



Certificate on ESOP Scheme

Date: December 07, 2023

To:

The Board of Directors
India Shelter Finance Corporation Limited
6th Floor, Plot No. 15
Sector 44, Institutional Area, Gurgaon
Haryana – 122 002, India

ICICI Securities Limited
ICICI Venture House
Appasaheb Marathe Marg, Prabhadevi
Mumbai 400 025
Maharashtra, India

Citigroup Global Markets India Private Limited
1202, 12th Floor
First International Financial Center
G-Block, C54 & 55, Bandra Kurla Complex
Bandra (East), Mumbai 400098
Maharashtra, India

Kotak Mahindra Capital Company Limited
1st Floor, 27 BKC, Plot No. 27
G Block, Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India

Ambit Private Limited
Ambit House, 449, Senapati Bapat Marg
Lower Parel, Mumbai 400 013
Maharashtra, India

(ICICI Securities Limited, Citigroup Global Markets India Private Limited, Kotak Mahindra Capital Company Limited and Ambit Private Limited who are appointed in relation to the Offer are collectively referred to as the “**Book Running Lead Managers**” or the “**BRLMs**”)

Re: Proposed initial public offering of equity shares of face value of ₹ 5 each (“Equity Shares”) by India Shelter Finance Corporation Limited (the “Company”) comprising a fresh issue of the Equity Shares by the Company and an offer for sale of Equity Shares by certain existing shareholders of the Company (“the Offer for Sale”, and together with the Fresh Issue, the “Offer”)

In connection with the Offer, we have been requested by the Company to verify and certify certain information related to the India Shelter Finance Corporation Limited Employees Stock Option Plan 2017, 2021 and 2023 of the Company (collectively, the “**ESOP Schemes**”), prepared by the management of the Company and signed by us for identification purposes

As requested, we have examined the ESOP Schemes, which were approved by the Board of Directors on November 10, 2017, May 12, 2021 and July 12, 2023 respectively and members of the Company on January 31, 2018, July 26, 2021 and July 18, 2023 respectively, The Employee Stock Option Plan 2017 and 2021 have been amended as approved by the Board of Directors on July 13, 2023 and members of the Company on July 14, 2023.



Management Responsibility:

- The preparation of documents and statement for the Scheme and the Company's ESOP policy ("ESOP Policy") including creation and maintenance of all books of account and other such supporting records and its contents, is solely the responsibility of the management of the Company. The Company's management is responsible for the designing, implementing and maintaining its internal controls relevant to the preparation and presentation of the Restated Consolidated Financial Statements, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances; and
- The management is also responsible for ensuring that the Company is complying with the requirements of the Companies Act, 2013, the SEBI ICDR Regulations and other applicable rules and regulation for providing all relevant information to SEBI.

In this regard, we have performed the following procedures:

1. Obtained and reviewed certified copy of the ESOP schemes, stated at Annexure A provided to us by the Company.
2. Reviewed the notice and explanatory statements issued by the Company to its shareholders in connection with the Schemes; and the shareholders' resolution passed in the Extra-Ordinary General Meeting of the members of the Company held on January 31, 2018, July 26, 2021 and July 18, 2023, noting the approval to the ESOP Scheme by the members of the Company and compared the particulars of the ESOP Scheme with the board and shareholders resolutions.
3. Reviewed the resolutions of the Board of Directors of the Company passed at their meeting held on November 10, 2017, May 12, 2021 and July 12, 2023, noting the approval accorded to the ESOP Schemes by the Board of Directors of the Company and compared the particulars of the ESOP Scheme.
4. Reviewed the resolution of the Board of directors of the company passed at their meeting held on July 13, 2023, noting the approval accorded to the amendment of Employee Stock Option Plan 2017 and 2021 by the Board of Directors of the Company and compared the particulars of the ESOP Scheme.
5. Reviewed the notice and explanatory statements issued by the Company to its shareholders in connection with the Schemes; and the shareholders' resolution passed in the Annual General Meeting of the members of the Company held on July 14, 2023, noting the approval to the amendment of Employee Stock Option Plan 2017 and 2021 by the members of the Company and compared the particulars of the ESOP Scheme with the board and shareholders resolutions filed with the Ministry of Corporate Affairs.
6. Reviewed the copy of grant letters issued to employees pursuant to the grant of option on a sample basis.
7. Obtained and reviewed the Restated Consolidated Financial Information and traced the figures appearing in Annexure B with figures appearing in Restated Consolidated Financial Information.
8. Obtained necessary representation from the management.

Based on the aforesaid procedures performed by us, and according to the information and explanations given to us, we certify that particulars of the ESOP Schemes as given in **Annexure B** are correctly extracted from respective ESOP Schemes, books of accounts and Restated Consolidated Financial Information. Further, we confirm that the Company has complied with the relevant provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and The ESOP Schemes have been accounted in accordance with the relevant accounting standards.

The above procedures do not constitute either an audit or a review made in accordance with the generally accepted auditing standards in India, therefore, we do not express any assurance on the attached Statement. Had we performed additional procedures or had we performed an audit of the financial statements in accordance with the generally accepted auditing standards in India, other matters might have come to our attention that would have been reported to you.

This certificate has been issued solely at the request of the Board of Directors of the Company in connection with the Offer by the Company. This certificate has been issued in accordance with the Standard on Related Services (SRS) 4400, 'Engagements to Perform Agreed-upon Procedures regarding Financial Information', issued by the the Institute of Chartered Accountants of India. Therefore, this certificate may not suitable for any other jurisdiction other than in India. This certificate is solely for the information of the addresses in connection with the Offer.



The above procedures do not constitute either an audit or a review made in accordance with the generally accepted auditing standards in India, therefore, we do not express any assurance on the attached Statement. Had we performed additional procedures or had we performed an audit of the financial statements in accordance with the generally accepted auditing standards in India, other matters might have come to our attention that would have been reported to you.

This certificate has been issued solely at the request of the Board of Directors of the Company in connection with the Offer by the Company. This certificate has been issued in accordance with the Standard on Related Services (SRS) 4400, 'Engagements to Perform Agreed-upon Procedures regarding Financial Information', issued by the the Institute of Chartered Accountants of India. Therefore, this certificate may not suitable for any other jurisdiction other than in India. This certificate is solely for the information of the addresses in connection with the Offer.

We confirm that the information in this certificate is true, fair, correct, accurate and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

We hereby confirm that while providing this certificate we have complied with the Code of Ethics and the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements, issued by the Institute of Chartered Accountants of India.

This certificate may be relied on by the Company, the BRLMs and the legal counsels, appointed in relation to the Offer.

We undertake to update you of any change in the above-mentioned position on obtaining or becoming aware of any relevant information, until the Equity shares of the company issued pursuant to the Offer commence trading on the stock exchanges. In the absence of any such communication from us, the above information should be considered as updated information until the Equity Shares commence trading on the stock exchanges, pursuant to the Offer.

All capitalized terms used herein and not specifically defined shall have the meaning ascribed to them in the Offer Documents.

We hereby consent to this certificate being disclosed by the BRLMs, if required (i) by reason of any law, regulation or order of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

We hereby consent to the aforementioned details being included in the Offer Documents and submission of this certificate as may be necessary, to any regulatory authority and/or for the records to be maintained by the BRLMs in connection with the Offer and in accordance with applicable law.

Our certificate is made solely to the Company's management and BRLMs for the purpose as set forth in the first paragraph of this certificate and for your information and is not to be used for any other purpose or to be distributed to any other parties. This certificate relates only to the items specified above and does not extend to any financial statements of the Company, taken as a whole. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our work, for this certification.

Yours sincerely,

For **T R Chadha & Co LLP**
Chartered Accountants
ICAI Firm Registration No: 006711N/N500028

**AASHISH
GUPTA**

Digitally signed by AASHISH GUPTA
DN: c=IN, o=Personal,
postalCode=110032, st=Delli,
serialNumber=9F26447BAF012E86501FC
160DFC841E3692A1AAD0C9954A947E1A
835D0A8EE62, cn=AASHISH GUPTA
Date: 2023.12.07 22:39:02 +05'30'

Aashish Gupta
Partner
Membership No. 097343
Certificate No.014544
UDIN: 23097343BGQJXJ9402
Place: Gurugram



Legal Counsel to the Company

Shardul Amarchand Mangaldas & Co
Amarchand Towers
216, Okhla Industrial Estate Phase III
New Delhi 110 020

CERTIFIED TRUE COPY OF THE CIRCULAR RESOLUTION BEARING SERIAL NO. 05/2023-24 PASSED BY THE BOARD OF DIRECTORS OF INDIA SHELTER FINANCE CORPORATION LIMITED ON THURSDAY, JULY 13, 2023.

“RESOLVED THAT, pursuant to Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, and the rules notified thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, (“SEBI SBEB&SE Regulations”) provisions contained in the memorandum of association and the articles of association of the Company, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other rules, regulations and guidelines of any/ various statutory/ regulatory authority(ies) that are or may become applicable (collectively referred herein as the **“Applicable Laws”**) and subject to any approvals, permissions and sanctions of any/ various authority(ies) as may be required and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the board of directors of the Company (hereinafter referred to as the **“Board”**), the consent of the Board be and is hereby accorded to amend the ESOP Scheme 2017, for compliance with the requirements under Applicable Laws.

RESOLVED FURTHER THAT, the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include any committee including Nomination and Remuneration Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), be and is hereby authorized to make any modifications or revisions in the ESOP 2017 as it may deem fit, from time to time, provided that the same is in conformity with the Applicable Laws

RESOLVED FURTHER THAT, it is hereby noted that the amendments to the ESOP Scheme are being carried out to meet the regulatory requirement in terms of the SEBI SBEB & SE Regulations once the Company is listed.

RESOLVED FURTHER THAT, to give effect to the above resolution, Mr. Rupinder Singh, MD and CEO, Ashish Gupta, CFO and Ms. Mukti Chaplot, Company Secretary and Head Internal-Audit , be and are hereby severally authorised to do all such acts, deeds, matters and things, including to settle any question, difficulty or doubt that may arise and to finalise and execute all documents and writings as may be necessary and make such filings/ applications with the regulatory authorities including the Registrar of Companies, New Delhi and Haryana at New Delhi effectively implement this resolution.

RESOLVED FURTHER THAT in compliance with the requirements under the SEBI SBEB&SE Regulations, no further grants shall be made under ESOP Scheme 2017.

India Shelter Finance Corporation Limited

Registered office – 6th Floor, Plot No 15, Institutional Area, Sector 44, Gurgaon, Haryana-122002

CIN: U65922HR1998PLC042782, Phone No +91-124-4131807

E-mail: customer.care@indiashelter.in, Website: www.indiashelter.in

RESOLVED FURTHER THAT Mr. Rupinder Singh, MD and CEO, Ashish Gupta, CFO and/or Ms. Mukti Chaplot, Company Secretary and Head Internal-Audit, be and are hereby severally authorized to take all steps for giving effect to the aforesaid resolutions, including making the necessary applications, filing forms and doing all such acts, deeds, and things as may be required or deemed necessary to implement such resolutions.

RESOLVED FURTHER THAT Mr. Rupinder Singh, MD and CEO, Ashish Gupta, CFO and Ms. Mukti Chaplot, Company Secretary and Head Internal-Audit be and are hereby severally authorized to certify the true copy of the aforesaid resolutions and the same may be forwarded to any concerned authorities for necessary action.”

ESOP Scheme 2021

“RESOLVED THAT, pursuant to Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, and the rules notified thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, (“SEBI SBEB&SE Regulations”) provisions contained in the memorandum of association and the articles of association of the Company, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other rules, regulations and guidelines of any/ various statutory/ regulatory authority(ies) that are or may become applicable (collectively referred herein as the **“Applicable Laws”**) and subject to any approvals, permissions and sanctions of any/ various authority(ies) as may be required and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the board of directors of the Company (hereinafter referred to as the **“Board”**), the consent of the Board be and is hereby accorded to amend the ESOP Scheme 2021, for compliance with the requirements under Applicable Laws.

RESOLVED FURTHER THAT, the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include any committee including Nomination and Remuneration Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), be and is hereby authorized to make any modifications or revisions in the ESOP 2021 as it may deem fit, from time to time, provided that the same is in conformity with the Applicable Laws

RESOLVED FURTHER THAT, it is hereby noted that the amendments to the ESOP Scheme are being carried out to meet the regulatory requirement in terms of the SEBI SBEB & SE Regulations once the Company is listed.

RESOLVED FURTHER THAT, to give effect to the above resolution, Mr. Rupinder Singh, MD and CEO, Ashish Gupta, CFO and Ms. Mukti Chaplot, Company Secretary and Head Internal-

India Shelter Finance Corporation Limited

Registered office – 6th Floor, Plot No 15, Institutional Area, Sector 44, Gurgaon, Haryana-122002

CIN: U65922HR1998PLC042782, Phone No +91-124-4131807

E-mail: customer.care@indiashelter.in, Website: www.indiashelter.in

Audit , be and are hereby severally authorised to do all such acts, deeds, matters and things, including to settle any question, difficulty or doubt that may arise and to finalise and execute all documents and writings as may be necessary and make such filings/ applications with the regulatory authorities including the Registrar of Companies, New Delhi and Haryana at New Delhi effectively implement this resolution.

RESOLVED FURTHER THAT Mr. Rupinder Singh, MD and CEO, Ashish Gupta, CFO and/or Ms. Mukti Chaplot, Company Secretary and Head Internal-Audit, be and are hereby severally authorized to take all steps for giving effect to the aforesaid resolutions, including making the necessary applications, filing forms and doing all such acts, deeds, and things as may be required or deemed necessary to implement such resolutions.

RESOLVED FURTHER THAT Mr. Rupinder Singh, MD and CEO, Ashish Gupta, CFO and/or Ms. Mukti Chaplot, Company Secretary and Head Internal-Audit be and are hereby severally authorized to certify the true copy of the aforesaid resolutions and the same may be forwarded to any concerned authorities for necessary action.”

For and on Behalf of
India Shelter Finance Corporation Limited



Mukti Chaplot
Company Secretary & Head Internal-Audit
Membership No. 38326
Date: 16/07/2023
Place: Gurgaon

India Shelter Finance Corporation Limited

Registered office – 6th Floor, Plot No 15, Institutional Area, Sector 44, Gurgaon, Haryana-122002
CIN: U65922HR1998PLC042782, Phone No +91-124-4131807
E-mail: customer.care@indiashelter.in, Website: www.indiashelter.in

CERTIFIED TRUE COPY OF THE EXTRACTS OF THE 25TH ANNUAL GENERAL MEETING OF INDIA SHELTER FINANCE CORPORATION LIMITED HELD ON FRIDAY, JULY 14, 2023 AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT, 6TH FLOOR, PLOT NO.15 INSTITUTIONAL AREA, SECTOR 44, GURUGRAM, HARYANA-122002 AT 05:00 P.M.

a. ESOP Scheme 2017

“RESOLVED THAT, pursuant to Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, and the rules notified thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, (**“SEBI SBEB&SE Regulations”**) provisions contained in the memorandum of association and the articles of association of the Company, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other rules, regulations and guidelines of any/ various statutory/ regulatory authority(ies) that are or may become applicable (collectively referred herein as the **“Applicable Laws”**) and subject to any approvals, permissions and sanctions of any/ various authority(ies) as may be required and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to Shareholders of the Company (hereinafter referred to as the **“Members”**), the consent of the Members be and is hereby accorded to amend the ESOP Scheme 2017, for compliance with the requirements under Applicable Laws.

RESOLVED FURTHER THAT, the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include any committee including Nomination and Remuneration Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), be and is hereby authorized to make any modifications or revisions in the ESOP 2017 as it may deem fit, from time to time, provided that the same is in conformity with the Applicable Laws

RESOLVED FURTHER THAT, it is hereby noted that the amendments to the ESOP Scheme are being carried out to meet the regulatory requirement in terms of the SEBI SBEB & SE Regulations once the Company is listed.

RESOLVED FURTHER THAT, to give effect to the above resolution, Mr. Rupinder Singh, MD and CEO, Ashish Gupta, CFO and Ms. Mukti Chaplot, Company Secretary and Head Internal-Audit , be and are hereby severally authorised to do all such acts, deeds, matters and things, including to settle any question, difficulty or doubt that may arise and to finalise and execute all documents and writings as may be necessary and make such filings/ applications with the regulatory authorities including the Registrar of Companies, New Delhi and Haryana at New Delhi effectively implement this resolution.

RESOLVED FURTHER THAT in compliance with the requirements under the SEBI SBEB&SE Regulations, no further grants shall be made under ESOP Scheme 2017.

RESOLVED FURTHER THAT Mr. Rupinder Singh, MD and CEO, Ashish Gupta, CFO and/or Ms. Mukti Chaplot, Company Secretary and Head Internal-Audit, be and are hereby severally authorized to take all steps for giving effect to the aforesaid resolutions, including making the necessary applications, filing forms and doing all such acts, deeds, and things as may be required or deemed necessary to implement such resolutions.

India Shelter Finance Corporation Limited

Registered office – 6th Floor, Plot No 15, Institutional Area, Sector 44, Gurgaon, Haryana-122002

CIN: U65922HR1998PLC042782, Phone No +91-124-4131807

E-mail: customer.care@indiashelter.in, Website: www.indiashelter.in

RESOLVED FURTHER THAT Mr. Rupinder Singh, MD and CEO, Ashish Gupta, CFO and Ms. Mukti Chaplot, Company Secretary and Head Internal-Audit be and are hereby severally authorized to certify the true copy of the aforesaid resolutions and the same may be forwarded to any concerned authorities for necessary action.”

b. ESOP Scheme 2021

“**RESOLVED THAT**, pursuant to Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, and the rules notified thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, (“**SEBI SBEB&SE Regulations**”) provisions contained in the memorandum of association and the articles of association of the Company, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other rules, regulations and guidelines of any/ various statutory/ regulatory authority(ies) that are or may become applicable (collectively referred herein as the “**Applicable Laws**”) and subject to any approvals, permissions and sanctions of any/ various authority(ies) as may be required and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Shareholders of the Company (hereinafter referred to as the “**Members**”), the consent of the Members be and is hereby accorded to amend the ESOP Scheme 2021, for compliance with the requirements under Applicable Laws.

RESOLVED FURTHER THAT, the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include any committee including Nomination and Remuneration Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), be and is hereby authorized to make any modifications or revisions in the ESOP 2021 as it may deem fit, from time to time, provided that the same is in conformity with the Applicable Laws

RESOLVED FURTHER THAT, it is hereby noted that the amendments to the ESOP Scheme are being carried out to meet the regulatory requirement in terms of the SEBI SBEB & SE Regulations once the Company is listed.

RESOLVED FURTHER THAT, to give effect to the above resolution, Mr. Rupinder Singh, MD and CEO, Ashish Gupta, CFO and Ms. Mukti Chaplot, Company Secretary and Head Internal-Audit , be and are hereby severally authorised to do all such acts, deeds, matters and things, including to settle any question, difficulty or doubt that may arise and to finalise and execute all documents and writings as may be necessary and make such filings/ applications with the regulatory authorities including the Registrar of Companies, New Delhi and Haryana at New Delhi effectively implement this resolution.

RESOLVED FURTHER THAT Mr. Rupinder Singh, MD and CEO, Ashish Gupta, CFO and/or Ms. Mukti Chaplot, Company Secretary and Head Internal-Audit, be and are hereby severally authorized to take all steps for giving effect to the aforesaid resolutions, including making the necessary applications, filing forms and doing all such acts, deeds, and things as may be required or deemed necessary to implement such resolutions.

India Shelter Finance Corporation Limited

Registered office – 6th Floor, Plot No 15, Institutional Area, Sector 44, Gurgaon, Haryana-122002

CIN: U65922HR1998PLC042782, Phone No +91-124-4131807

E-mail: customer.care@indiashelter.in, Website: www.indiashelter.in

RESOLVED FURTHER THAT Mr. Rupinder Singh, MD and CEO, Ashish Gupta, CFO and/or Ms. Mukti Chaplot, Company Secretary and Head Internal-Audit be and are hereby severally authorized to certify the true copy of the aforesaid resolutions and the same may be forwarded to any concerned authorities for necessary action.”

For and on Behalf of
India Shelter Finance Corporation Limited



Mukti Chaplot
Company Secretary & Head Internal-Audit
Membership No. 38326
Date: 21/07/2023
Place: Gurgaon

India Shelter Finance Corporation Limited

Registered office – 6th Floor, Plot No 15, Institutional Area, Sector 44, Gurgaon, Haryana-122002

CIN: U65922HR1998PLC042782, Phone No +91-124-4131807

E-mail: customer.care@indiashelter.in, Website: www.indiashelter.in

CERTIFIED TRUE COPY OF THE EXTRACTS OF THE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF INDIA SHELTER FINANCE CORPORATION LIMITED BEARING SERIAL NUMBER 02/2023-24 HELD ON WEDNESDAY, JULY 12, 2023 AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT, 6TH FLOOR, PLOT NO.15 INSTITUTIONAL AREA, SECTOR 44, GURUGRAM, HARYANA-122002 AT 10:45 A.M AND CONCLUDED 11:15 A.M.

“RESOLVED THAT pursuant to Section 62(1)(b) of the Companies Act 2013, read with Rule 12 of the Companies (Share Capital and Debenture) Rules, 2014 and subject to the consent of the members by way of a special resolution, consent of the Board of Directors be and is hereby accorded to the ‘Employee Stock Option Plan 2023’ (“ESOP 2023” / “Plan”).

RESOLVED FURTHER THAT pursuant to Section 62(1)(b) and all other applicable provisions of the Companies Act, 2013, Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, the Memorandum and Articles of Association of the Company, and subject to the consent of the members by way of a special resolution, consent of the Board Of Directors be and is hereby accorded to create, offer and grant up to 16,76,725 (Sixteen Lakhs Seventy Six Thousand Seven Hundred Twenty Five) employee stock options to or for the benefit of such person(s) as may be decided under ESOP 2023, in one or more tranches, exercisable in aggregate into not more than 16,76,725 (Sixteen Lakhs Seventy Six Thousand Seven Hundred Twenty Five) equity shares of face value of Rs.10/- each fully paid up, and on such terms and conditions as may be determined by the Board.

**For and on Behalf of
India Shelter Finance Corporation Limited**



**Mukti Chaplot
Company Secretary & Head Internal-Audit
Membership No. 38326
Date: 12/07/2023
Place: Gurgaon**

India Shelter Finance Corporation Limited

**Registered office – 6th Floor, Plot No 15, Institutional Area, Sector 44, Gurgaon, Haryana-122002
CIN: U65922HR1998PLC042782, Phone No +91-124-4131807
E-mail: customer.care@indiashelter.in, Website: www.indiashelter.in**

CERTIFIED TRUE COPY OF THE EXTRACTS OF THE EXTRA-ORDINARY GENERAL MEETING NO. 1 /2023-24 OF INDIA SHELTER FINANCE CORPORATION LIMITED HELD ON TUESDAY, JULY 18, 2023 AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT, 6TH FLOOR, PLOT NO.15 INSTITUTIONAL AREA, SECTOR 44, GURUGRAM, HARYANA-122002 AT 05:00 P.M.

“RESOLVED THAT pursuant to Section 62(1)(b) of the Companies Act 2013, read with Rule 12 of the Companies (Share Capital and Debenture) Rules, 2014, subject to such other approvals, permissions, sanctions, conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the member be and is hereby accorded to the ‘Employee Stock Option Plan 2023’ (“ESOP 2023” / “Plan”).

RESOLVED FURTHER THAT pursuant to Section 62(1)(b) and all other applicable provisions of the Companies Act, 2013, Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, and the Memorandum and Articles of Association of the Company, consent of the members be and is hereby accorded to create, offer and grant up to 16,76,725 (Sixteen Lakhs Seventy Six Thousand Seven Hundred Twenty Five) employee stock options to or for the benefit of such person(s) as may be decided under ESOP 2023, in one or more tranches, exercisable in aggregate into not more than 16,76,725 (Sixteen Lakhs Seventy Six Thousand Seven Hundred Twenty Five) equity shares of face value of Rs.10/- each fully paid up, and on such terms and conditions as may be determined by the Board.

RESOLVED FURTHER THAT the Board/Committee be and is hereby authorized to issue and allot such number of equity shares as may be required upon exercise of options from time to time in accordance with the ESOP 2021 and that such equity shares shall rank pari passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, the Board be and is hereby authorized to do all acts, deeds, matters and things as it may deem fit in its absolute discretion and permitted under applicable laws for the purpose of making a fair and reasonable adjustment to the Options granted earlier including issue of any additional equity shares by the Company to the Option grantees and the aforesaid ceiling of the employee stock option/ equity shares shall be deemed to increase to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the plan shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10/- per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the ESOP 2017 or any employee stock options granted thereunder, as it may deem fit, from time to time, in its sole and absolute discretion in conformity with the provisions

India Shelter Finance Corporation Limited

Registered office – 6th Floor, Plot No 15, Institutional Area, Sector 44, Gurgaon, Haryana-122002

CIN: U65922HR1998PLC042782, Phone No +91-124-4131807

E-mail: customer.care@indiashelter.in, Website: www.indiashelter.in

of the Companies Act, 2013, Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, the Memorandum and Articles of Association of the Company and any other applicable laws.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein, to any Committee of Directors with a power to further delegate to any executives / officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc. as may be necessary in this regard.”

For and on Behalf of
India Shelter Finance Corporation Limited



Mukti Chaplot
Company Secretary & Head Internal-Audit
Membership No. 38326
Date: 21/07/2023
Place: Gurgaon

India Shelter Finance Corporation Limited

Registered office – 6th Floor, Plot No 15, Institutional Area, Sector 44, Gurgaon, Haryana-122002
CIN: U65922HR1998PLC042782, Phone No +91-124-4131807
E-mail: customer.care@indiashelter.in, Website: www.indiashelter.in

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2017

INDIA SHELTER FINANCE CORPORATION LIMITED

EMPLOYEE STOCK OPTION PLAN 2017

As last amended vide the Shareholders' Special resolution dated July
14, 2023

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2017

Index

| | | |
|-----|--|----|
| 1. | Name, Objectives and Term of the Plan | 3 |
| 2. | Definitions and Interpretations..... | 3 |
| 3. | Authority and Ceiling | 9 |
| 4. | Administration | 11 |
| 5. | Eligibility and Applicability | 12 |
| 6. | Grant and Acceptance of Grant | 12 |
| 7. | Vesting Schedule/ Conditions | 13 |
| 8. | Exercise..... | 15 |
| 9. | Discretionary Cash Settlement of Vested Options..... | 20 |
| 10. | Other Terms and Conditions..... | 21 |
| 11. | Deduction of Tax..... | 22 |
| 12. | Authority to vary terms | 22 |
| 13. | Miscellaneous..... | 23 |
| 14. | Accounting and Disclosures | 24 |
| 15. | Governing Laws and jurisdiction | 25 |
| 16. | Notices..... | 25 |
| 17. | Severability | 26 |
| 18. | Confidentiality | 26 |

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2017

1. Name, Objectives and Term of the Plan

- 1.1 This employee stock option plan shall be called the 'Employee Stock Option Plan 2017' ("ESOP 2017" / "Plan").
- 1.2 The underlying philosophy of ESOP 2017 is to enable the Employees of the Company to get a share in the value that they help to create for the organization over a period of time. The Company strongly believes that an equity component in the compensation goes a long way in aligning the objectives of an individual with those of the Company. The objectives of ESOP 2017 are, among others, to attract and retain critical and key talents with Employee Stock Options as a compensation and motivational tool. Through ESOP 2017, the Company intends to offer an opportunity of sharing the wealth created with those Employees who have contributed or are expected contribute to the growth and development of the Company.
- 1.3 The ESOP 2017 is established with effect from 31st January, 2018 and further modified by the Company by way of resolutions dated 26th November 2018, 22nd August, 2019, 24th September, 2020, 26th July, 2021, 29th September, 2022. The Company is contemplating listing its Shares through an initial public offer ("IPO"). Consequently, the ESOP 2017 has been amended in the shareholders' meeting by way of a special resolution dated July 14, 2023 with a view to align ESOP 2017 as per the provisions of the SBEB Regulations. The ESOP 2017 as amended shall apply to all Option Grantees, existing and future, from July 14, 2023 unless otherwise specified in the relevant clause(s) of this ESOP 2017, and/or, unless otherwise provided under the provisions of the Applicable Law.
- 1.4 The Plan shall continue to be in force until (i) its termination by the Committee, or (ii) the date on which all of the Employee Stock Options available for issuance under the ESOP 2017 have been issued and exercised, whichever is earlier.

2. Definitions and Interpretations

In this Plan, unless the context clearly indicates a contrary intention, the following words or expressions shall have the meaning assigned herein:

2.1 Definitions

- i. **"Applicable Laws"** means every law relating to Employee Stock Options,

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2017

to the extent applicable, including and without limitation to the Companies Act, all relevant regulations of the Securities and Exchange Board of India particularly in connection with or after Listing, including the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations 2021 ("**SBEB Regulations**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**"), all the relevant tax, securities, foreign exchange control or corporate laws or amendments thereof including any circular, notification issued thereunder by regulatory authorities of India or of any relevant jurisdiction or of any Stock Exchange on which the Shares may be listed or quoted.

- ii. "**Articles**" means Articles of Association of the Company as amended from time to time.
- iii. "**Board**" means the board of directors of the Company.
- iv. "**Companies Act**" means the Companies Act, 2013 read with the rules made thereunder and includes any statutory modifications or re-enactments thereof.
- v. "**Company**" means India Shelter Finance Corporation Limited, a company incorporated under the provisions of the Companies Act, 1956 bearing CIN U65922HR1998PLC042782 and having its registered office at 6th Floor, Plot No. 15, Sector - 44, Institutional Area, Gurgaon - 122002, Haryana, India.
- vi. "**Company Policies/Terms of Employment**" mean the Company's policies for its employees and the terms of employment as contained in the employment letter and any other rules / bye-laws issued from time to time which includes provisions requiring a desired level of performance, securing confidentiality, non-compete and non-poaching of other employees and customers.
- vii. "**Director**" means a member of the Board of the Company.
- viii. "**Eligibility Criteria**" means the criteria as may be determined from time to time by the Committee for granting the Options to the Employees.

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2017

ix. **“Employee”** means

- (i) a permanent employee of the Company who has been working in India or outside India; or
- (ii) a Director of the Company, whether a whole time Director or not but excluding an Independent Director; or
- (iii) an employee, as defined in Sub-clauses (i) or (ii) above, of a Subsidiary in India or outside India, or of a Holding company of the Company;

but does not include

- a. an employee who is a Promoter or person belonging to the Promoter Group or;
- b. a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than ten percent of the outstanding equity shares of the Company.

Post Listing, the term “Employee” subject to the requirements of Applicable Laws, to the extent applicable, means -

- (i) an employee as designated by the Company, who is exclusively working in India or outside India; or
- (ii) a Director of the Company, whether a whole-time Director or not, including a non-executive Director who is not a Promoter or member of the Promoter Group; or
- (iii) an employee as defined in sub clause (i) or (ii), of a Group Company including Subsidiary Company 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 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 10% of the outstanding equity shares of the Company; or
- (iii) an Independent Director.

x. **“Employee Stock Option”** means an option granted to an Employee, which gives such Employee a right, but not an obligation, to purchase or subscribe at a future date, Shares underlying such option at a pre-determined price in accordance with ESOP 2017.

xi. **“ESOP 2017”** means this Employee Stock Option Plan 2017 of the Company under which the Company is authorized to Grant Options to the Employees.

xii. **“Exercise”** of an Option means expression of an intention by an Employee

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2017

to the Company to subscribe/ purchase the Shares underlying the Options vested in him, in pursuance of the ESOP 2017, in accordance with the procedure laid down by the Company for Exercise of such Options.

- xiii. **“Exercise Period”** means such time period after Vesting within which the Employee should exercise the Options vested in him in pursuance of the ESOP 2017.
- xiv. **“Exercise Price”** means the price, being payable by an Option Grantee in order to Exercise the Options granted to him in pursuance of the ESOP 2017, and as specified in the Grant Letter.
- xv. **“Fair Market Value”** means the fair market value of a Share, as determined by a registered valuer within the meaning of the Companies Act, appointed by the Company from time to time as required under the Plan.
- xvi. **“Grant”** means the process by which the Company issues Options to the Employees under ESOP 2017.
- xvii. **“Independent Director”** means a Director within the meaning of Section 149(5) of the Companies Act.
- xviii. **“Listing”** means the listing of the Company’s Shares on any recognized Stock Exchange as per Applicable Laws.
- xix. **“Misconduct”** means disregard of the Company’s bye-law, rules, regulations and the Company Policies/ Terms of Employment and includes mismanagement of position by action or inaction, alleged wrong doing, misfeasance, or violation of any rule, regulation or law which was expected to be abided by the Employee.
- xx. **“Market Price”** means the latest available closing price on the recognized Stock Exchange on which the Shares of the Company are listed on the date immediately prior to the Relevant Date.

Explanation: In the case of shares listed on more than one recognized Stock Exchange, then the Stock Exchange where the highest trading volume on the said date shall be considered.

- xxi. **“Merchant Banker”** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Merchant Bankers) Regulations,

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2017

1992, who is registered under Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992).

- xxii. **“Nomination and Remuneration Committee” or “Committee”** means the Nomination and Remuneration Committee of the Board, as constituted or reconstituted from time to time to administer and supervise this Plan or any other employee stock option plans of the Company.
- xxiii. **“Options”** mean Employee Stock Options as defined under the ESOP 2017.
- xxiv. **“Option Grantee”** means an Employee who has been granted an Option in pursuance of the ESOP 2017 and has accepted such Grant as per provisions of the Plan and shall deem to include nominee/ legal heir of an Option Grantee in case of his/her death to the extent provisions of the Plan are applicable to such nominee/ legal heir.
- xxv. **“Permanent Incapacity”** means any disability of 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 Committee based on a certificate of a medical expert identified by the Committee.
- xxvi. **“Plan”** means this ESOP 2017.
- xxvii. **“Promoter”** shall have the same meaning as defined under Section 2(69) of the Companies Act. Post Listing, the term “Promoter” defined hereinabove shall have meaning as defined in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (**“ICDR Regulations”**), as amended from time to time
- xxviii. **“Promoter Group”** means (a) an immediate relative of the Promoter (i.e. spouse of that person, or any parent, brother, sister or child of the person or of the spouse); (b) persons whose Shareholding is aggregated for the purpose of disclosing ‘shareholding of the promoter group’ in the offer document or prospectus issued or to be issued by the Company.
- Post Listing, the term “Promoter Group” shall have the same meaning assigned to it under the ICDR Regulations, as amended from time to time.
- xxix. **“Relevant Date”** means any of the following dates as the context require:
(a) in the case of Grant, the date of Grant; or

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2017

(b) in the case of Exercise, the date on which the notice of Exercise is given to the Company by the Grantee.

- xxx. **“Retirement”** means retirement as per the rules of the Company.
- xxx.i. **“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 LODR Regulations.
- xxx.ii. **“Shares”** means equity shares of the Company.
- xxx.iii. **“Stock Exchange”** means the National Stock Exchange of India Ltd., BSE Ltd., or any other recognized Stock Exchange in India on which the Company’s Shares are listed or to be listed in future.
- xxx.iv. **“Subsidiary company”** means any present or future subsidiary company of the Company, as defined in the Companies Act.
- xxx.v. **“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.
- xxx.vi. **“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 subject to fulfillment of Exercise conditions.
- xxx.vii. **“Vesting”** means earning by the Option Grantee, of the right to Exercise the Options granted to him in pursuance of the ESOP 2017.
- xxx.viii. **“Vesting Condition”** means the condition prescribed if any subject to satisfaction of which the Options granted would vest in an Option Grantee.
- xxx.ix. **“Vesting Period”** means the period during which the Vesting of the Option granted to the Employee, in pursuance of the ESOP 2017 takes place.

2.2 Interpretation

In this Plan, unless the contrary intention appears:

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2017

- a) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- b) a reference to a clause number is a reference to its sub-clauses;
- c) words in singular number include the plural and vice versa;
- d) words importing a gender include any other gender; and
- e) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.

The terms defined in ESOP 2017 shall for the purposes of ESOP 2017 have the meanings herein specified and terms not defined in ESOP 2017 shall have the meanings as defined in the Companies Act or Applicable Laws as the context requires. Reference to any Act, Rules, Statute or Notification shall include any statutory modifications, substitution or re-enactment thereof.

3. Authority and Ceiling

- 3.1 The shareholders of the Company, in their general meeting held on 31st January, 2018 and subsequent amendments have authorized the Board to grant up to 5,17,000 (Five Lakhs Seventeen Thousand) Employee Stock Options to the Employees, in one or more tranches, from time to time under the Plan, being exercisable into not exceeding *5,17,000 (Five Lakhs Seventeen Thousand) Shares of a face value of Rs. 10/- each fully paid-up, with each such Option conferring a right upon the Employee to be issued one Share of the Company, in accordance with the terms and conditions of such Grant.

* The Company has approved the total number of options and equity shares to be issued to 731374 Options vide shareholders' special resolution dated 31st January, 2018.

*The Company has increased the total number of options and equity shares to be issued from 7,31,374 to 11,85,793 by adding 4,54,419 Options vide shareholders' special resolution dated 26th November, 2018.

*The Company has increased the total number of options and equity shares to be issued from 11,85,793 to 12,86,796 by adding 1,01,003 Options vide shareholders'

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2017

special resolution dated 22 August, 2019.

*The Company has increased the total number of options and equity shares to be issued from 12,86,796 to 12,94,246 by adding 7450 Options vide shareholders' special resolution dated 24th September, 2020.

*The Company has reduced the total number of options and equity shares to be issued from 12,94,246 to 5,41,000 by reducing 7,53,246 Options vide shareholders' special resolution dated 26th July, 2021.

*The Company has reduced the total number of options and equity shares to be issued from 5,41,000 to 5,17,000 by reducing 24,000 Options vide shareholders' special resolution dated 29th September, 2022.

The maximum number of Options that may be granted to each Employee under this plan shall vary depending upon the designation and the appraisal/assessment process, however shall not exceed 2,00,000 in number per eligible Employee and in aggregate. However, the Committee reserves the right to decide the number of Options to be granted and the maximum number of Options that can be granted to each Employee within this ceiling.

- 3.2 If an Option expires or becomes un-exercisable due to any other reason, it shall become available for future Grants, subject to compliance with all Applicable Laws.
- 3.3 In case of a Share split or consolidation, if the revised face value of the Share is less or more than the current face value as prevailing on the date of coming into force of this Plan, the maximum number of Shares available for being issued under ESOP 2017 as specified above shall stand modified accordingly, so as to ensure that the cumulative face value (number of Shares X face value per Share) prior to such Share split or consolidation remains unchanged after such Share split or consolidation. Thus, for example, if the prevailing face value of each Share is Rs. 10 per Share and the revised face value after the Share split is Rs. 5 per Share, the total number of Shares available under ESOP 2017 would be (Shares reserved at Sub-Clause 3.1 x 2) Shares of Rs. 5 each. Similarly, in case of bonus issue, etc. the available number of Shares under ESOP 2017 shall be revised to restore the value.

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2017

3.4 Prior approval of shareholders by way of special resolution shall be obtained in case the Grant of Options to any identified Employee is equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant or if a Grant is made to the employees of a subsidiary.

4. Administration

4.1 The ESOP 2017 shall be administered by the Committee. All questions of interpretation of the ESOP 2017 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the ESOP 2017. Neither the Company nor the Committee shall be liable for any action or determination made in good faith with respect to ESOP 2017 or any Options granted thereunder.

4.2 The administration of ESOP 2017 shall include, but not be limited to determination of the following as per provisions of the Plan and Applicable Laws:

- a) The procedure for Option allocation and the specific quantum of Options to be granted under the ESOP 2017 to the Employees, subject to the ceilings as specified in Sub- clauses 3.1 & 3.2 respectively;
- b) The Eligibility Criteria for Grant of Options to the Employees;
- c) Vesting schedule of Options granted;
- d) Vesting Condition(s) of Options granted;
- e) The procedure for making fair and reasonable adjustment in case of corporate actions such as merger, sale of division, stock split / consolidation, rights issues, bonus issues and others by way of revision in the number of Options, Exercise Price as the case may be, to ensure that such corporate action does not result in diminution of value of such Options;
- f) The procedure and terms for the Grant, Vesting and Exercise of Option in case of Employees who are on long leave in accordance with the Company's internal policies and applicable terms of employment or sabbatical;

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2017

- g) Mode of payment of the Exercise Price (cheque, demand draft, deduction from salary, or any other mode);
- h) the conditions under which Options may lapse in case of termination of employment for Misconduct;
- i) The procedure for cashless Exercise of Options, if required;
- j) Forms, writings and/or agreements for use in pursuance of the ESOP 2017; and
- k) Take any other actions and make any other determinations or decisions that it deems necessary or appropriate in connection with the Plan or the administration or interpretation thereof or as may be required under Applicable Laws. including the SBEB Regulations.

5. Eligibility and Applicability

- 5.1 Only Employees within the meaning of this Plan are eligible for being granted Options under ESOP 2017. The specific Employees to whom the Options would be granted and their Eligibility Criteria shall be determined by the Committee.
- 5.2 Options may be granted to the Employees of the Company, its subsidiary and holding company, if any, as determined by the Committee at its own discretion. As such, the Plan shall be applicable to the Company, its subsidiaries and holding company to the extent any Grant is made to their Employees, any successor company thereof and to all Option Grantees.
- 5.3 The Options granted to an Employee shall be subject to the terms and conditions set forth in this Plan and letter of Grant.

6. Grant and Acceptance of Grant

6.1 Grant of Options

Grant of Option under the ESOP 2017 shall be made in writing by the Company to the eligible Employees fulfilling the Eligibility Criteria in a letter of Grant as may

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2017

be approved under ESOP 2017 from time to time all grant of Options under the ESOP 2017 shall be subject to such approval as provided under the Articles.

6.2 Acceptance of the Grant

- (a) Any Employee who wishes to accept the Grant made under this Plan must deliver to the Company a duly signed acceptance of Grant on or before the date ("Closing Date") which shall not be more than 60 days from the date of the Grant, as specified in the letter of Grant. On receipt by the Company of the signed acceptance, the Employee will become an Option Grantee.
- (b) Any Employee who fails to deliver the signed acceptance of the Grant on or before the Closing Date stated above shall be deemed to have rejected the Grant unless the Committee determines otherwise.
- (c) Upon acceptance of the Grant in the manner described above, the Employee henceforth as an Option Grantee, shall be bound by the terms, conditions and restrictions of the Plan, the Grant document and the provisions of the Articles. Such acceptance, shall be construed as if an agreement between the Option Grantee and the Company, as to the terms of this Plan, the Grant document and the Articles and it shall be deemed as if the Option Grantee has agreed to in writing, as a precondition to acquiring Shares upon Exercise of Options, to be bound by all the provisions of the Articles by executing and delivering a document prescribed by the Company as a condition of allotment, without the need of obtaining any consent, approval or signature of any shareholder of the Company.

7. Vesting Schedule/ Conditions

- 7.1 Options granted under ESOP 2017 shall vest not earlier than the minimum Vesting Period of

1 (one) year and not later than the maximum Vesting Period of **4 (four) years** from the date of Grant of such Options.

Provided that in case where Options are granted by the Company under the Plan in

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2017

lieu of options held by a person under a similar plan in another company (“Transferor Company”) which has merged or amalgamated with the Company, the period during which the options granted by the Transferor Company were held by him may be adjusted against the minimum Vesting Period required under this Sub-clause, at the discretion of the Committee.

Provided further that in the event of Death or Permanent Incapacity of an Employee, the minimum Vesting Period shall not be applicable and in such instances, all the Unvested Options shall vest with effect from date of the Death or Permanent Incapacity.

7.2 Vesting of Options would be subject to continued employment with the Company, and the Employee has not served any notice of resignation. In addition to this, the Committee may also specify certain performance criteria subject to satisfaction of which the Options would vest.

7.3 Unless the Committee requires a different Vesting schedule on any other occasion of Grant, or for Employee or category of Employees, the following Vesting schedule shall apply to all Grants made under this Plan:

| Dates of Vesting | Percentage of Options to vest |
|---|-------------------------------|
| On 1 st anniversary from the date of | 10% of Options granted |
| On 2 nd anniversary from the date of | 20% of Options granted |
| On 3 rd anniversary from the date of | 30% of Options granted |
| On 4 th anniversary from the date of | 40% of Options granted |

7.4 The specific Vesting schedule and Vesting Conditions subject to which Vesting would take place would be outlined in the letter of Grant issued to the Option Grantee at the time of Grant of Options.

7.5 **Acceleration of Vesting in certain cases**

Prior to Listing, and subject to fulfilment of minimum Vesting Period of 1(One) year, and compliance with other conditions of this Plan and Applicable Laws, the Committee at its discretion may accelerate Vesting of any or all Unvested Options on such terms and conditions as may be decided from time to time, and the Vesting of

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2017

such Options shall be with effect from the date of the meeting at which such acceleration is approved by the Committee, or from such other date as the Committee may determine.

8. Exercise

8.1 Exercise Price

- (a) The exercise price per Option shall be the Fair Market Value of an Equity Share in the Company determined within 6 months prior to date of grant of Option.
- (b) Post Listing, the Exercise Price per Option shall be as determined by the Committee and as set out in the Grant Letter, and shall not be less than the face value of the Shares and may be up to the Market Price of the Shares, as on the date of Grant.
- (c) Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company or in such other manner as the Committee may decide from time to time.

8.2 Exercise Period

(a) Exercise Period while in employment/ service:

Subject to provisions of Sub-clause 8.4 hereof, the Vested Options shall be exercised by the relevant Employee post listing of the shares of the Company. In the event, listing is not done within a period of 5 (Five) years from the date of first vesting of the relevant Options, the Employee shall have a right to exercise the Vested Option within a period of 3 (Three) months from the date of expiry of the 5 (Five) years.

(b) Exercise Period in case of separation from employment/ service:

Subject to provisions of Sub-clause 8.4 hereof, exercisability of the Options

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2017

shall be as under:

| S. No. | Events of Separation | Separation prior to Listing | Separation after Listing |
|--------|--|--|--|
| 1 | Resignation / Termination (other than due to Misconduct or breach of Company Policies/Terms of Employment) | All Vested Options as on date of resignation or termination can be exercised within the Exercise Period as shall be notified by the Committee in terms of sub-clause 8.3 below. All Unvested Options as on date of resignation or termination shall stand cancelled with effect from that date. | All the Vested Options as on date of resignation or termination shall be exercisable before his/her last working day with the Company. All Unvested Options as on date of resignation or termination shall stand cancelled with effect from that date. |
| 2 | Termination due to Misconduct, breach of Company Policies/ Terms of Employment including abandonment | All the Vested Options and all the Unvested Options shall stand cancelled with effect from the date of such termination. | All the Vested Options and all the Unvested Options shall stand cancelled with effect from the date of such termination. |
| 3 | Retirement / early Retirement approved by the Company | All Vested Options as on date of such Retirement can be exercised within an Exercise Period as shall be notified by the Committee in terms of sub-clause 8.3 below. All Unvested Options as on date of such Retirement shall stand cancelled with effect from that date. | All Vested Options as on date of such Retirement can be exercised by the Option Grantee as per the Exercise period mentioned in the Clause 8.2(a). All Unvested Options as on the date of Retirement would continue to Vest in accordance with the original vesting schedules |

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2017

| | | | |
|----------|-----------------------------|---|--|
| | | | <p>even after the Retirement unless otherwise determined by the Committee in accordance with the Company's Policies and provisions of the then prevailing Applicable Law.</p> <p>Such aforesaid Vested Options can be exercised as per the Exercise period mentioned in the Clause 8.2(a).</p> |
| 4 | Death | <p>All the Vested Options as on date of death can be exercised by the deceased Option Grantee's nominee or legal heirs within an Exercise Period as shall be notified by the Committee in terms of sub- clause 8.3 below.</p> <p>All the Unvested Options as on date of death shall vest forthwith and can be exercised by the deceased Option Grantee's nominee or legal heirs in the same manner prescribed for Vested Options.</p> | <p>All the Vested Options as on date of death can be exercised by the deceased Option Grantee's nominee or legal heirs as per the Exercise period mentioned in the Clause 8.2(a) or within 12 (Twelve) months from the date of death, whichever is later.</p> <p>All the Unvested Options as on date of death shall vest forthwith and can be exercised by the deceased Option Grantee's nominee or legal heirs in the same manner prescribed for Vested Options.</p> |
| 5 | Permanent Incapacity | <p>All the Vested Options as on date of incurring Permanent Incapacity can be exercised by the Option Grantee within an Exercise Period as shall be notified by the Committee in terms of sub-clause 8.3 below.</p> <p>All the Unvested Options as</p> | <p>All the Vested Options as on date of incurring Permanent Incapacity can be exercised by the Option Grantee as per the Exercise period mentioned in the Clause 8.2(a) or within 12 (Twelve) months from the date of incurring such</p> |

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2017

| | | | |
|---|---|--|---|
| | | on date of incurring Permanent Incapacity shall vest forthwith and can be exercised by the Option Grantee in the same manner prescribed for Vested Options. | Permanent Incapacity, whichever is later. All the Unvested Options as on date of incurring Permanent Incapacity shall vest forthwith and can be exercised by the Option Grantee in the same manner prescribed for Vested Options. |
| 6 | Other Reasons Apart from those mentioned above | The Committee will decide whether the Vested Options can be exercised by the Option Grantee or not, and such decision shall be final. All Unvested Options on the last working day of the Option Grantee shall stand cancelled from such date unless otherwise required by the Applicable Laws. | The Committee will decide whether the Vested Options can be exercised by the Option Grantee or not, and such decision shall be final. All Unvested Options on the last working day of the Employee shall stand cancelled from such date unless otherwise required by the Applicable Law. |

8.3 Provision for Exercise at the time of Listing in case of separated employees

- (a) In case the Company proposes Listing, all the Vested Options held by an Option Grantee (including nominee or legal heir of a deceased Option Grantee) who ceases to be in employment/ service of the Company, by that date, can be exercised only during the period notified by the Committee in this behalf.
- (b) For effecting this, the Company shall, after the Board has adopted a resolution approving the Listing and prior to filing of the draft prospectus with the Securities and Exchange Board of India, issue a notice to all such Option Grantees holding Vested Options at their registered address available in the

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2017

records of the Company informing them of this special provision for Exercise of Vested Options.

- (c) On issue of such notice, the Notified Exercise Period shall prevail and be deemed to be substituted for the corresponding Exercise Periods mentioned in the aforesaid Table. In case of failure to exercise within the notified period, such Options shall immediately lapse and such Option Grantee shall have no recourse over such lapsed Options.
- (d) Accordingly, for the period between the date of issue of notice intimating the period as aforesaid and the completion of such Listing (i.e. Initial Public Offer), in case an Option Grantee ceases to be in employment/ service of the Company (including by reason of death or retirement), such Options shall immediately lapse forthwith and such Option Grantee shall have no recourse over such lapsed Options. It is clarified that this Clause 8.3 shall terminate at listing.

8.4 Overriding provision for Exercise

Notwithstanding anything contained elsewhere in this Plan:

a) Trade Sale or Liquidity Event

Prior to Listing and upon or in connection with happening of a Liquidity Event or Trade Sale (as explained below), the Board shall have the right (without any obligation) to prescribe for Exercise of Vested Options in such proportion and within such Exercise Period as may be determined and intimated in this behalf. The Option Grantees (including Option Grantees who cease to be in employment/ service of the Company as on date of intimation by the Board under this Sub-clause) shall be required to exercise the Vested Options accordingly and offer all such resultant Shares for sale in the course of such Liquidity Event or Trade Sale as intimated in this regard, subject to condition that the sale consideration per Share to be received by the selling Option Grantees shall be the same as that of the selling shareholders of the Company.

Explanations:

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2017

1. **“Liquidity Event”** means any transaction or a series of related transactions in which all the shareholders of the Company prior to such transaction(s) do not retain, in the aggregate, more than 50% of the voting power of the Company or 50% of the outstanding securities (on a fully diluted basis) of the Company after closure of such transaction.
2. **“Trade Sale”** means a sale of the entire shareholding of the Company to a third person by all the shareholders of the Company prior to such sale.

b) **Other Cases**

- c) Notwithstanding anything to the contrary contained in any provision of ESOP 2017 and subject to the provisions of the articles of association, if any, the Option Grantee may exercise his / her Vested Options under ESOP 2017 on reasonable grounds, with the approval of the Committee. The Committee may prescribe such terms as may be deemed fit at its sole discretion. It is clarified that this Clause 8.4 shall terminate at listing.

8.5 **Right to prescribe for cashless Exercise of Options**

The Committee is entitled to specify such procedures and mechanisms for the purpose of implementing the cashless Exercise of Options as may be necessary and subject to and in accordance with the Applicable Law and the same shall be binding on all the Option Grantees.

8.6 **Lapse of Options**

The Options not exercised within the Exercise Period, as mentioned in sub-clause 8.2 and sub-clause 8.3 above, shall lapse and the Employee shall have no right over such lapsed or cancelled Options.

9. **Discretionary Cash Settlement of Vested Options**

- (a) At any time prior to Listing, the Committee shall at its discretion and without any obligation have the right to liquidate and settle the Vested Options in case:
 - (i) Listing does not happen until 01.04.2022; and/ or

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2017

- (ii) in case of separation by way of resignation, termination of employment, death or permanent incapacity or retirement or early retirement approved by the Company of Employees before Listing.
- (b) The consideration for the cash settlement in respect of each Vested Option shall be calculated at the compounded interest rate of 10% per annum computed from the date of Vesting of Options under reference on the amount equal to the Exercise Price of such Options as if Exercise Price is the principal amount.
- (c) To the extent unexercised Vested Options are offered by the Committee to be settled by way of cash payment and upon expiry of such offer period, all rights of the Option Grantee therein including right to exercise such Options shall be deemed to be settled and extinguished with effect from date of receipt of the cash payment. It is clarified that this Clause 8.3 shall terminate at listing.

10. Other Terms and Conditions

- 10.1 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc.) in respect of any Shares covered by the Grant until the Option Grantee exercises the Option and becomes a registered holder of the Shares of the Company.
- 10.2 If the Company issues bonus Shares or rights Shares, the Option Grantee will not be eligible for the bonus Shares or rights Shares in the capacity of an Option Grantee. However, an adjustment to the number of Options or the Exercise Price or both would be made in accordance with Sub-clause of ESOP 2017. Only if the Options are vested and exercised and the Option Grantee is a valid holder of the Shares of the Company, the Option Grantee would be entitled for bonus or rights Shares as shareholder of the Company.
- 10.3 Options are not transferrable unless in case of Death of an Option Grantee in which case, Clause 8.1(b) will be referred to for the purpose of Exercise. No person other

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2017

than the Employee to whom the Option is granted shall be entitled to exercise the Option except in the event of the death of the Option Grantee.

10.4 Notwithstanding anything to the contrary contained under the ESOP 2017, the Option shall not be transferred, pledged, hypothecated, mortgaged or otherwise alienated in any other manner. However, the Shares resulting from Exercise of Option may be transferred, pledged, hypothecated, mortgaged or otherwise alienated in any other manner with the prior approval of the Committee in writing. This restriction on the Shares shall not be applicable post Listing.

11. Deduction of Tax

11.1 The liability of paying taxes, if any, in respect of Options granted pursuant to this Plan and the Shares issued pursuant to Exercise thereof shall be entirely on Option Grantee and shall be in accordance with the provisions of Income Tax Act, 1961 read with rules issued thereunder and/or Income Tax Laws of respective countries as applicable to eligible Employees working abroad, if any.

11.2 The Company shall have the right to deduct from the Option Grantee's salary or recover any tax that is required to be deducted or recovered under the Applicable Laws. In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.

11.3 The Company shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee in full.

12. Authority to vary terms

The Committee may, if it deems necessary, vary the terms of ESOP 2017, subject to the Applicable Laws and the conditions of the shareholders' approval in such manner which is not detrimental to the interest of employee. However, the Company shall be entitled to vary the terms of the scheme to meet any regulatory requirements. Furthermore, in case of Listing, the Committee is authorized to do such acts, deeds and things including but not limited to amendment of this Plan to make the Plan compliant of any Applicable Laws prevailing at that time. The Company may reprice the Options, which are not exercised, whether or not they have been vested, if the Plan is rendered unattractive due to fall in the price of the

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2017

shares in the stock market: Provided that the Company ensures that such repricing is not detrimental to the interests of the Employees and approval of the shareholders by a special resolution has been obtained for such repricing.

13. Miscellaneous

13.1 Government Regulations

This ESOP 2017 shall be subject to all Applicable Laws, and approvals from governmental authorities.

13.2 Foreign Exchange Laws

In case any Options are granted to any Employee being resident outside India, belonging to the Company, working outside India, the provisions of the Foreign Exchange Management Act, 1999 and rules or regulations made thereunder as amended and enacted from time to time shall be applicable and the Company has to comply with such requirements as prescribed from time to time in connection with Grant, Vest and Exercise of Options thereof.

13.3 Inability to obtain authority

The inability of the Company to obtain authority from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful issuance and sale of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to issue or sell such Shares.

13.4 Unless otherwise intended, the Grant of an Option does not form part of the Option Grantee's entitlement to compensation or benefits pursuant to his contract of employment nor does the existence of a contract of employment between any person and the Company give such person any right or entitlement to have an Option granted to him in respect of any number of Shares or any expectation that an Option might be granted to him whether subject to any condition or at all.

13.5 Neither the existence of this Plan nor the fact that an individual has on any occasion been granted an Option shall give such individual any right, entitlement or expectation that he has or will in future have any such right, entitlement or

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2017

expectation to participate in this Plan by being granted an Option on any other occasion.

13.6 The rights granted to an Option Grantee upon the Grant of an Option shall not accord the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the Company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

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

13.8 Participation in ESOP 2017 shall not be construed as any guarantee of return on equity investment. Any loss due to fluctuations in the value of the Shares and the risks associated with the investments are that of the Employee alone.

14. Accounting and Disclosures

14.1 The Company shall follow the laws/regulations applicable to accounting and disclosure related to Options, including but not limited to the IND AS/Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.

14.2 Where the existing Guidance Note or Accounting Standard do not prescribe accounting treatment or disclosure requirements for ESOP 2017 then the Company shall comply with the relevant Accounting Standard as may be prescribed by the ICAI or any other appropriate authority from time to time.

14.3 The Board shall, inter alia, disclose either in the Directors report or in the annexure to the Director's report, the following details of the ESOP 2017, or as amended from time to time under Applicable Laws.

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2017

14.4 Post Listing, the Company shall comply with the accounting and disclosure requirements as prescribed under Regulation 15 of the SBEB Regulations.

15. Governing Laws and jurisdiction

15.1 The terms and conditions of the ESOP 2017 shall be governed by and construed in accordance with the Applicable Laws of India including the Foreign Exchange Laws.

15.2 The courts at Gurgaon, Haryana shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this ESOP 2017.

15.3 Nothing in this Clause shall however limit the right of the Company to bring proceedings against any Employee in connection with this ESOP 2017: in any other court of competent jurisdiction; or concurrently in more than one jurisdiction.

16. Notices

16.1 All notices of communication required to be given by the Company to an Option Grantee by virtue of this ESOP 2017 shall be in writing and shall be sent to the address of the Option Grantee available in the records of the Company; or Delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; or Emailing the communication(s) to the Option Grantee at the official email address provided, if any, during the continuance of employment or at the email address provided by the Option Grantee after cessation of employment.

16.2 Any communication to be given by an Option Grantee to the Company in respect of ESOP 2017 shall be sent at the address mentioned below or e - mailed at:

The Company Secretary

India Shelter Finance Corporation
Limited, 6th Floor, Plot No.15,
Institutional Area Sector – 44, Gurgaon
- 122002

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2017

Email: mukti.chaplot@indiashelter.in

17. Severability

17.1 In the event any one or more of the provisions contained in this Plan shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this Plan in which case the Plan shall be construed as if such invalid, illegal, or unenforceable provisions had never been set forth herein, and the Plan shall be carried out as nearly as possible according to its original intent and terms.

18. Confidentiality

18.1 An Option Grantee must keep the details of the ESOP 2017 and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, co-employees or with any employee and/or associate of the Company or that of its affiliates. In case Option Grantee is found in breach of this Clause, the Company shall have undisputed right to terminate any agreement/Grant and all unexercised Options shall stand cancelled immediately. The decision and judgment of the Committee regarding breach of this Clause on confidentiality shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this Clause, the Committee shall have the authority to deal with such cases as it may deem fit.

18.2 On acceptance of the grant of Option offered by the Company, it shall be deemed that as if the Option Grantee has authorized the Company to disclose information relating to the Option Grantee during the process of implementation of the ESOP 2017 or while availing any consulting or advisory services thereof or any other incidental services to its officers, professional advisors, agents and consultants on a need to know basis.

-----END OF DOCUMENT-----

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2021

INDIA SHELTER FINANCE CORPORATION LIMITED

EMPLOYEE STOCK OPTION PLAN 2021

As last amended vide the Shareholders' Special resolution dated July
14, 2023

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2021

Table of Contents

| | | |
|-----|---|----|
| 1. | Name, Objectives and Term of the Plan | 3 |
| 2. | Definitions and Interpretations | 3 |
| 3. | Authority and Ceiling | 8 |
| 4. | Administration | 9 |
| 5. | Eligibility and Applicability | 10 |
| 6. | Grant and Acceptance of Grant | 11 |
| 7. | Vesting Schedule/ Conditions..... | 11 |
| 8. | Exercise..... | 13 |
| 9. | Discretionary Cash Settlement of Vested Options | 16 |
| 10. | Lock In..... | 16 |
| 11. | Other Terms and Conditions..... | 16 |
| 12. | Deduction of Tax | 17 |
| 13. | Authority to vary terms..... | 17 |
| 14. | Adjustments or Re-Capitalisation..... | 17 |
| 15. | Miscellaneous | 18 |
| 16. | Accounting and Disclosures | 19 |
| 17. | Governing Laws and jurisdiction..... | 19 |
| 18. | Notices | 19 |
| 19. | Severability | 20 |
| 20. | Confidentiality | 20 |

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2021

1. Name, Objectives and Term of the Plan

- 1.1 This employee stock option plan shall be called the ‘Employee Stock Option Plan 2021 (“**ESOP 2021**” / “**Plan**”).
- 1.2 The underlying philosophy of ESOP 2021 is to enable the Employees of the Company to get a share in the value that they help to create for the organization over a period of time. The Company strongly believes that an equity component in the compensation goes a long way in aligning the objectives of an individual with those of the Company. The objectives of ESOP 2021 are, among others, to attract and retain critical and key talents with Employee Stock Options as a compensation and motivational tool. Through ESOP 2021, the Company intends to offer an opportunity of sharing the wealth created with those Employees who have contributed or are expected contribute to the growth and development of the Company.
- 1.3 The ESOP 2021 is established with effect from the date of shareholder’s approval i.e July 26, 2021 and was further modified by the Company by way of resolution passed by the shareholders dated May 10, 2022 and September 29, 2022, respectively. The Company is contemplating listing its Shares through an initial public offer (“IPO”). Consequently, the ESOP 2021 has been amended in the shareholders’ meeting by way of a special resolution dated July 14, 2023 with a view to align ESOP 2021 as per the provisions of the SBEB Regulations. The ESOP 2021 as amended shall apply to all Option Grantees, existing and future, from July 14, 2023 unless otherwise specified in the relevant clause(s) of this ESOP 2021, and/or, unless otherwise provided under the provisions of the Applicable Laws.
- 1.4 The Plan shall continue to be in force until (i) its termination by the Committee, or (ii) the date on which all of the Options available for issuance under the ESOP 2021 have been issued and exercised, whichever is earlier.

2. Definitions and Interpretations

In this Plan, unless the context clearly indicates a contrary intention, the following words or expressions shall have the meaning assigned herein:

2.1 Definitions

- i. “**Applicable Laws**” means every law relating to Employee Stock Options, to the extent applicable, including and without limitation to the Companies Act, all relevant regulations of the Securities and Exchange Board of India particularly in connection with or after Listing, including the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations 2021 (“**SBEB Regulations**”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended from time to time (“**LODR Regulations**”), all the relevant tax, securities, foreign exchange control or corporate laws or amendments thereof including any circular, notification issued thereunder by regulatory authorities of India or of any relevant jurisdiction or of any Stock Exchange on which the Shares may be listed or quoted.
- ii. “**Articles**” means Articles of Association of the Company as amended from time to time.

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2021

- iii. **“Associate Company”** shall have the same meaning as defined under section 2(6) of the Companies Act.
- iv. **“Board”** means the board of directors of the Company.
- v. **“Companies Act”** means the Companies Act, 2013 read with the rules made thereunder, and includes any statutory modifications or re-enactments thereof.
- vi. **“Company”** means India Shelter Finance Corporation Limited, a company incorporated under the provisions of the Companies Act, 1956 bearing CIN U65922HR1998PLC042782 and having its registered office at 6th Floor, Plot No. 15, Sector - 44, Institutional Area, Gurgaon - 122002, Haryana, India.
- vii. **“Company Policies/Terms of Employment”** mean the Company’s policies for its employees and the terms of employment as contained in the employment letter and any other rules / bye-laws issued from time to time which includes provisions requiring a desired level of performance, securing confidentiality, non-compete and non-solicit of other employees and customers.
- viii. **“Director”** means a member of the Board of the Company.
- ix. **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Committee.
- x. **“Employee”** means
 - a. a permanent employee of the Company who has been working in India or outside India; 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 Sub-clauses (a) or (b) above, of a Subsidiary in India or outside India, or of a Holding company of the Company;**but does not include**
 - a. an employee who is a Promoter or person belonging to the Promoter Group or;
 - b. a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than ten percent of the outstanding equity shares of the company.

Post Listing, the term “Employee” subject to the requirements of Applicable Laws, to the extent applicable, means -

- (i) an employee as designated by the Company, who is exclusively working in India or outside India; or
- (ii) a Director of the Company, whether a whole-time Director or not, including a non-executive Director who is not a Promoter or member of the Promoter Group; or
- (iii) an employee as defined in sub clause (i) or (ii), of a Group Company including Subsidiary Company or its Associate Company, in India or outside India, or

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2021

of a Holding Company of the Company

but does not include

- a. an employee who is a Promoter or a person belonging to the Promoter Group;
or
 - b. a Director who, either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company; or
 - c. an Independent Director.
- xi. /“**Employee Stock Option**” means an option given to the Employees, the benefit or right, but not an obligation, to purchase or to subscribe at a future date, Shares of the Company at a pre-determined price in accordance with ESOP 2021.
- xii. “**ESOP 2021**” means this Employee Stock Option Plan 2021 of the Company under which the Company is authorized to grant Options to the Employees.
- xiii. “**Exercise**” of an Option means expression of an intention by an Option Grantee to the Company to subscribe/ purchase the Shares underlying the Options vested in him, in pursuance of the ESOP 2021, in accordance with the procedure laid down by the Company for exercise of such Options.
- xiv. “**Exercise Period**” means such time period after Vesting within which the Option Grantee should Exercise the Options vested in him in pursuance of the ESOP 2021.
- xv. “**Exercise Price**” means the price approved by the Committee, being payable by an Option Grantee in order to Exercise the Options granted to him in pursuance of the ESOP 2021, and as specified in the Grant Letter.
- xvi. “**Fair Market Value**” means the fair market value of a Share, as determined by a registered valuer within the meaning of the Companies Act, appointed by the Company from time to time as required under the Plan.
- xvii. “**Grant**” means the process by which the Company issues Options to the Employees under ESOP 2021.
- xviii. “**Grant Date**” means the Grant date as mentioned in the Grant Letter or any such date which may be determined by the Committee as the Grant date.
- Explanation:** For accounting purposes, the Grant date will be determined in accordance with applicable accounting standards.
- xix. “**Grant Letter**” shall mean a written letter issued by the Company to an Option Grantee, governing the terms and conditions of Grant, Vesting and Exercise of the Options.
- xx. “**Group**” or “**Group Company**” means two or more companies which, directly or

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2021

indirectly, are in position to-

- i. Exercise twenty-six percent, or more of the voting rights in the other company; or
 - ii. Appoint more than fifty percent of the members of the board of directors in the other company; or
 - iii. Control the management or affairs of the other company.
- xxi. "**Holding Company**" shall have the same meaning as defined under Section 2(46) of the Companies Act.
- xxii. "**Independent Director**" means a Director within the meaning of Section 149(6) of the Companies Act.
- Post Listing, the term Independent Director shall have the same meaning as defined under the LODR Regulations.
- xxiii. "**Listing**" means the listing of the Company's Shares on any recognized Stock Exchange as per the Applicable Laws.
- xxiv. "**Market Price**" means the latest available closing price on the recognized Stock Exchange on which the Shares of the Company are listed on the date immediately prior to the Relevant Date.
- Explanation:** In the case of shares listed on more than one recognized Stock Exchange, then the Stock Exchange where the highest trading volume on the said date shall be considered.
- xxv. "**Merchant Banker**" shall have the same meaning assigned to it under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, who is registered under Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992).
- xxvi. "**Misconduct**" means disregard of the Company's bye-law, rules, regulations and the Company's internal policies and the terms of employment and includes mismanagement of position by action or inaction, alleged wrong doing, misfeasance, or violation of any rule, regulation or law which was expected to be abided by the Employee. Mis- conduct will include solicitation of other employees (including approaching current employees for employment outside the Company) within six months of the separation from the Company.
- xxvii. "**Nomination and Remuneration Committee**" or "**Committee**" means the Nomination and Remuneration Committee of the Board, as constituted or reconstituted from time to time to administer and supervise this Plan or any other employee stock option plans of the Company.
- xxviii. "**Options**" mean Employee Stock Options as defined under the ESOP 2021.

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2021

- xxxix. **“Option Grantee”** means an Employee who has been granted an Option in pursuance of the ESOP 2021 and has accepted such Grant as per provisions of the Plan and shall deem to include nominee/ legal heir of an Option Grantee in case of his/her death to the extent the provisions of the Plan are applicable to such nominee/ legal heir.
- xxx. **“Permanent Incapacity”** means any disability of 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 Committee based on a certificate of a medical expert identified by the Committee.
- xxxix. **“Plan”** means this ESOP 2021.
- xxxii. **“Promoter”** shall have the same meaning as defined under Section 2(69) of the Companies Act. Post Listing, the term “Promoter” defined hereinabove shall have meaning as defined in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (**“ICDR Regulations”**), as amended from time to time.
- xxxiii. **“Promoter Group”** means (a) an immediate relative of the Promoter (i.e. spouse of that person, or any parent, brother, sister or child of the person or of the spouse); (b) persons whose Shareholding is aggregated for the purpose of disclosing ‘shareholding of the promoter group’ in the offer document or prospectus issued or to be issued by the Company.
- Post Listing, the term “Promoter Group” shall have the same meaning assigned to it under the ICDR Regulations, as amended from time to time.
- xxxiv. **“Relevant Date”** means any of the following dates as the context require:
- in the case of Grant, the Grant Date; or
 - in the case of Exercise, the date on which the notice of Exercise is given to the Company by the Option Grantee.
- xxxv. **“Retirement”** means retirement as per the rules of the Company.
- xxxvi. **“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 LODR Regulations.
- xxxvii. **“Shares”** means equity shares of the Company.
- xxxviii. **“Stock Exchange”** means the National Stock Exchange of India Ltd., BSE Ltd., or any other recognized Stock Exchange in India on which the Company’s Shares are listed or to be listed in future.
- xxxix. **“Subsidiary Company”** means any present or future subsidiary company of the

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2021

Company determined as per provisions of the Companies Act.

- xl. “**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.
- xli. “**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.
- xlii. “**Vesting**” means earning by the Option Grantee, of the right to Exercise the Options granted to him in pursuance of the ESOP 2021.
- xliii. “**Vesting Condition**” means the condition prescribed if any subject to satisfaction of which the Options granted would vest in an Option Grantee.
- xliv. “**Vesting Period**” means the period during which the Vesting of the Option granted to the Option Grantee, in pursuance of the ESOP 2021, takes place.

2.2 Interpretation

In this Plan, unless the contrary intention appears:

- a) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- b) a reference to a clause number is a reference to its sub-clauses;
- c) words in singular number include the plural and vice versa;
- d) words importing a gender include any other gender; and
- e) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.

The terms defined in ESOP 2021 shall for the purposes of ESOP 2021 have the meanings herein specified and terms not defined in ESOP 2021 shall have the meanings as defined in the Companies Act or Applicable Laws as the context requires. Reference to any Act, Rules, Statute or Notification shall include any amendments, statutory modifications, substitution or re-enactment thereof.

3. Authority and Ceiling

- 3.1 The shareholders of the Company, in their general meeting held on July 26, 2021 have authorized the Board to grant up to 20,60,844 [Twenty Lakhs Sixty Thousand Eight Hundred Forty Four] Employee Stock Options to the Employees, in one or more tranches, from time to time under the Plan, being exercisable into not exceeding 20,60,844 [Twenty Lakhs Sixty Thousand Eight Hundred Forty Four] Shares of a face value of Rs. 10/- each

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2021

fully paid-up, with each such Option conferring a right upon the Employee to be issued one Share of the Company, in accordance with the terms and conditions of such Grant.

The shareholders of the Company, in their general meeting held on May 10, 2022 have authorized the Board to grant additional 5,60,000 [Five Lakh Sixty Thousand] Employee Stock Options to the Employees, in one or more tranches, from time to time under the Plan, being exercisable into not exceeding 5,60,000 [Five Lakh Sixty Thousand] Shares of a face value of Rs. 10/- each fully paid-up, with each such Option conferring a right upon the Employee to be issued one Share of the Company, in accordance with the terms and conditions of such Grant.

The shareholders of the Company, in their general meeting held on September 29, 2022 have authorized the Board to grant additional 24,000 [Twenty Four Thousand] Employee Stock Options to the Employees, in one or more tranches, from time to time under the Plan, being exercisable into not exceeding 24,000 [Twenty Four Thousand] Shares of a face value of Rs. 10/- each fully paid-up, with each such Option conferring a right upon the Employee to be issued one Share of the Company, in accordance with the terms and conditions of such Grant.

- 3.2 The maximum number of Options that may be granted to each Employee under this Plan shall vary depending upon the designation and the appraisal/assessment process, however shall not exceed the maximum limit presently set at **100,000** in number per eligible Employee and in aggregate.
- 3.3 If an Option expires or becomes un-exercisable due to any other reason, it shall become available for future Grants, subject to compliance with all Applicable Laws.
- 3.4 In case of a Share split or consolidation, if the revised face value of the Share is less or more than the current face value as prevailing on the date of coming into force of this Plan, the maximum number of Shares available for being issued under ESOP 2021 as specified in paragraph 3.1 above shall stand modified accordingly, so as to ensure that the cumulative face value (number of Shares X face value per Share) prior to such Share split or consolidation remains unchanged after such Share split or consolidation. Thus, for example, if the prevailing face value of each Share is Rs. 10 per Share and the revised face value after the Share split is Rs. 5 per Share, the total number of Shares available under ESOP 2021 would be (Shares reserved at Sub-Clause 3.1 x 2) Shares of Rs. 5 each. Similarly, in case of bonus issue, rights issue etc. the available number of Shares under ESOP 2021 shall be revised to restore the value.
- 3.5 Prior approval of shareholders by way of special resolution shall be obtained in case the Grant of Options to any identified Employee is equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant or if a grant is made to the employees of a subsidiary.

4. Administration

- 4.1 The ESOP 2021 shall be administered by the Committee. All questions of interpretation of the Plan or any Options granted thereunder shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2021

Plan or in any Options issued thereunder. Neither the Company nor the Board shall be liable for any action or determination made in good faith with respect to ESOP 2021 or any Options granted thereunder.

4.2 The administration of ESOP 2021 shall include, but not be limited to determination of the following as per provisions of the Plan and Applicable Laws:

- a) The procedure for Option allocation and the specific quantum of Options to be granted under the ESOP 2021 to the Employees, subject to the ceilings as specified in Sub-clauses 3.1 & 3.2 respectively;
- b) The Eligibility Criteria for Grant of Options to the Employees;
- c) Vesting schedule of Options granted;
- d) Vesting Condition(s) of Options granted;
- e) The procedure for making fair and reasonable adjustment in case of corporate actions such as merger, sale of division, stock split / consolidation, rights issues, bonus issues and others by way of revision in the number of Options, Exercise Price as the case may be, to ensure that such corporate action does not result in diminution of value of such Options;
- f) The procedure and terms for the Grant, Vesting and Exercise of Employee Stock Option in case of Employees who are on long leave in accordance with the Company's internal policies and applicable terms of employment;
- g) Mode of payment of the Exercise Price (cash, cheque, demand draft, deduction from salary) or any other mode. For a consideration other than cash, the price of such shares will be determined by the valuation report of a registered valuer, subject to the compliance with the applicable provisions of the Companies Act;
- h) the conditions under which Options may lapse in case of termination of employment for misconduct;
- i) The procedure for cashless Exercise of Options, if required;
- j) Forms, writings and/or agreements for use in pursuance of the ESOP 2021; and
- k) Take any other actions and make any other determinations or decisions that it deems necessary or appropriate in connection with the Plan or the administration or interpretation thereof, or as may be required under applicable laws including the SBEB Regulations.

5. Eligibility and Applicability

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2021

- 5.1 Only Employees within the meaning of this Plan are eligible for being granted Options under ESOP 2021. The specific Employees to whom the Options would be granted and their Eligibility Criteria shall be determined by the Committee..
- 5.2 The Options granted to an Employee shall be subject to the terms and conditions set forth in this Plan and Grant Letter.

6. Grant and Acceptance of Grant

6.1 Grant of Options

Grant of Option under the ESOP 2021 shall be made in writing by the Committee, to the eligible Employees fulfilling the Eligibility Criteria in a Grant Letter as may be approved under ESOP 2021 from time to time and all grant of Options under the ESOP 2021 shall be subject to such approval as provided under the Articles.

6.2 Acceptance of the Grant

- (a) Any Employee who wishes to accept the Grant made under this Plan must deliver to the Company a duly signed acceptance of Grant on or before the date (“Closing Date”) which shall not be more than 60 days from the date of the Grant, as specified in the Grant Letter. On receipt by the Company of the signed acceptance, the Employee will become an Option Grantee.
- (b) Any Employee who fails to deliver the signed acceptance of the Grant on or before the Closing Date stated above shall be deemed to have rejected the Grant unless the Committee determines otherwise.
- (c) Upon acceptance of the Grant in the manner described above, the Employee henceforth as an Option Grantee, shall be bound by the terms, conditions and restrictions of the Plan, the Grant Letter and the provisions of the Articles. Such signed acceptance, shall be construed to be an agreement between the Option Grantee and the Company, as to the terms of this Plan, the Grant Letter and the Articles and it shall be deemed as if the Option Grantee has agreed to in writing, as a precondition to acquiring Shares upon Exercise of Options, to be bound by all the provisions of the Articles by executing and delivering a document prescribed by the Company as a condition of allotment, without the need of obtaining any consent, approval or signature of any shareholder of the Company.

7. Vesting Schedule/ Conditions

- 7.1 Options granted under ESOP 2021 shall vest not earlier than the minimum Vesting Period of **1 (one) year** and not later than the maximum Vesting Period of **5 (five) years** from the Grant Date of such Options.

Provided that in case where Options are granted by the Company under the Plan in lieu of options held by a person under a similar plan in another company (“**Transferor Company**”) which has merged or amalgamated with the Company, the period during

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2021

which the options granted by the Transferor Company were held by him shall be adjusted against the minimum Vesting Period required under this Sub-clause, at the discretion of the Committee.

Provided further that in the event of Death or Permanent Incapacity of an Employee, the minimum Vesting Period shall not be applicable and in such instances, all the Unvested Options shall vest with effect from date of the Death or Permanent Incapacity.

- 7.2 Vesting of Options would be subject to continued employment with the Company, and the Employee has not served any notice of resignation.
- 7.3 Vesting of Options would be subject to the performance and rating assigned in the Vesting Period. No Vesting shall take place in case of non-performance or rating of G-4 or equivalent scale as per the Company Policies.
- 7.4 Further, the Committee shall have right to forfeit the Unvested Options owing to (i) Option not being Exercised by the Employee within the Exercise Period and (ii) non-performance, Misconduct, non-fulfillment of the performance criteria laid down by the Committee or the Vesting Conditions stipulated under this Plan and the Grant Letter (subject to which the Options would vest) or any other reason at any time at their sole discretion and as may be deemed fit by the Committee .
- 7.5 Unless the Committee requires a different Vesting schedule on any other occasion of Grant, or for Employee or category of Employees, the following Vesting schedule shall apply to all Grants made under this Plan:

| Dates of Vesting | Percentage of Options to vest |
|--|--------------------------------------|
| On 1 st anniversary from the Grant Date | 20% of Options granted |
| On 2 nd anniversary from the Grant Date | 20% of Options granted |
| On 3 rd anniversary from the Grant Date | 20% of Options granted |
| On 4 th anniversary from the Grant Date | 20% of Options granted |
| On 5 th anniversary from the Grant Date | 20% of Options granted |

- 7.6 The specific Vesting schedule and Vesting Conditions subject to which Vesting would take place would be outlined in the Grant Letter issued to the Option Grantee at the time of Grant of Options.

7.7 Acceleration of Vesting in certain cases

Prior to Listing, and subject to fulfilment of minimum Vesting Period of 1(One) year, and compliance with other conditions of this Plan and Applicable Laws, the Committee at its discretion may accelerate Vesting of any or all Unvested Options on such terms and conditions as may be decided from time to time, and the Vesting of such Options shall be with effect from the date of the meeting at which such acceleration is approved by the Committee, or from such other date as the Committee may determine.

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2021

8. Exercise

8.1 Exercise Price

The Exercise Price per Option shall be as determined by the Committee as on Grant Date and as set out in the Grant Letter, and shall not be less than the face value of the Shares and may be up to the Fair Market Value of the Shares.

Post Listing, the Exercise Price per Option shall be as determined by the Committee and as set out in the Grant Letter, and shall not be less than the face value of the Shares and may be up to the Market Price of the Shares, as on the Grant Date.

Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company or in such other manner as specified in the Grant Letter.

8.2 Exercise Period

(a) Exercise Period while in employment/ service:

The Vested Options shall be exercised by the Option Grantee within a period of 5 (Five) years and 3 months from the date of first Vesting of the Options. The Employees shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of Option granted to them, till Shares are issued on Exercise of Option.

The Options not exercised within the above period shall lapse and the Option Grantee shall have no right over such lapsed or cancelled Options.

(b) Exercise Period in case of separation from employment/ service: Subject to provisions of Sub-clause 8.2 hereof, exercisability of the Options shall be as under:

| S. No. | Events of Separation | Separation prior to Listing | Separation after Listing |
|--------|--|---|---|
| 1 | Resignation / Termination (other than due to Misconduct or breach of Company Policies/ Terms of Employment) | All Vested Options as on date of resignation or termination can be exercised within 30 days after the date of resignation. All Unvested Options as on date of resignation or termination shall stand cancelled with effect from that date. | All the Vested Options as on date of resignation or termination shall be exercisable before his/her last working day with the Company. All Unvested Options as on date of resignation or termination shall stand cancelled with effect from that date. |
| 2 | Separation/Termin | All the Vested Options and all the Unvested | All the Vested Options and all the Unvested |

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2021

| | | | |
|---|---|--|--|
| | ation due to Misconduct, breach of Company Policies/ Terms of Employment including Abandonment and breach of non-solicit obligations | Options shall stand cancelled with effect from the date of such termination. | Options shall stand cancelled with effect from the date of such termination. |
| 3 | Retirement / early Retirement approved by the Company | <p>All Vested Options as on date of such Retirement can be exercised by the Option Grantee as per the Exercise period mentioned in Clause 8.2 (a).</p> <p>All Unvested Options as on date of such Retirement shall stand cancelled with effect from that date.</p> | <p>All Vested Options as on date of such Retirement can be exercised by the Option Grantee as per the Exercise period mentioned in Clause 8.2 (a).</p> <p>All Unvested Options as on the date of Retirement would continue to Vest in accordance with the original vesting schedules even after the Retirement unless otherwise determined by the Committee in accordance with the Company's Policies and provisions of the then prevailing Applicable Law.</p> <p>Such aforesaid Vested Options can be exercised as per the Exercise period mentioned in Clause 8.2 (a) above..</p> |
| 4 | Death | <p>All the Vested Options as on date of death can be exercised by the deceased Option Grantee's nominee or legal heirs within an Exercise Period as per Clause 8.2 (a) above.</p> <p>All the Unvested Options as on date of death shall vest forthwith and can be exercised by the deceased Option Grantee's nominee</p> | <p>All the Vested Options as on date of death can be exercised by the deceased Option Grantee's nominee or legal heirs as per Clause 8.2 (a) above or within 12 (Twelve) months after the date of death, whichever is later</p> <p>All the Unvested Options as on date of death shall vest forthwith and can be exercised by the deceased</p> |

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2021

| | | | |
|---|---|--|---|
| | | or legal heirs in the same manner prescribed for Vested Options. | Option Grantee's nominee or legal heirs in the same manner prescribed for Vested Options. |
| 5 | Permanent Incapacity | <p>All the Vested Options as on date of incurring Permanent Incapacity can be exercised by the Option Grantee within an Exercise Period in terms of sub-clause 8.2 (a)above.</p> <p>All the Unvested Options as on date of incurring Permanent Incapacity shall vest forthwith and can be exercised by the Option Grantee in the same manner as prescribed for Vested Options.</p> | <p>All the Vested Options as on date of incurring Permanent Incapacity can be exercised by the Option Grantee as per Clause 8.2 (a) above or within 12 (Twelve) months after the date of incurring such Permanent Incapacity, whichever is later.</p> <p>All the Unvested Options as on date of incurring Permanent Incapacity shall vest forthwith and can be exercised by the Option Grantee in the same manner as prescribed for Vested Options.</p> |
| 6 | Other Reasons Apart from those mentioned above | <p>The Committee will decide whether the Vested Options can be exercised by the Option Grantee or not, and such decision shall be final.</p> <p>All Unvested Options on the last working day of the Option Grantee shall stand cancelled from such date, unless otherwise required by the Applicable Laws.</p> | <p>The Committee will decide whether the Vested Options can be exercised by the Option Grantee or not, and such decision shall be final.</p> <p>All Unvested Options on the last working day of the Option Grantee shall stand cancelled from such date unless otherwise required by the Applicable Laws.</p> |

8.3 **Right to prescribe for cashless Exercise of Options**

The Committee is entitled to specify such procedures and mechanisms for the purpose of implementing the cashless Exercise of Options as may be necessary and subject to and in accordance with Applicable Laws, and the same shall be binding on all the Option Grantees.

8.4 **Lapse of Options**

The Options not exercised within the Exercise Period, as mentioned in sub-clause 8.2 and

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2021

sub-clause 8.3 above, shall lapse and the Option Grantee shall have no right over such lapsed or cancelled Options.

9. Discretionary Cash Settlement of Vested Options

- 9.1 At any time prior to Listing and before 1 month from the expiry of the Exercise Period, the Committee shall at its discretion and without any obligation have the right to liquidate and settle the Vested Options in case of separation by way of resignation, termination of employment, death or Permanent Incapacity or Retirement or early Retirement approved by the Company of Option Grantees, before Listing.
- 9.2 The consideration for the cash settlement in respect of each Vested Option shall be Fair Market Value.
- 9.3 To the extent unexercised Vested Options are offered by the Committee to be settled by way of cash payment and upon expiry of such offer period, all rights of the Option Grantee therein including right to Exercise such Options shall be deemed to be settled and extinguished with effect from date of receipt of the cash payment.

10. Lock In

- 10.1 The Shares issued upon Exercise shall not be subject to any lock-in period restriction after such issue except as required under the Applicable Laws including that and after Listing under the ICDR Regulations, or code of conduct framed, if any, by the Company, and under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015.

11. Other Terms and Conditions

- 11.1 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc.) in respect of any Shares covered by the Grant until the Option Grantee Exercises the Option and becomes a registered holder of the Shares of the Company.
- 11.2 If the Company issues bonus or rights Shares, the Option Grantee will not be eligible for the bonus or rights Shares in the capacity of an Option Grantee. However, an adjustment to the number of Options or the Exercise Price or both would be made in accordance with Sub-clause of ESOP 2021. Only if the Options are Vested and Exercised and the Option Grantee is a valid holder of the Shares of the Company, the Option Grantee would be entitled for bonus or rights Shares as shareholder of the Company.
- 11.3 Options are not transferrable unless in case of Death of an Option Grantee in which case, Clause 8.2(b) will be referred to for the purpose of Exercise. No person other than the Option Grantee to whom the Option is granted shall be entitled to Exercise the Option except in the event of the death of the Option Grantee, in which case, Clause 8.2(b) shall

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2021

apply, as mentioned above.

- 11.4 Notwithstanding anything to the contrary contained under the ESOP 2021, the Option and the Shares resulting from Exercise of Option shall not be transferred, pledged, hypothecated, mortgaged or otherwise alienated in any other manner except with the prior approval of the Committee in writing. However, this restriction on the aforesaid Shares shall not be applicable post Listing of such Shares on the floor of a Stock Exchange.

12. Deduction of Tax

- 12.1 The liability of paying taxes, if any, in respect of Options granted pursuant to this Plan and the Shares issued pursuant to Exercise thereof shall be entirely on Option Grantee and shall be in accordance with the provisions of Income Tax Act, 1961 read with rules issued thereunder and/or Income Tax Laws of respective countries as applicable to eligible Employees working abroad, if any.
- 12.2 The Company shall have the right to deduct from the Option Grantee's salary or recover any tax that is required to be deducted or recovered under the Applicable Laws. In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.
- 12.3 The Company shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee in full.

13. Authority to vary terms

The Company may by special resolution of its shareholders vary the terms of the ESOP 2021 for Options granted but not yet exercised by the employees, if such variation is not prejudicial to the interests of the Employees. The Committee may, if it deems necessary, vary the terms of ESOP 2021, to meet any regulatory requirements. The Company may reprice the Options, which are not exercised, whether or not they have been vested, if the Plan is rendered unattractive due to fall in the price of the shares in the stock market: Provided that the Company ensures that such repricing is not detrimental to the interests of the Employees and approval of the shareholders by a special resolution has been obtained for such repricing.

14. Adjustments or Re-Capitalisation

The aggregate number of Shares that may be purchased pursuant to an Option or the Exercise Price for any Option shall be equitably and proportionally adjusted or substituted, or any acceleration with respect to Vesting or cancellation of any Options may be given effect to, in good-faith and so as to not adversely impact the Option Grantee, at the sole discretion of the Committee, in the event of:

- i. any change in the outstanding capital structure of the Company by reason of issue of bonus Shares, stock splits, reverse Share splits, re-capitalisation, re-organisation, mergers, consolidations, combinations exchanges, or other relevant changes in capitalisation occurring after the Grant Date of an Option;

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2021

- ii. any change in Applicable Laws or circumstances that results in, or could result in, in the Committee's opinion, any substantial dilution or enlargement of the rights intended to be granted or available to the Option Grantee.

15. Miscellaneous

15.1 Government Regulations

This ESOP 2021 shall be subject to all Applicable Laws, and approvals from governmental authorities.

15.2 Foreign Exchange Laws

In case any Options are granted to any Employee being resident outside India, belonging to the Company, working outside India, the provisions of the Foreign Exchange Management Act, 1999 and rules or regulations made thereunder as amended and enacted from time to time shall be applicable and the Company has to comply with such requirements as prescribed from time to time in connection with Grant, Vest and Exercise of Options thereof.

15.3 Inability to obtain authority

The inability of the Company to obtain authority from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful issuance and sale of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to issue or sell such Shares.

15.4 Unless otherwise intended, the Grant of an Option does not form part of the Option Grantee's entitlement to compensation or benefits pursuant to his contract of employment nor does the existence of a contract of employment between any person and the Company give such person any right or entitlement to have an Option granted to him in respect of any number of Shares or any expectation that an Option might be granted to him whether subject to any condition or at all.

15.5 Neither the existence of this Plan nor the fact that an individual has on any occasion been granted an Option shall give such individual any right, entitlement or expectation that he has or will in future have any such right, entitlement or expectation to participate in this Plan by being granted an Option on any other occasion.

15.6 The rights granted to an Option Grantee upon the Grant of an Option shall not accord the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the Company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

15.7 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to Exercise an Option in whole or in part.

15.8 Participation in ESOP 2021 shall not be construed as any guarantee of return on equity investment. Any loss due to fluctuations in the value of the Shares and the risks associated

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2021

with the investments are that of the Option Grantee alone.

16. Accounting and Disclosures

- 16.1 The Company shall follow the laws/regulations applicable to accounting and disclosure related to Options, including but not limited to the IND AS/Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.
- 16.2 The Company shall comply with the relevant Accounting Standard as may be prescribed by the appropriate authority from time to time. The Board shall, inter alia, disclose either in the Directors report or in the annexure to the Director's report, the following details of the ESOP 2021, or as amended from time to time under Applicable Laws.

Post Listing, the Company shall comply with the accounting and disclosure requirements as prescribed under Regulation 15 of the SBEB Regulations.

17. Governing Laws and jurisdiction

- 17.1 The terms and conditions of the ESOP 2021 shall be governed by and construed in accordance with the Applicable Laws of India including the Foreign Exchange Laws.
- 17.2 The courts at Gurugram, Haryana shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this ESOP 2021.
- 17.3 Nothing in this Clause shall however limit the right of the Company to bring proceedings against any Employee in connection with this ESOP 2021, in any other court of competent jurisdiction; or concurrently in more than one jurisdiction.

18. Notices

- 18.1 All notices of communication required to be given by the Company to an Option Grantee by virtue of this ESOP 2021 shall be in writing and shall be sent to the address of the Option Grantee available in the records of the Company; or Delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; or Emailing the communication(s) to the Option Grantee at the official email address provided, if any, during the continuance of employment or at the email address provided by the Option Grantee after cessation of employment.
- 18.2 Any communication to be given by an Option Grantee to the Company in respect of ESOP 2021 shall be sent at the address mentioned below or e - mailed at:

The Company Secretary
India Shelter Finance Corporation Limited,
6th Floor, Plot No.15, Institutional Area
Sector – 44, Gurgaon - 122002

Email: secretarial@indiashelter.in

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2021

18.3 The Option Grantee acknowledges that it shall be the obligation of the Option Grantee to promptly notify the Company of any change in the residential or electronic mail address of the Option Grantee and the Company shall not be liable in any manner for any failure of the Option Grantee to do so. Further, in the event that the Option Grantee does not respond to any notice delivered to the Option Grantee, wherever required, within seven (7) days of delivery of a notice or in accordance with the terms of such notice, then all rights of the Option Grantee under this ESOP 2021 shall be deemed to have automatically lapsed forthwith.

19. Severability

19.1 In the event any one or more of the provisions contained in this Plan shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this Plan in which case the Plan shall be construed as if such invalid, illegal, or unenforceable provisions had never been set forth herein, and the Plan shall be carried out as nearly as possible according to its original intent and terms.

20. Confidentiality

20.1 An Option Grantee must keep the details of the ESOP 2021 and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, co-employees or with any employee and/ or associate of the Company or that of its affiliates. In case Option Grantee is found in breach of this Clause, the Company shall have undisputed right to terminate any agreement/Grant and all unexercised Options shall stand cancelled immediately. The decision and judgment of the Committee regarding breach of this Clause on confidentiality shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this Clause, the Committee shall have the authority to deal with such cases as it may deem fit.

20.2 On acceptance of the Grant of Option offered by the Company, it shall be deemed that as if the Option Grantee has authorized the Company to disclose information relating to the Option Grantee during the process of implementation of the ESOP 2021 or while availing any consulting or advisory services thereof or any other incidental services to its officers, professional advisors, agents and consultants on a need-to-know basis.

-----END OF DOCUMENT-----

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2023

INDIA SHELTER FINANCE CORPORATION LIMITED

EMPLOYEE STOCK OPTION PLAN 2023

As last amended vide the Shareholders' Special resolution dated July
18, 2023

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2023

Table of Contents

| | | |
|-----|---|----|
| 1. | Name, Objectives and Term of the Plan | 3 |
| 2. | Definitions and Interpretations | 3 |
| 3. | Authority and Ceiling | 8 |
| 4. | Administration | 9 |
| 5. | Eligibility and Applicability | 10 |
| 6. | Grant and Acceptance of Grant | 10 |
| 7. | Vesting Schedule/ Conditions..... | 11 |
| 8. | Exercise..... | 13 |
| 9. | Discretionary Cash Settlement of Vested Options | 16 |
| 10. | Lock In..... | 16 |
| 11. | Other Terms and Conditions..... | 16 |
| 12. | Deduction of Tax | 17 |
| 13. | Authority to vary terms..... | 17 |
| 14. | Adjustments or Re-Capitalisation..... | 17 |
| 15. | Miscellaneous | 18 |
| 16. | Accounting and Disclosures | 19 |
| 17. | Governing Laws and jurisdiction..... | 19 |
| 18. | Notices | 19 |
| 19. | Severability | 20 |
| 20. | Confidentiality | 20 |

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2023

1. Name, Objectives and Term of the Plan

- 1.1 This employee stock option plan shall be called the ‘Employee Stock Option Plan 2023 (“**ESOP 2023**” / “**Plan**”).
- 1.2 The underlying philosophy of ESOP 2023 is to enable the Employees of the Company to get a share in the value that they help to create for the organization over a period of time. The Company strongly believes that an equity component in the compensation goes a long way in aligning the objectives of an individual with those of the Company. The objectives of ESOP 2023 are, among others, to attract and retain critical and key talents with Employee Stock Options as a compensation and motivational tool. Through ESOP 2023, the Company intends to offer an opportunity of sharing the wealth created with those Employees who have contributed or are expected contribute to the growth and development of the Company.
- 1.3 The ESOP 2023 is established with effect from the date of shareholder’s approval
- 1.4 The Plan shall continue to be in force until (i) its termination by the Committee, or (ii) the date on which all of the Options available for issuance under the ESOP 2023 have been issued and exercised, whichever is earlier.

2. Definitions and Interpretations

In this Plan, unless the context clearly indicates a contrary intention, the following words or expressions shall have the meaning assigned herein:

2.1 Definitions

- i. “**Applicable Laws**” means every law relating to Employee Stock Options, to the extent applicable, including and without limitation to the Companies Act, all relevant regulations of the Securities and Exchange Board of India particularly in connection with or after Listing, including the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations 2021 (“**SBEB Regulations**”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended from time to time (“**LODR Regulations**”), all the relevant tax, securities, foreign exchange control or corporate laws or amendments thereof including any circular, notification issued thereunder by regulatory authorities of India or of any relevant jurisdiction or of any Stock Exchange on which the Shares may be listed or quoted.
- ii. “**Articles**” means Articles of Association of the Company as amended from time to time.
- iii. “**Associate Company**” shall have the same meaning as defined under section 2(6) of the Companies Act.
- iv. “**Board**” means the board of directors of the Company.
- v. “**Companies Act**” means the Companies Act, 2013 read with the rules made thereunder, and includes any statutory modifications or re-enactments thereof.

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2023

- vi. **"Company"** means India Shelter Finance Corporation Limited, a company incorporated under the provisions of the Companies Act, 1956 bearing CIN U65922HR1998PLC042782 and having its registered office at 6th Floor, Plot No. 15, Sector - 44, Institutional Area, Gurgaon - 122002, Haryana, India.
- vii. **"Company Policies/Terms of Employment"** mean the Company's policies for its employees and the terms of employment as contained in the employment letter and any other rules / bye-laws issued from time to time which includes provisions requiring a desired level of performance, securing confidentiality, non-compete and non-solicit of other employees and customers.
- viii. **"Director"** means a member of the Board of the Company.
- ix. **"Eligibility Criteria"** means the criteria as may be determined from time to time by the Committee.
- x. **"Employee"** means
- a. a permanent employee of the Company who has been working in India or outside India; 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 Sub-clauses (a) or (b) above, of a Subsidiary in India or outside India, or of a Holding company of the Company;
- but does not include**
- a. an employee who is a Promoter or person belonging to the Promoter Group or;
 - b. a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than ten percent of the outstanding equity shares of the company.

Post Listing, the term "Employee" subject to the requirements of Applicable Laws, to the extent applicable, means -

- (i) an employee as designated by the Company, who is exclusively working in India or outside India; or
- (ii) a Director of the Company, whether a whole-time Director or not, including a non-executive Director who is not a Promoter or member of the Promoter Group; or
- (iii) an employee as defined in sub clause (i) or (ii), of a Group Company including Subsidiary Company or its Associate Company, in India or outside India, or of a Holding Company of the Company

but does not include

- a. an employee who is a Promoter or a person belonging to the Promoter Group; or
- b. a Director who, either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company; or
- c. an Independent Director.

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2023

- xi. **“Employee Stock Option”** means an option given to the Employees, the benefit or right, but not an obligation, to purchase or to subscribe at a future date, Shares of the Company at a pre-determined price in accordance with ESOP 2023.
- xii. **“ESOP 2023”** means this Employee Stock Option Plan 2023 of the Company under which the Company is authorized to grant Options to the Employees.
- xiii. **“Exercise”** of an Option means expression of an intention by an Option Grantee to the Company to subscribe/ purchase the Shares underlying the Options vested in him, in pursuance of the ESOP 2023, in accordance with the procedure laid down by the Company for exercise of such Options.
- xiv. **“Exercise Period”** means such time period after Vesting within which the Option Grantee should Exercise the Options vested in him in pursuance of the ESOP 2023.
- xv. **“Exercise Price”** means the price approved by the Committee, being payable by an Option Grantee in order to Exercise the Options granted to him in pursuance of the ESOP 2023, and as specified in the Grant Letter.
- xvi. **“Fair Market Value”** means the fair market value of a Share, as determined by a registered valuer within the meaning of the Companies Act, appointed by the Company from time to time as required under the Plan.
- xvii. **“Grant”** means the process by which the Company issues Options to the Employees under ESOP 2023.
- xviii. **“Grant Date”** means the Grant date as mentioned in the Grant Letter or any such date which may be determined by the Committee as the Grant date.

Explanation: For accounting purposes, the Grant date will be determined in accordance with applicable accounting standards.

- xix. **“Grant Letter”** shall mean a written letter issued by the Company to an Option Grantee, governing the terms and conditions of Grant, Vesting and Exercise of the Options.
- xx. **“Group” or “Group Company”** means two or more companies which, directly or indirectly, are in position to-
 - i. Exercise twenty-six percent, or more of the voting rights in the other company; or
 - ii. Appoint more than fifty percent of the members of the board of directors in the other company; or
 - iii. Control the management or affairs of the other company.

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2023

xxi. "**Holding Company**" shall have the same meaning as defined under Section 2(46) of the Companies Act.

xxii. "**Independent Director**" means a Director within the meaning of Section 149(6) of the Companies Act.

Post Listing, the term Independent Director shall have the same meaning as defined under the LODR Regulations.

xxiii. "**Listing**" means the listing of the Company's Shares on any recognized Stock Exchange as per the Applicable Laws.

xxiv. "**Market Price**" means the latest available closing price on the recognized Stock Exchange on which the Shares of the Company are listed on the date immediately prior to the Relevant Date.

Explanation: In the case of shares listed on more than one recognized Stock Exchange, then the Stock Exchange where the highest trading volume on the said date shall be considered.

xxv. "**Merchant Banker**" shall have the same meaning assigned to it under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, who is registered under Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992).

xxvi. "**Misconduct**" means disregard of the Company's bye-law, rules, regulations and the Company's internal policies and the terms of employment and includes mismanagement of position by action or inaction, alleged wrong doing, misfeasance, or violation of any rule, regulation or law which was expected to be abided by the Employee. Mis-conduct will include solicitation of other employees (including approaching current employees for employment outside the Company) within six months of the separation from the Company.

xxvii. "**Nomination and Remuneration Committee**" or "**Committee**" means the Nomination and Remuneration Committee of the Board, as constituted or reconstituted from time to time to administer and supervise this Plan or any other employee stock option plans of the Company.

xxviii. "**Options**" mean Employee Stock Options as defined under the ESOP 2023.

xxix. "**Option Grantee**" means an Employee who has been granted an Option in pursuance of the ESOP 2023 and has accepted such Grant as per provisions of the Plan and shall deem to include nominee/ legal heir of an Option Grantee in case of his/her death to the extent the provisions of the Plan are applicable to such nominee/ legal heir.

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2023

- xxx. **“Permanent Incapacity”** means any disability of 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 Committee based on a certificate of a medical expert identified by the Committee.
- xxxi. **“Plan”** means this ESOP 2023.
- xxxii. **“Promoter”** shall have the same meaning as defined under Section 2(69) of the Companies Act. Post Listing, the term “Promoter” defined hereinabove shall have meaning as defined in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (**“ICDR Regulations”**), as amended from time to time.
- xxxiii. **“Promoter Group”** means (a) an immediate relative of the Promoter (i.e. spouse of that person, or any parent, brother, sister or child of the person or of the spouse); (b) persons whose Shareholding is aggregated for the purpose of disclosing ‘shareholding of the promoter group’ in the offer document or prospectus issued or to be issued by the Company.
- Post Listing, the term “Promoter Group” shall have the same meaning assigned to it under the ICDR Regulations, as amended from time to time.
- xxxiv. **“Relevant Date”** means any of the following dates as the context require:
- a. in the case of Grant, the Grant Date; or
 - b. in the case of Exercise, the date on which the notice of Exercise is given to the Company by the Option Grantee.
- xxxv. **“Retirement”** means retirement as per the rules of the Company.
- xxxvi. **“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 LODR Regulations.
- xxxvii. **“Shares”** means equity shares of the Company.
- xxxviii. **“Stock Exchange”** means the National Stock Exchange of India Ltd., BSE Ltd., or any other recognized Stock Exchange in India on which the Company’s Shares are listed or to be listed in future.
- xxxix. **“Subsidiary Company”** means any present or future subsidiary company of the Company determined as per provisions of the Companies Act.
- xl. **“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.

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2023

- xli. **“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.
- xlii. **“Vesting”** means earning by the Option Grantee, of the right to Exercise the Options granted to him in pursuance of the ESOP 2023.
- xliii. **“Vesting Condition”** means the condition prescribed if any subject to satisfaction of which the Options granted would vest in an Option Grantee.
- xliv. **“Vesting Period”** means the period during which the Vesting of the Option granted to the Option Grantee, in pursuance of the ESOP 2023, takes place.

2.2 Interpretation

In this Plan, unless the contrary intention appears:

- a) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- b) a reference to a clause number is a reference to its sub-clauses;
- c) words in singular number include the plural and vice versa;
- d) words importing a gender include any other gender; and
- e) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.

The terms defined in ESOP 2023 shall for the purposes of ESOP 2023 have the meanings herein specified and terms not defined in ESOP 2023 shall have the meanings as defined in the Companies Act or Applicable Laws as the context requires. Reference to any Act, Rules, Statute or Notification shall include any amendments, statutory modifications, substitution or re-enactment thereof.

3. Authority and Ceiling

- 3.1 The shareholders of the Company, in their general meeting held on July 18, 2023 have authorized the Board to grant up to 16,76,725 Employee Stock Options to the Employees, in one or more tranches, from time to time under the Plan, being exercisable into not exceeding 16,76,725 [Sixteen Lakhs Seventy Six Thousand Seven Hundred Twenty Five] Shares of a face value of Rs. 10/- each fully paid-up, with each such Option conferring a right upon the Employee to be issued one Share of the Company, in accordance with the terms and conditions of such Grant.
- 3.2 The maximum number of Options that may be granted to each Employee under this Plan

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2023

shall vary depending upon the designation and the appraisal/assessment process, however shall not exceed the maximum limit presently set at **200,000** in number per eligible Employee and in aggregate.

- 3.3 If an Option expires or becomes un-exercisable due to any other reason, it shall become available for future Grants, subject to compliance with all Applicable Laws.
- 3.4 In case of a Share split or consolidation, if the revised face value of the Share is less or more than the current face value as prevailing on the date of coming into force of this Plan, the maximum number of Shares available for being issued under ESOP 2023 as specified in paragraph 3.1 above shall stand modified accordingly, so as to ensure that the cumulative face value (number of Shares X face value per Share) prior to such Share split or consolidation remains unchanged after such Share split or consolidation. Thus, for example, if the prevailing face value of each Share is Rs. 10 per Share and the revised face value after the Share split is Rs. 5 per Share, the total number of Shares available under ESOP 2023 would be (Shares reserved at Sub-Clause 3.1 x 2) Shares of Rs. 5 each. Similarly, in case of bonus issue, rights issue etc. the available number of Shares under ESOP 2023 shall be revised to restore the value.
- 3.5 Prior approval of shareholders by way of special resolution shall be obtained in case the Grant of Options to any identified Employee is equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant or if a grant is made to the employees of a subsidiary

4. Administration

- 4.1 The ESOP 2023 shall be administered by the Committee. All questions of interpretation of the Plan or any Options granted thereunder shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Plan or in any Options issued thereunder. Neither the Company nor the Board shall be liable for any action or determination made in good faith with respect to ESOP 2023 or any Options granted thereunder.
- 4.2 The administration of ESOP 2023 shall include, but not be limited to determination of the following as per provisions of the Plan and Applicable Laws:
- a) The procedure for Option allocation and the specific quantum of Options to be granted under the ESOP 2023 to the Employees, subject to the ceilings as specified in Sub-clauses 3.1 & 3.2 respectively;
 - b) The Eligibility Criteria for Grant of Options to the Employees;
 - c) Vesting schedule of Options granted;
 - d) Vesting Condition(s) of Options granted;
 - e) The procedure for making fair and reasonable adjustment in case of corporate actions

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2023

such as merger, sale of division, stock split / consolidation, rights issues, bonus issues and others by way of revision in the number of Options, Exercise Price as the case may be, to ensure that such corporate action does not result in diminution of value of such Options;

- f) The procedure and terms for the Grant, Vesting and Exercise of Employee Stock Option in case of Employees who are on long leave in accordance with the Company's internal policies and applicable terms of employment;
- g) Mode of payment of the Exercise Price (cash, cheque, demand draft, deduction from salary) or any other mode. For a consideration other than cash, the price of such shares will be determined by the valuation report of a registered valuer, subject to the compliance with the applicable provisions of the Companies Act;
- h) the conditions under which Options may lapse in case of termination of employment for misconduct;
- i) The procedure for cashless Exercise of Options, if required;
- j) Forms, writings and/or agreements for use in pursuance of the ESOP 2023; and
- k) Take any other actions and make any other determinations or decisions that it deems necessary or appropriate in connection with the Plan or the administration or interpretation thereof, or as may be required under applicable laws including the SBEB Regulations.

5. Eligibility and Applicability

- 5.1 Only Employees within the meaning of this Plan are eligible for being granted Options under ESOP 2023. The specific Employees to whom the Options would be granted and their Eligibility Criteria shall be determined by the Committee..
- 5.2 The Options granted to an Employee shall be subject to the terms and conditions set forth in this Plan and Grant Letter.

6. Grant and Acceptance of Grant

6.1 Grant of Options

Grant of Option under the ESOP 2023 shall be made in writing by the Committee, to the eligible Employees fulfilling the Eligibility Criteria in a Grant Letter as may be approved under ESOP 2023 from time to time all grant of Options under the ESOP 2023 shall be subject to such approval as provided under the Articles

6.2 Acceptance of the Grant

- (a) Any Employee who wishes to accept the Grant made under this Plan must deliver to the Company a duly signed acceptance of Grant on or before the date ("Closing

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2023

Date”) which shall not be more than 60 days from the date of the Grant, as specified in the Grant Letter. On receipt by the Company of the signed acceptance, the Employee will become an Option Grantee.

- (b) Any Employee who fails to deliver the signed acceptance of the Grant on or before the Closing Date stated above shall be deemed to have rejected the Grant unless the Committee determines otherwise.
- (c) Upon acceptance of the Grant in the manner described above, the Employee henceforth as an Option Grantee, shall be bound by the terms, conditions and restrictions of the Plan, the Grant Letter and the provisions of the Articles. Such signed acceptance, shall be construed to be an agreement between the Option Grantee and the Company, as to the terms of this Plan, the Grant Letter and the Articles and it shall be deemed as if the Option Grantee has agreed to in writing, as a precondition to acquiring Shares upon Exercise of Options, to be bound by all the provisions of the Articles by executing and delivering a document prescribed by the Company as a condition of allotment, without the need of obtaining any consent, approval or signature of any shareholder of the Company.

7. Vesting Schedule/ Conditions

- 7.1 Options granted under ESOP 2023 shall vest not earlier than the minimum Vesting Period of **1 (one) year** and not later than the maximum Vesting Period of **5 (five) years** from the Grant Date of such Options.

Provided that in case where Options are granted by the Company under the Plan in lieu of options held by a person under a similar plan in another company (“**Transferor Company**”) which has merged or amalgamated with the Company, the period during which the options granted by the Transferor Company were held by him shall be adjusted against the minimum Vesting Period required under this Sub-clause, at the discretion of the Committee.

Provided further that in the event of Death or Permanent Incapacity of an Employee, the minimum Vesting Period shall not be applicable and in such instances, all the Unvested Options shall vest with effect from date of the Death or Permanent Incapacity.

- 7.2 Vesting of Options would be subject to continued employment with the Company, and the Employee has not served any notice of resignation.
- 7.3 Vesting of Options would be subject to the performance and rating assigned in the Vesting Period. No Vesting shall take place in case of non-performance or rating of G-4 or equivalent scale as per the Company Policies.
- 7.4 Further, the Committee shall have right to forfeit the Unvested Options owing to (i) Option not being Exercised by the Employee within the Exercise Period and (ii) non-performance, Misconduct, non-fulfillment of the performance criteria laid down by the Committee or the Vesting Conditions stipulated under this Plan and the Grant Letter (subject to which the Options would vest) or any other reason at any time at their sole

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2023

discretion and as may be deemed fit by the Committee .

- 7.5 Unless otherwise determined by the Board or Board Committee, the Grant of Options made to the Eligible Employees with effect from July 18, 2023 and prior to listing, the Vesting criteria and Vesting schedule shall be as follows:

| Vesting Schedule | Vesting Criteria |
|-------------------------|---|
| 1 st Vesting | 20% of Options Granted Upon completion of: i. the minimum vesting period of 1 (one) year prescribed under the Applicable Laws; or ii. Listing of the equity Shares of the Company, whichever is later. |
| 2 nd Vesting | 20% of Options Granted On the completion of anniversary of first Vesting |
| 3 rd Vesting | 20% of Options Granted On the completion of anniversary of second Vesting |
| 4 th Vesting | 20% of Options Granted On the completion of anniversary of third Vesting |
| 5 th Vesting | 20% of Options Granted On the completion of anniversary of fourth Vesting |

- 7.6 Unless otherwise determined by the Board or Board Committee, the Grant of Options made to the Eligible Employees post listing, the Vesting criteria and Vesting schedule shall be as follows:

| Dates of Vesting | Percentage of Options to vest |
|--|-------------------------------|
| On 1 st anniversary from the Grant Date | 20% of Options granted |
| On 2 nd anniversary from the Grant Date | 20% of Options granted |
| On 3 rd anniversary from the Grant Date | 20% of Options granted |
| On 4 th anniversary from the Grant Date | 20% of Options granted |
| On 5 th anniversary from the Grant Date | 20% of Options granted |

- 7.7 The specific Vesting schedule and Vesting Conditions subject to which Vesting would take place would be outlined in the Grant Letter issued to the Option Grantee at the time of Grant of Options.

7.8 **Acceleration of Vesting in certain cases**

Prior to Listing, and subject to fulfilment of minimum Vesting Period of 1(One) year, and compliance with other conditions of this Plan and Applicable Laws, the Committee at its discretion may accelerate Vesting of any or all Unvested Options on such terms and conditions as may be decided from time to time, and the Vesting of such Options shall be with effect from the date of the meeting at which such acceleration is approved by the Committee, or from such other date as the Committee may determine.

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2023

8. Exercise

8.1 Exercise Price

The Exercise Price per Option shall be as determined by the Committee as on Grant Date and as set out in the Grant Letter, and shall not be less than the face value of the Shares and may be up to the Fair Market Value of the Shares.

Post Listing, the Exercise Price per Option shall be as determined by the Committee and as set out in the Grant Letter, and shall not be less than the face value of the Shares and may be up to the Market Price of the Shares, as on the Grant Date.

Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company or in such other manner as specified in the Grant Letter.

8.2 Exercise Period

(a) **Exercise Period while in employment/ service:**

The Vested Options shall be exercised by the Option Grantee within a period of 5 (Five) years and 3 months from the date of first Vesting of the Options. The Employees shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of Option granted to them, till Shares are issued on Exercise of Option.

The Options not exercised within the above period shall lapse and the Option Grantee shall have no right over such lapsed or cancelled Options.

(b) **Exercise Period in case of separation from employment/ service:** Subject to provisions of Sub-clause 8.2 hereof, exercisability of the Options shall be as under:

| S. No. | Events of Separation | Separation prior to Listing | Separation after Listing |
|--------|--|---|---|
| 1 | Resignation / Termination (other than due to Misconduct or breach of Company Policies/ Terms of Employment) | All Vested Options as on date of resignation or termination can be exercised within 30 days after the date of resignation. All Unvested Options as on date of resignation or termination shall stand cancelled with effect from that date. | All the Vested Options as on date of resignation or termination shall be exercisable before his/her last working day with the Company. All Unvested Options as on date of resignation or termination shall stand cancelled with effect from that date. |
| 2 | Separation/Termin | All the Vested Options and all the Unvested | All the Vested Options and all the Unvested |

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2023

| | | | |
|---|---|--|--|
| | ation due to Misconduct, breach of Company Policies/ Terms of Employment including Abandonment and breach of non-solicit obligations | Options shall stand cancelled with effect from the date of such termination. | Options shall stand cancelled with effect from the date of such termination. |
| 3 | Retirement / early Retirement approved by the Company | <p>All Vested Options as on date of such Retirement can be exercised by the Option Grantee as per the Exercise period mentioned in Clause 8.2 (a).</p> <p>All Unvested Options as on date of such Retirement shall stand cancelled with effect from that date.</p> | <p>All Vested Options as on date of such Retirement can be exercised by the Option Grantee as per the Exercise period mentioned in Clause 8.2 (a).</p> <p>All Unvested Options as on the date of Retirement would continue to Vest in accordance with the original vesting schedules even after the Retirement unless otherwise determined by the Committee in accordance with the Company's Policies and provisions of the then prevailing Applicable Law.</p> <p>Such aforesaid Vested Options can be exercised as per the Exercise period mentioned in Clause 8.2 (a) above..</p> |
| 4 | Death | <p>All the Vested Options as on date of death can be exercised by the deceased Option Grantee's nominee or legal heirs within an Exercise Period as per Clause 8.2 (a) above.</p> <p>All the Unvested Options as on date of death shall vest forthwith and can be exercised by the deceased Option Grantee's nominee</p> | <p>All the Vested Options as on date of death can be exercised by the deceased Option Grantee's nominee or legal heirs as per Clause 8.2 (a) above or within 12 (Twelve) months after the date of death, whichever is later</p> <p>All the Unvested Options as on date of death shall vest forthwith and can be exercised by the deceased</p> |

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2023

| | | | |
|---|---|--|---|
| | | or legal heirs in the same manner prescribed for Vested Options. | Option Grantee's nominee or legal heirs in the same manner prescribed for Vested Options. |
| 5 | Permanent Incapacity | <p>All the Vested Options as on date of incurring Permanent Incapacity can be exercised by the Option Grantee within an Exercise Period in terms of sub-clause 8.2 (a)above.</p> <p>All the Unvested Options as on date of incurring Permanent Incapacity shall vest forthwith and can be exercised by the Option Grantee in the same manner as prescribed for Vested Options.</p> | <p>All the Vested Options as on date of incurring Permanent Incapacity can be exercised by the Option Grantee as per Clause 8.2 (a) above or within 12 (Twelve) months after the date of incurring such Permanent Incapacity, whichever is later.</p> <p>All the Unvested Options as on date of incurring Permanent Incapacity shall vest forthwith and can be exercised by the Option Grantee in the same manner as prescribed for Vested Options.</p> |
| 6 | Other Reasons Apart from those mentioned above | <p>The Committee will decide whether the Vested Options can be exercised by the Option Grantee or not, and such decision shall be final.</p> <p>All Unvested Options on the last working day of the Option Grantee shall stand cancelled from such date, unless otherwise required by the Applicable Laws.</p> | <p>The Committee will decide whether the Vested Options can be exercised by the Option Grantee or not, and such decision shall be final.</p> <p>All Unvested Options on the last working day of the Option Grantee shall stand cancelled from such date unless otherwise required by the Applicable Laws.</p> |

8.3 **Right to prescribe for cashless Exercise of Options**

The Committee is entitled to specify such procedures and mechanisms for the purpose of implementing the cashless Exercise of Options as may be necessary and subject to and in accordance with Applicable Laws, and the same shall be binding on all the Option Grantees.

8.4 **Lapse of Options**

The Options not exercised within the Exercise Period, as mentioned in sub-clause 8.2 and

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2023

sub-clause 8.3 above, shall lapse and the Option Grantee shall have no right over such lapsed or cancelled Options.

9. Discretionary Cash Settlement of Vested Options

- 9.1 At any time prior to Listing and before 1 month from the expiry of the Exercise Period, the Committee shall at its discretion and without any obligation have the right to liquidate and settle the Vested Options in case of separation by way of resignation, termination of employment, death or Permanent Incapacity or Retirement or early Retirement approved by the Company of Option Grantees, before Listing.
- 9.2 The consideration for the cash settlement in respect of each Vested Option shall be Fair Market Value.
- 9.3 To the extent unexercised Vested Options are offered by the Committee to be settled by way of cash payment and upon expiry of such offer period, all rights of the Option Grantee therein including right to Exercise such Options shall be deemed to be settled and extinguished with effect from date of receipt of the cash payment.

10. Lock In

- 10.1 The Shares issued upon Exercise shall not be subject to any lock-in period restriction after such issue except as required under the Applicable Laws including that and after Listing under the ICDR Regulations, or code of conduct framed, if any, by the Company, and under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015.

11. Other Terms and Conditions

- 11.1 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc.) in respect of any Shares covered by the Grant until the Option Grantee Exercises the Option and becomes a registered holder of the Shares of the Company.
- 11.2 If the Company issues bonus or rights Shares, the Option Grantee will not be eligible for the bonus or rights Shares in the capacity of an Option Grantee. However, an adjustment to the number of Options or the Exercise Price or both would be made in accordance with Sub-clause of ESOP 2023. Only if the Options are Vested and Exercised and the Option Grantee is a valid holder of the Shares of the Company, the Option Grantee would be entitled for bonus or rights Shares as shareholder of the Company.
- 11.3 Options are not transferrable unless in case of Death of an Option Grantee in which case, Clause 8.2(b) will be referred to for the purpose of Exercise. No person other than the Option Grantee to whom the Option is granted shall be entitled to Exercise the Option except in the event of the death of the Option Grantee, in which case, Clause 8.2(b) shall

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2023

apply, as mentioned above.

- 11.4 Notwithstanding anything to the contrary contained under the ESOP 2023, the Option and the Shares resulting from Exercise of Option shall not be transferred, pledged, hypothecated, mortgaged or otherwise alienated in any other manner except with the prior approval of the Committee in writing. However, this restriction on the aforesaid Shares shall not be applicable post Listing of such Shares on the floor of a Stock Exchange.

12. Deduction of Tax

- 12.1 The liability of paying taxes, if any, in respect of Options granted pursuant to this Plan and the Shares issued pursuant to Exercise thereof shall be entirely on Option Grantee and shall be in accordance with the provisions of Income Tax Act, 1961 read with rules issued thereunder and/or Income Tax Laws of respective countries as applicable to eligible Employees working abroad, if any.
- 12.2 The Company shall have the right to deduct from the Option Grantee's salary or recover any tax that is required to be deducted or recovered under the Applicable Laws. In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.
- 12.3 The Company shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee in full.

13. Authority to vary terms

The Company may by special resolution of its shareholders vary the terms of the ESOP 2023 for Options granted but not yet exercised by the employees, if such variation is not prejudicial to the interests of the Employees. The Committee may, if it deems necessary, vary the terms of ESOP 2023, to meet any regulatory requirements. The Company may reprice the Options, which are not exercised, whether or not they have been vested, if the Plan is rendered unattractive due to fall in the price of the shares in the stock market: Provided that the Company ensures that such repricing is not detrimental to the interests of the Employees and approval of the shareholders by a special resolution has been obtained for such repricing.

14. Adjustments or Re-Capitalisation

The aggregate number of Shares that may be purchased pursuant to an Option or the Exercise Price for any Option shall be equitably and proportionally adjusted or substituted, or any acceleration with respect to Vesting or cancellation of any Options may be given effect to, in good-faith and so as to not adversely impact the Option Grantee, at the sole discretion of the Committee, in the event of:

- i. any change in the outstanding capital structure of the Company by reason of issue of bonus Shares, stock splits, reverse Share splits, re-capitalisation, re-organisation, mergers, consolidations, combinations exchanges, or other relevant changes in capitalisation occurring after the Grant Date of an Option;

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2023

- ii. any change in Applicable Laws or circumstances that results in, or could result in, in the Committee's opinion, any substantial dilution or enlargement of the rights intended to be granted or available to the Option Grantee.

15. Miscellaneous

15.1 Government Regulations

This ESOP 2023 shall be subject to all Applicable Laws, and approvals from governmental authorities.

15.2 Foreign Exchange Laws

In case any Options are granted to any Employee being resident outside India, belonging to the Company, working outside India, the provisions of the Foreign Exchange Management Act, 1999 and rules or regulations made thereunder as amended and enacted from time to time shall be applicable and the Company has to comply with such requirements as prescribed from time to time in connection with Grant, Vest and Exercise of Options thereof.

15.3 Inability to obtain authority

The inability of the Company to obtain authority from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful issuance and sale of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to issue or sell such Shares.

15.4 Unless otherwise intended, the Grant of an Option does not form part of the Option Grantee's entitlement to compensation or benefits pursuant to his contract of employment nor does the existence of a contract of employment between any person and the Company give such person any right or entitlement to have an Option granted to him in respect of any number of Shares or any expectation that an Option might be granted to him whether subject to any condition or at all.

15.5 Neither the existence of this Plan nor the fact that an individual has on any occasion been granted an Option shall give such individual any right, entitlement or expectation that he has or will in future have any such right, entitlement or expectation to participate in this Plan by being granted an Option on any other occasion.

15.6 The rights granted to an Option Grantee upon the Grant of an Option shall not accord the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the Company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

15.7 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to Exercise an Option in whole or in part.

15.8 Participation in ESOP 2023 shall not be construed as any guarantee of return on equity investment. Any loss due to fluctuations in the value of the Shares and the risks associated

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2023

with the investments are that of the Option Grantee alone.

16. Accounting and Disclosures

16.1 The Company shall follow the laws/regulations applicable to accounting and disclosure related to Options, including but not limited to the IND AS/Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.

16.2 The Company shall comply with the relevant Accounting Standard as may be prescribed by the appropriate authority from time to time. The Board shall, inter alia, disclose either in the Directors report or in the annexure to the Director's report, the following details of the ESOP 2023, or as amended from time to time under Applicable Laws.

Post Listing, the Company shall comply with the accounting and disclosure requirements as prescribed under Regulation 15 of the SBEB Regulations.

17. Governing Laws and jurisdiction

17.1 The terms and conditions of the ESOP 2023 shall be governed by and construed in accordance with the Applicable Laws of India including the Foreign Exchange Laws.

17.2 The courts at Gurugram, Haryana shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this ESOP 2023.

17.3 Nothing in this Clause shall however limit the right of the Company to bring proceedings against any Employee in connection with this ESOP 2023, in any other court of competent jurisdiction; or concurrently in more than one jurisdiction.

18. Notices

18.1 All notices of communication required to be given by the Company to an Option Grantee by virtue of this ESOP 2023 shall be in writing and shall be sent to the address of the Option Grantee available in the records of the Company; or Delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; or Emailing the communication(s) to the Option Grantee at the official email address provided, if any, during the continuance of employment or at the email address provided by the Option Grantee after cessation of employment.

18.2 Any communication to be given by an Option Grantee to the Company in respect of ESOP 2023 shall be sent at the address mentioned below or e - mailed at:

The Company Secretary
India Shelter Finance Corporation Limited,
6th Floor, Plot No.15, Institutional Area
Sector – 44, Gurgaon - 122002

Email: secretarial@indiashelter.in

India Shelter Finance Corporation Limited

Employee Stock Option Plan 2023

- 18.3 The Option Grantee acknowledges that it shall be the obligation of the Option Grantee to promptly notify the Company of any change in the residential or electronic mail address of the Option Grantee and the Company shall not be liable in any manner for any failure of the Option Grantee to do so. Further, in the event that the Option Grantee does not respond to any notice delivered to the Option Grantee, wherever required, within seven (7) days of delivery of a notice or in accordance with the terms of such notice, then all rights of the Option Grantee under this ESOP 2023 shall be deemed to have automatically lapsed forthwith.

19. Severability

- 19.1 In the event any one or more of the provisions contained in this Plan shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this Plan in which case the Plan shall be construed as if such invalid, illegal, or unenforceable provisions had never been set forth herein, and the Plan shall be carried out as nearly as possible according to its original intent and terms.

20. Confidentiality

- 20.1 An Option Grantee must keep the details of the ESOP 2023 and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, co-employees or with any employee and/ or associate of the Company or that of its affiliates. In case Option Grantee is found in breach of this Clause, the Company shall have undisputed right to terminate any agreement/Grant and all unexercised Options shall stand cancelled immediately. The decision and judgment of the Committee regarding breach of this Clause on confidentiality shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this Clause, the Committee shall have the authority to deal with such cases as it may deem fit.
- 20.2 On acceptance of the Grant of Option offered by the Company, it shall be deemed that as if the Option Grantee has authorized the Company to disclose information relating to the Option Grantee during the process of implementation of the ESOP 2023 or while availing any consulting or advisory services thereof or any other incidental services to its officers, professional advisors, agents and consultants on a need-to-know basis.

-----END OF DOCUMENT-----

ANNEXURE B

a) ESOP 2017:

Our Company, pursuant to the resolutions passed by the Board of Directors on November 10, 2017, and our Shareholders on January 31, 2018, adopted the ESOP 2017. The ESOP 2017 was most recently amended pursuant to the resolution passed by the Board of Directors on July 13, 2023 and our Shareholders' on July 14, 2023. ESOP 2017 is in compliance with the SEBI SBEB & Regulations.

The details of the ESOP 2017 are as under-

| Particulars | Financial Year 2021 | Financial Year 2022 | Financial Year 2023 | April 1, 2023 – date of this RHP |
|---|---|-----------------------------|-----------------------------|-------------------------------------|
| Total options outstanding (including vested and unvested options) as at the beginning of the period | 370,000 | 541,000 | 522,500 | 987,000* |
| Total options granted during the year/period | 225,000 | Nil | Nil | Nil |
| Vesting period (years) | Five years and three months | Five years and three months | Five years and three months | Five years and three months |
| Total options exercised | - | 18,500 | 3,000 | 842,000* |
| Exercise price of options granted in ₹ (as on the date of grant of options) | 197.80 | - | - | - |
| Options forfeited/lapsed/cancelled | 54,000 | Nil | 26,000 | 8,000* |
| Variation of terms of options | Nil | Yes | Nil | Nil |
| Money realized by exercise of options (in ₹ million) | Nil | 2.47 | 0.54 | 79.04 |
| Total number of options (vested and unvested) outstanding as at the end of the period' or 'Total number of options in force' | 541,000 | 522,500 | 493,500 | 137,000* |
| Total options vested in each Fiscal/period | 51000 | 104500 | 114,000 | 423,000* |
| Options exercised (since implementation of the ESOP scheme) | Nil | 18,500 | 21,500 | 885,000* |
| Total number of Equity Shares that would arise as a result of exercise of granted options | 541,000 | 522,500 | 493,500 | 137,000* |
| Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in market at the time of grant of the option: | The fair value of stock options is estimated at the date of grant using Black Scholes model taking into account the terms and conditions upon which the share options were granted. | | Nil | Nil |
| | Particulars | F.Y. 2021 | Nil | Nil |
| | Exercise Price (Rs.) | 197.80 | | |
| | Expected Volatility | 62.5% | | |
| | Expected life of the option (years) | 6.25 | | |

| Particulars | Financial Year 2021 | | Financial Year 2022 | Financial Year 2023 | April 1, 2023 – date of this RHP |
|--|---|-----------------------|---------------------|---------------------|----------------------------------|
| | | Expected Dividend (%) | 0 | | |
| | Risk free interest rate (%) | 5.9% | | | |
| | Weightage average fair value as on grant Date (Rs.) | 127.18 | | | |
| Employee wise details of options granted to: | | | | | |
| (i) Key Managerial Personnel | | | | | - |
| 1. Rupinder Singh | | 200,000 | - | - | - |
| 2. Mukti Chaplot | | 10,000 | | | |
| (ii) Senior Management | | | | | |
| 1. Nilay | | 15,000 | - | - | - |
| (iii) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year | | | Nil | | |
| (iii) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant | | | Nil | | |
| Diluted earnings per share pursuant to the issue of equity shares on exercise of options in accordance with Ind AS 33 'Earnings Per Share' (₹) | | 9.93* | 14.63* | 17.47* | Not determinable at this stage |
| Whether our Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference, if any, between employee compensation cost so computed and the employee compensation calculated on the basis of fair value of the stock options and the impact of this difference, on the profits of our Company and on the earnings per equity share of our Company | | | N.A | | |
| Impact on the profits and on the Earnings Per Share of the last three years if the accounting policies specified in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 or the SEBI & SBEB Regulations had been followed, in respect of options granted in the last three years | | | Nil | | |
| Increase in loss for the year (₹ million) | | | Nil | | |
| Revised EPS (₹) | | | Nil | | |
| Intention of key managerial personnel, senior management and whole-time directors who | | | Yes [#] | | |

| Particulars | Financial Year 2021 | Financial Year 2022 | Financial Year 2023 | April 1, 2023 – date of this RHP |
|--|------------------------|------------------------|------------------------|-------------------------------------|
| are holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer | | | | |
| Intention to sell Equity Shares arising out of the ESOP scheme or allotted under an ESOP scheme within three months after the listing of Equity Shares by directors, key managerial personnel, senior management and employees having Equity Shares arising out of the ESOP scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions) | | | Nil | |

* After considering the impact of split of equity shares of ₹ 10 each to Equity Shares of ₹ 5 each pursuant to a resolution of our Board passed in their meeting held on July 12, 2023 and a resolution of our Shareholders passed in their extraordinary general meeting held on July 18, 2023.

b) ESOP 2021:

The Company, pursuant to the resolutions passed by the Board of Directors on May 12, 2021, and our Shareholders on July 26, 2021, adopted the ESOP 2021. The ESOP 2021 was most recently amended pursuant to the resolution passed by the Board of Directors on July 13, 2023 and our Shareholders' on July 14, 2023. ESOP 2021 is in compliance with the SEBI SBEB Regulations.

The details of the ESOP 2021 are as under-

| Particulars | Financial Year 2021 | | Financial Year 2022 | | Financial Year 2023 | | April 1, 2023 – date of this RHP | |
|---|---------------------|---|---|---|---------------------|----------|----------------------------------|---|
| | | | | | | | | |
| Total options outstanding (including vested and unvested options) as at the beginning of the period | NA | | Nil | | 1,882,095 | | 4,715,120* | |
| Total options granted during the year/period | NA | | 1,904,595 | | 778,098 | | 575,500* | |
| Vesting period (years) | NA | | 5.25 | | 5.25 | | 5.25 | |
| Total options exercised | NA | | Nil | | 2,997.00 | | 1,376,652* | |
| Exercise price of options granted in ₹ (as on the date of grant of options) | NA | Options | Grant Price | Options | Grant Price | Options | Grant Price | |
| | | 9,70,595 | 309.59 | 343,098 | 340.71 | 1,71,100 | 197* | |
| | | 8,49,000 | 315.57 | 435,000 | 394.00 | 2,45,500 | 207.70* | |
| | | 85,000 | 340.71 | | | 159,000 | 207.70* | |
| Options forfeited/lapsed/cancelled | NA | | 22,500 | | 299,636 | | 257,470* | |
| Variation of terms of options | | | | | | | Nil | |
| Money realized by exercise of options (in ₹ million) | NA | | NA | | 0.93 | | 223.16 | |
| Total number of options (vested and unvested) outstanding as at the end of the period' or 'Total number of options in force' | NA | | 1,882,095 | | 2,357,560 | | 3,656,498* | |
| Total options vested in each Fiscal/period | NA | | Nil | | 337,721 | | 1,019,630* | |
| Options exercised (since implementation of the ESOP scheme) | NA | | Nil | | 2,997 | | 1,382,646* | |
| Total number of Equity Shares that would arise as a result of exercise of granted options | NA | | 1,882,095 | | 2,357,560 | | 3,656,498* | |
| Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in market at the time of grant of the option: | NA | The fair value of stock options is estimated at the date of grant using Black Scholes model taking into account the terms and conditions upon which the share options were granted. | | | | | | |
| | NA | Refer Note 1 for table showing method and significant assumptions used during the year. | Refer Note 2 for table showing method and significant assumptions used during the year. | Refer Note 3 for table showing method and significant assumptions used during the year. | | | | |
| Employee wise details of options granted to: | | | | | | | | |
| (i) Key Managerial Personnel | | | | | | | | |
| 1. Rupinder Singh | - | 735,000 | - | - | - | - | - | - |
| 2. Ashish Gupta | | 225,000 | | | | | | |
| 3. Mukti Chaplot | | 80,000 | | | | | | |

| Particulars | Financial Year 2021 | Financial Year 2022 | Financial Year 2023 | April 1, 2023 – date of this RHP |
|--|---------------------|---------------------|---------------------|----------------------------------|
| (ii) Senior Management | - | | | - |
| 1. Nilay | | 150,000 | | |
| 2. Nitin Goel | | 40,000 | | |
| 3. Rohit Gaur | | | 60,000 | |
| 4. Aman Saini | | | 65,000 | |
| 5. Sharad Pareek | | | 225,000 | |
| 6. Ravinder Dhillon | | | 65,000 | |
| 7. Abhinav Arya | | | 30,000 | |
| (iii) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year | | | NA | |
| (iii) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant | Nil | Rupinder Singh | Nil | Nil |
| Diluted earnings per share pursuant to the issue of equity shares on exercise of options in accordance with Ind AS 33 'Earnings Per Share' (₹) | NA | 14.63* | 17.47* | Not determinable at this stage |
| Where our Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference, if any, between employee compensation cost so computed and the employee compensation calculated on the basis of fair value of the stock options and the impact of this difference, on the profits of our Company and on the earnings per equity share of our Company | | | NA | |
| Impact on the profits and on the Earnings Per Share of the last three years if the accounting policies specified in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 or the SEBI SBEB Regulations had been followed, in respect of options granted in the last three years | | | Nil | |
| Increase in loss for the year (₹ million) | | | Nil | |
| Revised EPS (₹) | | | Nil | |
| Intention of key managerial personnel, senior management and whole-time directors who are holders of | | | Yes [#] | |

| Particulars | Financial Year 2021 | Financial Year 2022 | Financial Year 2023 | April 1, 2023 – date of this RHP |
|--|---------------------|---------------------|---------------------|----------------------------------|
| Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer | | | | |
| Intention to sell Equity Shares arising out of the ESOP scheme or allotted under an ESOP scheme within three months after the listing of Equity Shares by directors, key managerial personnel, senior management and employees having Equity Shares arising out of the ESOP scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions) | | | Nil | |

* After considering the impact of split of equity shares of ₹ 10 each to Equity Shares of ₹ 5 each pursuant to a resolution of our Board passed in their meeting held on July 12, 2023 and a resolution of our Shareholders passed in their extraordinary general meeting held on July 18, 2023.

Note 1-

| Particulars | Financial Year 2022 | | | |
|---|---------------------|--------------|--------------|--------------|
| | Options | 970,595 | 830,500 | 18,500 |
| Exercise Price (Rs.) | 309.59 | 315.57 | 315.57 | 340.71 |
| Expected Volatility (%) | 24.1 to 28.1 | 24.6 to 28.9 | 24.2 to 28.2 | 24.6 to 28.9 |
| Expected life of the option (years) | 3.6 to 5.6 | 3.6 to 5.6 | 3.6 to 5.6 | 3.6 to 5.6 |
| Expected Dividend(%) | 0 | 0 | 0 | 0 |
| Risk free interest rate (%) | 5.2 to 5.9 | 5.3 to 5.9 | 5.7 to 6.4 | 5.7 to 6.4 |
| Weightage average fair value as on grant date (Rs.) | 101.02 | 104.73 | 106.46 | 116.07 |

Note 2-

| Particulars | Financial Year 2023 | | | | | |
|---|---------------------|------------|------------|------------|------------|------------|
| | Options | 84,500 | 65,000 | 60,000 | 133,598 | 368,500 |
| Exercise Price (Rs.) | 340.71 | 340.71 | 340.71 | 340.71 | 394 | 394 |
| Expected Volatility (%) | 21.5 | 21.5 | 21.7 | 21.8 | 21.8 | 20.4 |
| Expected life of the option (years) | 3.6 to 5.6 | 3.6 to 5.6 | 3.6 to 5.6 | 3.6 to 5.6 | 3.6 to 5.6 | 3.6 to 5.6 |
| Expected Dividend(%) | 0 | 0 | 0 | 0 | 0 | 0 |
| Risk free interest rate (%) | 7.2 | 7.4 | 7.4 | 7.2 | 7.5 | 7.4 |
| Weightage average fair value as on grant date (Rs.) | 120.02 | 121.20 | 121.73 | 120.79 | 141.50 | 136.98 |

Note 3-

| Particulars | April 1, 2023 till DRHP date | | |
|---|------------------------------|------------|------------|
| | Options | 171,100 | 245,500 |
| Exercise Price (Rs.) | 394.00 | 207.70* | 207.70* |
| Expected Volatility (%) | 16.0 | 12.5 | 12.0 |
| Expected life of the option (years) | 3.6 to 5.6 | 3.6 to 5.6 | 3.6 to 5.6 |
| Expected Dividend(%) | 0 | 0 | 0 |
| Risk free interest rate (%) | 7.1 | 7.2 | 7.3 |
| Weightage average fair value as on grant date (Rs.) | 122.96 | 61.78* | 62.21* |

The Company, pursuant to the resolutions passed by the Board of Directors on July 12, 2023, and Shareholders on July 18, 2023, adopted the ESOP 2023. ESOP 2023 is in compliance with the SEBI SBEB Regulations.

| Particulars | Financial Year 2021 | Financial Year 2022 | Financial Year 2023 | April 1, 2023 – date of this RHP | | | | | | | | | | | | | | |
|---|---|---------------------|---------------------|---|-------------|---|----------------------|------|---------------------|-------|-------------------------------------|------------|----------------------|---|-----------------------------|------|---|--------|
| Total options outstanding (including vested and unvested options) as at the beginning of the period | NA | NA | NA | Nil | | | | | | | | | | | | | | |
| Total options granted during the year/period | NA | NA | NA | 2,581,500* | | | | | | | | | | | | | | |
| Vesting period (years) | NA | NA | NA | 5.25 | | | | | | | | | | | | | | |
| Total options exercised | NA | NA | NA | - | | | | | | | | | | | | | | |
| Exercise price of options granted in ₹ (as on the date of grant of options) | NA | NA | NA | 204* | | | | | | | | | | | | | | |
| Options forfeited/lapsed/cancelled | NA | NA | NA | 98,000* | | | | | | | | | | | | | | |
| Variation of terms of options | | | | Nil | | | | | | | | | | | | | | |
| Money realized by exercise of options (in ₹ million) | NA | NA | NA | Nil | | | | | | | | | | | | | | |
| Total number of options (vested and unvested) outstanding as at the end of the period' or 'Total number of options in force' | NA | NA | NA | 2,483,500* | | | | | | | | | | | | | | |
| Total options vested in each Fiscal/period | NA | NA | NA | Nil | | | | | | | | | | | | | | |
| Options exercised (since implementation of the ESOP scheme) | NA | NA | NA | Nil | | | | | | | | | | | | | | |
| Total number of Equity Shares that would arise as a result of exercise of granted options | NA | NA | NA | 2,483,500* | | | | | | | | | | | | | | |
| Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in market at the time of grant of the option: | NA | NA | NA | The fair value of stock options is estimated at the date of grant using Black Scholes model taking into account the terms and conditions upon which the share options were granted. | | | | | | | | | | | | | | |
| | NA | NA | NA | <table border="1"> <thead> <tr> <th>Particulars</th> <th>1st April 2023 till DRHP date</th> </tr> </thead> <tbody> <tr> <td>Exercise Price (Rs.)</td> <td>204*</td> </tr> <tr> <td>Expected Volatility</td> <td>13.8%</td> </tr> <tr> <td>Expected life of the option (years)</td> <td>3.6 to 5.6</td> </tr> <tr> <td>Expected Dividend(%)</td> <td>0</td> </tr> <tr> <td>Risk free interest rate (%)</td> <td>7.1%</td> </tr> <tr> <td>Weightage average fair value as on grant Date (Rs.)</td> <td>61.55*</td> </tr> </tbody> </table> | Particulars | 1 st April 2023 till DRHP date | Exercise Price (Rs.) | 204* | Expected Volatility | 13.8% | Expected life of the option (years) | 3.6 to 5.6 | Expected Dividend(%) | 0 | Risk free interest rate (%) | 7.1% | Weightage average fair value as on grant Date (Rs.) | 61.55* |
| Particulars | 1 st April 2023 till DRHP date | | | | | | | | | | | | | | | | | |
| Exercise Price (Rs.) | 204* | | | | | | | | | | | | | | | | | |
| Expected Volatility | 13.8% | | | | | | | | | | | | | | | | | |
| Expected life of the option (years) | 3.6 to 5.6 | | | | | | | | | | | | | | | | | |
| Expected Dividend(%) | 0 | | | | | | | | | | | | | | | | | |
| Risk free interest rate (%) | 7.1% | | | | | | | | | | | | | | | | | |
| Weightage average fair value as on grant Date (Rs.) | 61.55* | | | | | | | | | | | | | | | | | |
| Method of Valuation | Black Scholes Valuation | | | | | | | | | | | | | | | | | |
| Employee wise details of options granted to: | | | | | | | | | | | | | | | | | | |
| (iv) Key Managerial Personnel | NA | NA | NA | NIL | | | | | | | | | | | | | | |
| (v) Senior Management I.Nitin Goel | NA | NA | NA | 76,000* | | | | | | | | | | | | | | |

| Particulars | Financial Year 2021 | Financial Year 2022 | Financial Year 2023 | April 1, 2023 – date of this RHP |
|--|---------------------|---------------------|---------------------|--|
| 2.Rohit Gaur 3.Aman Saini 4.Ravinder Dhillon 5.Abhinav Arya | | | | 80,000* 90,000* 90,000* 50,000* |
| (vi) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year | | | NA | |
| (iii) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant | NA | NA | NA | Nil |
| Diluted earnings per share pursuant to the issue of equity shares on exercise of options in accordance with Ind AS 33 'Earnings Per Share'(₹) | NA | NA | NA | Not determinable at this stage |
| Where our Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference, if any, between employee compensation cost so computed and the employee compensation calculated on the basis of fair value of the stock options and the impact of this difference, on the profits of our Company and on the earnings per equity share of our Company | | | NA | |
| Impact on the profits and on the Earnings Per Share of the last three years if the accounting policies specified in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 or the SEBI SBEB Regulations had been followed, in respect of options granted in the last three years | | | NA | |
| Increase in loss for the year (₹ million) | NA | NA | NA | Nil |
| Revised EPS (₹) | NA | NA | NA | Nil |
| Intention of key managerial personnel, senior management and whole-time directors who are holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the | | | | No |

| Particulars | Financial Year 2021 | Financial Year 2022 | Financial Year 2023 | April 1, 2023 – date of this RHP |
|--|---------------------|---------------------|---------------------|----------------------------------|
| Offer | | | | |
| Intention to sell Equity Shares arising out of the ESOP scheme or allotted under an ESOP scheme within three months after the listing of Equity Shares by directors, key managerial personnel, senior management and employees having Equity Shares arising out of the ESOP scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions) | NA | NA | NA | Nil |

* After considering the impact of split of equity shares of ₹ 10 each to Equity Shares of ₹ 5 each pursuant to a resolution of our Board passed in their meeting held on July 12, 2023 and a resolution of our Shareholders passed in their extraordinary general meeting held on July 18, 2023.

#Intention to sell by Key Management Personnel and Senior Management Personnel (collectively, ESOP Schemes)

| Particulars | No. of equity shares |
|----------------|----------------------|
| Rupinder Singh | 250,000* |
| Ashish Gupta | 100,000* |
| Mukti Chaplot | 50,000* |
| Nilay | 100,000* |
| Abhinav Arya | 8,000* |
| Sharad Pareek | 50,000* |
| Nitin Goel | 10,000* |

* After considering the impact of split of equity shares of ₹ 10 each to Equity Shares of ₹ 5 each pursuant to a resolution of our Board passed in their meeting held on July 12, 2023 and a resolution of our Shareholders passed in their extraordinary general meeting held on July 18, 2023.

For and on behalf of
INDIA SHELTER FINANCE CORPORATION LIMITED

Ashish Gupta
Chief Financial Officer