



# **ARMAN FINANCIAL SERVICES LIMITED**

## **SCHEME DOCUMENT**

### **'Arman-Employee Stock Option Plan 2016' ("ESOP 2016")**

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## **PREAMBLE**

The Board of Directors approved the '**Arman-Employee Stock Option Plan 2016**' ("**ESOP 2016**") on 11.08.2016 formulated by a Committee of Directors, called the Compensation Committee. The Compensation Committee, after due deliberations and after studying the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time, has formulated the ESOP 2016, details of which are furnished hereunder. During the 24<sup>th</sup> Annual General Meeting of the Company, held on 22.09.2016, members of the Company passed a special resolution for introducing a Stock Compensation Plan, called the '**Arman-Employee Stock Option Plan 2016**' ("**ESOP 2016**"), for the benefit of employees of the Company.

### **1. TITLE**

This Scheme shall be called '**Arman-Employee Stock Option Plan 2016**' ("**ESOP 2016**").

### **2. AUTHORITY**

This Scheme has been approved by the Board of Directors pursuant to the resolution passed at its meeting held on 11.08.2016 and by the shareholders by passing Special Resolution at the 24<sup>th</sup> Annual General Meeting held on 22.09.2016.

### **3. OBJECTS OF THE SCHEME**

The Scheme envisages extending an option to the employees to acquire shares of the Company, at a pre-determined price, as a way of employee compensation, in recognition of their contribution to the overall performance, making them owners of the Company, by virtue of such shareholding and as an incentive for higher performance levels. It aims:

- a) To recognize and reward the efforts of employees and their continued association with the Company.
- b) To act as a motivational tool for the employees of the Company.
- c) To provide an opportunity to the employees to develop a sense of ownership of the Company through their shareholding.
- d) To provide the employees an incentive to continue and strengthen their association with the Company so as to result in long term benefits to the Company as well as the employee shareowner.

### **4. DEFINITIONS**

- a) "Board" means the Board of Directors for the time being of the Company.
- b) "Company" means Arman Financial Services Limited (CIN: L55910GJ1992PLC018623) having its registered office situated at 502-503, Sakar III, Opp. Old High Court, Off. Ashram Road, Ahmedabad - 380 014, Gujarat.

- c) "Compensation Committee" means a Committee of Directors of the Company as constituted by the Board of Directors of the Company consisting of a majority of independent directors and entrusted with the authority to formulate, implement and administer the '**Arman-Employee Stock Option Plan 2016**' ("**ESOP 2016**").
- d) "Employee" means
  - a. a permanent employee of the company; or
  - b. a director of the company, whether a whole time director or not but excluding an independent director; or
  - c. an employee as defined in clause (a) or (b) of a subsidiary company of the company but does not include—
    - i) an employee who is a promoter or a person belonging to the promoter group; or
    - ii) a director who either himself or through his relative or through any Body Corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the company
- e) "ESOP Guidelines" means the SEBI (Share Based Employee Benefits) Regulations, 2014.
- f) "Exercise" means making of an application by the employee to the Company for issue of shares against option vested in him in pursuance of '**Arman-Employee Stock Option Plan 2016**'
- g) "Exercise Application" means the application for exercising vested options as may be prescribed from time to time.
- h) "Exercise Date" means the date on which an Option Grantee exercises an option.
- i) "Exercise Period" in relation to an option means within three months from vesting or such other period as decided by the Compensation Committee at the time of vesting, within which an employee should exercise his right to apply for share(s) against an option vested in him pursuant to the '**Arman-Employee Stock Option Plan 2016**'.
- j) "Exercise Price" means the price payable by the employees for exercising the option granted to him in pursuance of '**Arman-Employee Stock Option Plan 2016**'.
- k) "Grant" means issue of options to employees under the '**Arman-Employee Stock Option Plan 2016**'.
- l) "Grant Date" or "Date of Grant" means the date on which option is granted to an employee.
- m) "Letter of Grant" means the letter issued by the Company intimating the employee about the options granted to him/her for acquiring a specified number of shares at the exercise price.
- n) "Option" means a stock option granted by the Company pursuant to the scheme, which would be convertible into equity shares of the Company. This is a right but not an obligation granted to an employee under the scheme to apply for and be allotted equity shares of the Company at a

predetermined price (the "Exercise Price"), during or within the exercise period, subject to the requirements of vesting. Each option granted would represent the right to apply for one equity share of the Company of the face value of Rs.10/- per share.

- o) "Option Grantee" means an employee having right but not an obligation to exercise in pursuance of the '**Arman-Employee Stock Option Plan 2016**'.
- p) "Plan or Scheme" means "**Arman-Employee Stock Option Plan 2016**"/'**ESOP 2016**'
- q) "Promoter" and "Promoter Group" have the same meaning as defined under SEBI (Share Based Employee Benefits) Regulations, 2014.
- r) "Share" means the equity share of the Company of a face value of Rs.10/- each.
- s) "Subsidiary Company" means Namra Finance Limited (CIN: U65999GJ2012PLC069596) having its registered office situated at 502-503, Sakar III, Opp. Old High Court, Off. Ashram Road, Ahmedabad - 380 014, Gujarat.
- t) "Vesting" means the process by which the employee is given the right to apply for shares of the company against the option granted to him in pursuance of '**Arman-Employee Stock Option Plan 2016**'.
- u) "Vesting Period" means the period during which the vesting of the option granted to the employee in pursuance of '**Arman-Employee Stock Option Plan 2016**' takes place.
- v) "Vested Option" means an option in respect of which the relevant vesting period is over.
- w) "Unvested Option" means an option in respect of which the relevant vesting period is not over.

All other expressions unless defined herein shall have the same meaning as have been assigned to them under the SEBI (Share Based Employee Benefits) Regulations, 2014 and any other guideline issued under the Securities and Exchange Board of India Act, 1992 or the Securities Contracts (Regulation) Act, 1956 or the Companies Act 2013, SEBI (ICDR) Regulations, 2009 or any statutory modification or re-enactment thereof, as the case may be.

## **5. COMPENSATION COMMITTEE**

- a) The Compensation Committee is empowered to formulate detailed terms and conditions of the Scheme, administer and supervise the same. It shall be a Committee of the Board of Directors. It shall ensure that there is no violation of securities laws, as amended from time to time, including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the company and its employees.
- b) The Compensation Committee shall meet as required for the purpose of administration & superintendence of the Scheme. The Compensation Committee shall be entitled to invite any

person to attend its meetings and participate in the discussion and deliberations, if it so thinks fit.

- c) The Compensation Committee, in the exercise of its powers, may require any information from the Company, and/or seek the assistance of any Employee of the Company as it may deem fit to fully and effectively discharge its duties.
- d) The Compensation Committee shall select Employees of the Company and Subsidiary Company to be offered Options. It shall decide quantum of options to be granted under the scheme per employee and in aggregate.
- e) The Compensation Committee shall have powers to review the Scheme and recommend appropriate changes in the terms and conditions of the Scheme, if any, to the Board of Directors. Changes would be recommended in cases such as:
  - a. the current Scheme does not fulfill the objectives set out for the scheme;
  - b. there are changes in legislation, which need to be incorporated in the Scheme;
  - c. such changes facilitate effective implementation or improvement of the Scheme;
  - d. such changes are for the welfare of the Employees;
- f) The Compensation Committee shall ensure that the Scheme is implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time.
- g) No member of the Compensation Committee shall be liable for any decision or action carried out in good faith with respect to the Scheme of the Company.
- h) The Compensation Committee is empowered to constitute a working committee to assist it in the selection and appraisal of Employees for the participation in the Scheme.

## **6. IMPLEMENTATION**

Notwithstanding anything stated herein, but subject to the terms of the resolution passed by the Shareholders at the 24<sup>th</sup> Annual General Meeting of the Company held on 22.09.2016, approving the issue of Shares to the Employees of the Company and also to the employees of the Subsidiary Company under an 'ESOP 2016' /an Employees Stock Option Scheme and the regulations prescribed by the Securities and Exchange Board of India, from time to time, the Compensation Committee in its absolute discretion has been authorised to determine all the terms governing the Scheme including any variation thereof and including but not limited to:-

- a) determining the Employees amongst the categories of Employees to whom the Options are to be granted;
- b) the time when the Options are to be granted;
- c) the number of tranches in which the Options are to be granted and the number of Options to be granted in each such tranche;

- d) the quantum of Options to be granted at various points in time;
- e) the criteria for determining the number of Options to be granted to Employees;
- f) the number of Options to be granted to each Employee;
- g) determination of the Exercise Price, which is payable by the Employees applying for Company's shares under the Scheme;
- h) the terms and conditions subject to which the Options granted would vest in the Employee;
- i) the date of vesting of the Options granted;
- j) the terms and conditions subject to which the Options vested would be exercised by the Employee;
- k) the date within which the Options have to be exercised by the Employee;
- l) the number of Options to be apportioned / allocated for various grades of Employees;
- m) assignment of weightage to Company's performance, level/grade of Employee and such other criteria as may be determined by the Compensation Committee;
- n) the number of Options reserved, if any, for Granting to new Employees who would join the services of the Company;
- o) deciding the treatment of unvested Options upon termination of employment or upon a Director ceasing to hold office;
- p) deciding adjustments to Grant size and Exercise Price of Options in case of bonus issue or rights issue or Share split or consolidation of Shares;
- q) obtaining permissions from, making periodic reports to regulatory authorities, as may be required and ensuring compliance with all guidelines applicable to the Scheme;
- r) framing suitable policies and systems to ensure that there is no violation of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, by any Employee;
- s) framing appropriate procedures for Granting, vesting and exercising of Options;
- t) arranging to get the shares, issued under the Scheme, listed in the Stock Exchanges on which the Equity Shares of the Company are already listed or may be listed in future;
- u) ensuring submission of information / reports, etc. in connection with the Scheme, to the Stock Exchanges and / or other controlling authorities / regulators, at stipulated periodical intervals or otherwise.

The terms prescribed by the Compensation Committee shall be final and binding on all the employees.

## **7. EFFECTIVE DATE AND SCHEME DURATION**

The scheme shall be deemed to have come into force on the date of passing of the Special Resolution at the 24<sup>th</sup> Annual General Meeting of the Company i.e. 22.09.2016.

The scheme shall remain in effect until

- a) all options granted under the Scheme have been exercised;
- b) all options granted under the scheme have expired by reasons of lapse of time or otherwise and the Compensation Committee does not intend to reissue there lapsed options; or
- c) terminated by the Board of Directors of the Company, whichever is earliest.

## **8. ELIGIBILITY FOR GRANT OF OPTIONS**

The Scheme shall extend to employees of the Company and also to the employees of the Subsidiary Company who are on the rolls of the Company as on 01.04.2016 and the Scheme shall also extend to new recruits or such other Employees as may be decided by the Compensation Committee from time to time.

The Scheme shall not extend to any promoter or those belonging to the promoter group.

## **9. GRANT OF OPTIONS**

- a) Ceiling on aggregate number of Options:

Options may be granted, from time to time, to such employees and in such numbers as may be decided by the Compensation Committee, subject to the stipulation that the aggregate Options so granted shall not represent more than 125,000 (One Lakh Twenty Five Thousand only) shares at any given point of time. Where granted options, vested or unvested, lapse due to any reason, the Compensation Committee may re-issue the options to the other eligible employees as long as the aggregate number of options does not represent more than 125,000 (One Lakh Twenty Five Thousand only) shares at any given point of time. The Option so issued shall be covered by the terms and conditions of the Scheme.

- b) Ceiling on number of Options for employees of Subsidiary Company:

75,000 (Seventy Five Thousand only) options would be available for being granted to eligible employees of the Subsidiary Company/ies.

- c) Ceiling on number of Options per employee:

No employee shall be issued Options exceeding 25,000 under this scheme.

- d) Basis of grant of number of Options to particular employees

Compensation Committee would determine the number of Options to be granted to various employees, cadre-wise or on a case by case basis, based on broad parameters, like length of service, past and current performance and future potential of the individual and criticality of the



position. Decision of the Compensation Committee with regard to eligibility criteria or the number of Options granted to particular employees shall be final and it shall not be disputed.

e) Grant procedure

- i) The employee identified for grant of Options shall be furnished with the salient features of the Scheme specifying the date, number of options granted, the vesting of the option, the earliest date on which some or all of the options under the grant shall be eligible for vesting, fulfillment of the performance and other conditions, if any, subject to which vesting shall take, and the other terms and conditions thereof.
- ii) an Information Memorandum, containing a synopsis of the performance of the Company in the recent years, the risk factors with reference to the Company's performance and the Company's perception about the same,
- iii) the possible risk factors that go with investment in shares of the Company, more specifically under the Scheme, to facilitate the Employee to take an informed decision with regard to investment in the shares of the Company under the Scheme and
- iv) an Application Form for exercising the Option at the appropriate time.
- v) no amount shall be payable by the employees at the time of the grant of options and entire amount will be payable at the time of exercise of options.

f) Agreement

An agreement shall be entered into by and between the Companies, represented by its Key Managerial Person and the Employee participating in the Scheme, containing the mutual rights and obligations of either party under the Scheme.

g) Tranches of Grant:

- i. The Options will be granted in three tranches, spread over a period of three years, or as may be decided by the Compensation Committee.
- ii. Any unvested and/or lapsed options may be granted by the Compensation Committee at any time but not later than two years from the expiry of exercise period of third trench of the option.

## **10. VESTING OF OPTIONS**

- a) Vesting will start only after one year from the date of grant or as may be decided by the Compensation Committee at the time of granting, provided the employee is in employment.
- b) Unless otherwise specified, vesting of options for each employee shall be determined by the Compensation Committee. Notwithstanding anything to the contrary in this scheme, the Compensation Committee shall be entitled to make the vesting of any or all of the options granted to an employee conditional.

## **VESTING PERIOD AND EXERCISE PERIOD**

- a) The Options granted by the compensation committee shall vest over a period of three years in the following manner:
  - i. 30% of the options at the end of one year from the date of grant.
  - ii. 30% of the options at the end of the two years from the date of grant.
  - iii. 40% of the Options at the end of the three years from the date of grant.
- b) Unvested and lapsed Options granted by the compensation committee shall vest only after one year from the date of grant or as may be decided by the Compensation Committee at the time of granting
- c) Options not exercised during any particular exercise period, shall not be carried forward to the subsequent exercise period(s).
- d) All the Options have to be exercised within respective exercise period from the date of the vesting period, after which any unexercised options shall lapse.

Notwithstanding anything contained in the relevant provisions of ESOP 2016, it shall always be a pre-condition for the exercise of the options that the employee should be in services with the Company, and in the event the employee ceases from the services of the Company by reason of resignation or termination (except for reason of misconduct), the entire lot of the unexercised vested options shall have to be exercised within a maximum period of three months from the cessation of the employment and if the options are not so exercised, they shall lapse.

The vesting dates in respect of the options granted under the Scheme may vary from employee to employee or any class thereof and/or in respect of the number or percentage of options granted to an employee. Options shall vest essentially based on continuation of employment and apart from that the Board or Committee may prescribe achievement of any performance condition(s) for vesting.

## **11. EXERCISE OF OPTIONS**

- a) The Options shall not be transferable by the Employee to any third party and only Employee may exercise the Options and apply for issue of Shares in his own name. The Options issued to the Employees shall always be convertible into Shares.
- b) Cessation of Employment
  - i) In the event of an Employee ceasing to be an Employee of the Company by reason of resignation or termination of employment due to reasons of non performance or otherwise, the unvested Options held by the Employee shall forthwith lapse. In respect of vested Options, the employee can exercise his Option within a period of three months from the date of resignation / termination but not later than the end of the

Exercise period. In the event that the Options are not exercised within this period, the Options would lapse.

- ii) All vested and unvested Options shall lapse with immediate effect in case of termination of service of the employee for reason of misconduct, fraud, misfeasance, gross negligence, breach of trust, etc
  - iii) In the event of long term leave of any Employee the Vested and Unvested Options held by the Employee shall be treated as follows:
    - a. in case of leave up to a period of **one** month, the Options will continue to vest as well as exercisable by the Employee
    - b. in case of leave for a period exceeding **one** month, the exercising of vested Options by the Employees will be decided at the discretion of the Compensation Committee.
  - iv) In the event of death of an Employee, all Options granted to him till such date shall vest in the legal heirs or nominees of the deceased employee and the legal heirs or nominees of the deceased employee will have to exercise the Options within a period of three months from the date of death of an Employee.
  - v) In the event of separation of an Optionee from the company due to reasons of his/her permanent and total disability, all the Options granted till the date of permanent and total disability, shall vest in him on that day and the Employee will have to exercise the Options within a period of three months from the date of separation from employment.
  - vi) In the event of severance of employment of an Employee as a part of reconstitution / amalgamation / demerger / sell-off or otherwise all Options granted to him would vest immediately and the Employee will have to exercise the Options within a period of 3 (three) months from the date of severance. In the event that the Options are not exercised within this period, the Options would lapse.
  - vii) In the event of retirement of an Employee at the instance of or with consent of the Company, the employee can exercise all vested Options anytime within the Exercise Period. All Unvested Options shall lapse. The above is applicable provided the Employee does not enter into competition / is employed by a competitor.
- c) Transfer of Options
- The Options held by the Option Grantee are not transferable. The Option Grantee shall not pledge / hypothecate / mortgage / assign / bequeath by means of a legally executed Will or encumber or in any other manner alienate or dispose off the Options.
- d) Restrictions on Rights of Option Holders

The Option Grantees are not entitled to any rights which the Shareholders enjoy including voting rights and rights in the Company as to dividend prior to conversion of Options into Shares and Shares issued pursuant to exercise of Options shall be subject to lock in period of one year from the date of allotment.

**e) Procedure**

- i) The option grantee may, at any time during the exercise period, and subject to fulfillment of the conditions on which the options have been granted, exercise the options by submitting an application to the Key Managerial Person of the Company to issue and allot him shares pursuant to the vested options, accompanied by payment of an amount equivalent to the "Exercise Price" in respect of such shares and such other writing, if any, as the Compensation Committee may specify to confirm extinguishment of the rights comprising in the options, then exercised. In the event of exercise of options resulting in fractional shares, the Compensation Committee shall be entitled to round off the number of shares to be issued to the nearest whole number, and exercise price shall be correspondingly adjusted.
  - ii) Except as otherwise provided, payment of the exercise price for the Shares to be acquired pursuant to any Options shall be made either by;
    - a. cheque / demand draft payable at the registered office of the Company.
    - b. the Option Grantee's authority to the Company to deduct such amount from his salary due and payable,
    - c. such other mode as may be approved by the Compensation Committee to the extent permitted by applicable law, or
    - d. any combination of any two or more of the above mentioned methods.
  - iii) The application shall be in form as may be prescribed in this regard.
- f) Allotment of shares, pursuant to the exercise of options made during any month, shall be made within 45 days from the date of exercise of options or if any permission of any regulatory authority in this regard is pending within 45 days from the receipt of such permission.**

Notwithstanding anything contained elsewhere in the scheme, the Compensation Committee may if the exercise of options within the exercise period, is prevented by any law or regulation in force; defer or not 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 prohibitions. Provided further, that the Compensation Committee shall have the power to cancel all or any of the options granted under the scheme, if so required, under any law for the time being in force or the order of any jurisdictional

court. In the event of any such cancellation, no compensation shall be payable to the option grantee for such cancelled Options.

- g) The shares arising out of exercise of vested options would be subject to lock-in period of one year from the date of allotment.

## **12. EXERCISE PRICE**

The "Exercise Price" shall be the face value of the share or such other higher price as may be fixed by the Board or Committee.

## **13. CHANGES IN CAPITAL STRUCTURE**

Except as hereinafter provided, a grant made shall be subject to adjustment, by the Compensation Committee, as to the number of options, in the event of 'Change in Capital Structure'.

- a) Bonus Issue:

In the event of a bonus issue of securities being made by the Company during the Vesting Period the Option Grantee would be entitled to apply for and be allotted proportionately higher number of Options, in relation to the Unvested Options only, exercisable on the same terms as of the original Options. For the purpose of the Vesting Period and Exercise Period, the Bonus Options will be treated at par with the Original Options on which the Bonus Options have been issued. As regards vested but unexercised Options the Employee would be entitled to immediately exercise the Options irrespective of the stipulation regarding exercise. In case the Employee does not exercise the Vested Options within two weeks from the announcement made by the Board of Directors for Bonus Shares, the Employee would not be eligible for the above said Bonus Options.

- b) Rights Issue:

In the event of a rights issue of securities being made by the Company during the Vesting Period, adjustment, to the number of Options of the said Option Grantee would be decided by the Compensation Committee at its absolute discretion.

## **14. VARIATION IN TERMS OF THE SCHEME**

The Company or the compensation committee may at any time as the case may be at its discretion change the terms and conditions of the Scheme. This change however will not be to the detriment of the Option Grantee.

## **15. TERMINATION OF THE SCHEME**

Unless otherwise determined by the Compensation Committee, the maximum period within which the options shall be vested is upon the completion of five years from the date of Grant of Options and the exercise period shall lapse not later than one year from the date of the final vesting period.

Within these outer limits, the Compensation Committee may, subject to the other provisions of the ESOP 2016, fix such vesting period and exercise period as it may deem fit.

#### **16. ISSUE OF SHARES**

After the Options are converted into Shares pursuant to exercise of the Options, the Shares issued to the Employee shall be subject to the terms and conditions as mentioned below.

a) Ranking of Shares

The Shares issued on the exercise of Options shall rank pari-passu with all the existing equity shares of the Company and shall be eligible for full year's dividend.

b) Issue of Shares in Demat Form Only:

The exercise of Options shall entail issuance of Shares by the Company in electronic form only in favour of the Option Grantee.

Option grantee shall be required to provide his/her Depository Participant (D.P.) Code Number and Client I.D.

c) Listing of Shares

The Shares issued on exercise of the Options shall be listed on all the stock exchanges where the Company's Equity Shares are listed and will be subject to terms and conditions of the listing agreements with the stock exchanges in addition to the terms and conditions of the Scheme.

d) The Shares issued on exercise of the Options would be subject to lock-in period of one year from the date of allotment.

#### **17. TAX LIABILITY**

In the event of any tax liability, including any tax liability due to change in the tax laws relating to the Scheme, arising on account of the issue of the options / conversion into Shares / sale of Shares or any other event, to the Employee, such tax liability shall be that of the Employee alone.

In the event of any tax liability, including any tax liability due to change in the tax laws relating to the Scheme, the Company on the advice of the Compensation Committee shall have the right to call upon the Employees to pay.

#### **18. GENERAL RISK**

Participation in this scheme shall not be construed as any guarantee of return on the equity investment. Any loss due to fluctuations in the market price of the equity and the risks associated with the investments is that of the option grantee alone.

#### **19. DISCLOSURE AND ACCOUNTING POLICIES**

The Company shall disclose information as required to be disclosed under rule 12 (9) the Companies (Share Capital and Debentures) Rules, 2014 and such other disclosures as required to be

disclosed in relation to employee benefits under the Companies Act, 2013 and shall also disclose the details of the scheme being implemented, as specified by SEBI in this regard.

The Company shall follow requirements of the 'Guidance Note on Accounting for employee share-based Payments' (Guidance Note) or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein.

Where the existing Guidance Note or Accounting Standard do not prescribe accounting treatment or disclosure requirements then the company shall comply with the relevant Accounting Standard as may be prescribed by the ICAI from time to time.

**20. MERCHANT BANKER**

The Board of Directors will appoint a registered merchant banker as required under SEBI (Share Based Employee Benefits) Regulations, 2014.

**21. CONFIDENTIALITY**

The option grantee shall ensure complete confidentiality in respect of all documents, matters and discussions in relation to the scheme, grant, or any connected matter. Any violation may result in cancellation of the grant without prejudice to any other action, which may be taken in this regard.

**22. JURISDICTION**

The Scheme shall be construed in accordance with the laws of India and subject to the jurisdiction of Court in Ahmedabad only.

Any dispute, discrepancy or disagreement which shall arise under, or as a result of, or pursuant to, or in connection with this Scheme shall be referred to the Compensation Committee and shall be determined by the Compensation Committee and any such determination / decision / interpretation by the Compensation Committee shall be final and binding on all persons affected thereby.

**23. SCHEME SEVERABLE**

This scheme constitutes the entire document in relation to its subject matter and supersedes all prior agreements and understandings, representations made whether oral or written with respect to such subject matter.

In the event that any term, condition or provision of this scheme being held to be a violation of any applicable law, statute or regulation the same shall be severable from the rest of this scheme and shall be of no force and effect and this scheme shall remain in full force and effect as if such term, condition or provision had not originally been contained in this scheme.

#### **24. CERTIFICATE FROM AUDITORS**

The board of directors shall at each annual general meeting place before the shareholders a certificate from the auditors of the company that the scheme(s) has been implemented in accordance with these regulations and in accordance with the resolution of the company in the general meeting