an Option to purchase Shares, to receive a Grant or to any other rights hereunder except as may be evidenced by an Option Agreement duly executed on behalf of the Company, and then only to the extent of and on the terms and conditions expressly set forth therein.

### **27.2. 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 with the Company, or (ii) interfere in any way with the right of the Company to terminate his or her employment at any time.

### **27.3. 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.

### **27.4. Tax deduction at source**



The exercisable Options are subject to the applicable provisions of the Income tax Act, 1961 in the manner as mentioned below:

- i. 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, as per Section 17(2)(vi) of the Income Tax Act, 1961. The Grantee will be liable to pay the taxes at the individual slab rate in which he falls.

The applicable taxes will be based on the individual's income tax slab, and the tax will be deducted at source (TDS) by the employer under Section 192 of the Income Tax Act.

Additionally, Income Tax Rules, 1962 provides the method for determining the value of the perquisite in the case of ESOPs.

- ii. At the time of sale of the Shares of the Company by the Grantee. On selling of the Shares, the concerned Grantee would be liable to Capital Gain Tax under the Income Tax Act, 1961, at the time of sale of the Shares.

Gains from equity shares held for 12 months or less, are classified as Short-Term Capital Gains and taxed at normal slab rates applicable to the taxpayer.

Gains from equity shares held for more than 12 months are treated as Long-Term Capital Gains and fall under the provisions of Section 112A of the Income Tax Act, 1961.

Note: The income tax provisions shall be applicable as per current regulations and norms.

Any tax liability, including arising on account of change in the tax laws, relating to this Scheme, Grant of Stock Options and/or allotment of the Shares pursuant to Exercise, shall be to the account of the Grantee alone and the Company shall be indemnified to the extent of applicable taxes, if any, levied at any point of time upon the Company in this regard. It is clarified that the liability of paying taxes, if any, in respect of the Stock Options granted pursuant to this Scheme and the Shares issued pursuant to Exercise thereof shall be entirely upon the Grantee and in accordance with the provisions of the Income Tax Act, 1961 read with the rules framed thereunder and/or Income Tax Laws of respective countries as applicable to Eligible Employees working abroad, if any.

No Shares shall be issued to the Grantee, on Exercise of the Stock Options under this Scheme unless appropriate taxes as required under the applicable tax laws, are discharged. The Company/Employer Company shall have the right to deduct from the salary of the Grantee, any amounts towards such tax liabilities and/or such tax liabilities may be separately discharged by the Grantee by way of cheque/demand draft in favor of the Company.

The Company shall have no obligation to deliver Shares or to release Shares until the Company's tax deducting obligations, if any, have been satisfied by the Grantee.

In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.

#### **27.5. Disclosure and Accounting Policies**

The Company shall comply with the requirements of IND – AS 102 and shall use Fair value method and the fair value of Options would be calculated as per the prescribed method under the applicable regulations.

Compensation cost will be booked in the books of account of the Company over the vesting period.

The Company shall comply with the disclosure requirements and accounting policies specified in the SEBI ESOP Regulations.



#### **27.6. Confidentiality**

The Employee shall ensure complete confidentiality in respect of all documents, matters and discussions in relation to the Plan, Grant, the Option Agreement or any connected matter. Any violation may result in cancellation of Grant or compulsory retransfer of Shares to a nominee as the Committee may deem fit without prejudice to the other action which may be taken in this regard.

#### **27.7. Insider Trading**

The Employee shall ensure that there is no violation of:

- Insider Trading Regulations of the Country and/or the recognized stock exchange on which the shares of the Company are listed.
- Other applicable restrictions for prevention of Fraudulent and/or Unfair Trade Practices relating to the Securities Market.

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

#### **27.8. New Plans**

Nothing contained in the Plan shall be construed to prevent the company directly or through any trust settled by Company, from implementing any other new Employee Ownership Plan 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, subject to the approval of the shareholders.

#### **27.9. Issues**

In respect of any issues arising in respect of the Plan, the decision of the Committee shall be final and binding on all concerned.

#### **27.10. Any outflow under ESOP scheme**

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 grantee and/ or employee.

#### **27.11. Certificate from the 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 Plan has been implemented in accordance with the Applicable Laws and in accordance with the resolution of the Company in the general meeting.

#### **27.12. No guarantee on Return**

Participation in Plan shall not be construed as any guarantee of return on equity investment. Any loss due to fluctuations in the market price of the Shares and the risks associated with the investments are that of the Option Grantee alone.

#### **27.13. Governing Law**

The Plan and all related documents thereunder shall be governed by and construed in accordance with the SEBI ESOP Regulations and subject to the laws of the Republic of India and other Applicable Laws in India or outside India (in the case of Eligible Employee posted abroad). The shares issued pursuant to this Scheme 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 provisions of the SEBI ESOP Regulations and applicable laws shall prevail in the case of any contrary provisions in the Plan.



The courts in New Delhi, India shall have the exclusive jurisdiction with respect to any proceedings relating to the Plan.

## 28. Notices and Correspondence

- 28.1 Any notice required to be given by a Grantee to the Company or the Committee or any correspondence to be made between a Grantee and the Company or the Committee may be given or made to the Company / Committee at the registered office of the Company or at the place as may be notified by the Company / Committee in writing or at the specific designated email id of the [companysecretary@adityagroup.com](mailto:companysecretary@adityagroup.com) .
- 28.2 Any notice, required to be given by the Company or the Committee to a Grantee or any correspondence to be made between the Company or the Committee and a Grantee shall be given or made by the Company or the Committee on behalf of the Company at the address as stated in the official records of the Company or at the official email Id of the Grantee.

## 29. Regulatory Approvals

- 29.1 The implementation of the Plan, the Granting of any Options under the Plan and the issuance of any Shares under this Plan 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 Plan. The Grantee / Nominee / Legal Heirs under this Plan 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.
- 29.2 The Board shall make all the relevant disclosures in the Board's Report in relation to the Plan as are required under the Act, SEBI ESOP Regulations and other Applicable Laws.