

**NOTICE**

SHORTER NOTICE is hereby given that an Extraordinary General Meeting of the Company will be held on Monday, 7<sup>th</sup> December, 2020 at 11.00 a.m. at the Registered Office of the Company at No 22,23,24,25/101/3, 3<sup>rd</sup> Floor, BNR Complex, Sri Rama Layout, J.P Nagar 7<sup>th</sup> Phase, Bangalore- 560078 to transact the following business:

**Special Business:**

Item No. 1:

**Approval of 'Nivara Home Finance Limited - Employee Stock Option Plan 2020' and grant of option to eligible employees of the Company:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, the Memorandum and Articles of Association of the Company, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval and consent of the members of the Company be and is hereby accorded respectively to the '**Nivara Home Finance Limited - Employee Stock Option Plan 2020**' ("**ESOP 2020**")/ "**Plan**") and to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any authorized Committee, which the Board has constituted or may constitute to exercise its powers, including the powers, conferred by this resolution) to create, offer, and grant up to 4,00,000 (Four Lakhs) employee stock options to the eligible employees of the Company, as determined in terms of ESOP 2020, in one or more tranches, from time to time, exercisable in aggregate into not more than 4,00,000 (Four Lakhs) equity shares of the Company, with each such option would be exercisable for one equity share of a face value of Rs.10/- each fully paid up on payment of the requisite exercise price to the Company, and on such terms and conditions as may be determined by the Board in accordance with the provisions of the ESOP 2020 and provisions of applicable law as may be prevailing at that time.

**RESOLVED FURTHER THAT** the equity shares so issued and allotted as mentioned hereinbefore shall rank *pari passu* 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 authorised 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.



Registered Office

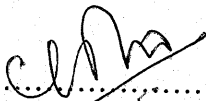
**RESOLVED FURTHER THAT** in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the plan shall automatically stand augmented or reduced, as the case may be, in the same 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 2020 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 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.

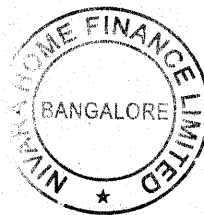
**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised on behalf of the company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of securities.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised 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 the Board of Directors,  
Nivara Home Finance Limited,**



.....  
**Chalamalasetti Venkateswara Rao**  
**Managing Director & CEO**  
**DIN:0699475**



**NOTES:**

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. A Proxy need not be a Member. The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.
2. The Explanatory statement pursuant to Section 102(1) of the Companies Act 2013 with respect to Special business set out in the Notice is annexed.

**Explanatory Statement**  
**(Under Section 102 of the Companies Act, 2013)**

The Company appreciates the critical role its employees play in the organizational growth. It strongly feels that the value created by its employees should be shared with them.

To promote the culture of employee ownership and as well as to attract, retain, motivate and incentivize senior and critical talents, the Company is intending to issue employee stock options under 'Nivara Home Finance Limited- Employee Stock Option Plan 2020' ("ESOP 2020"/ "Plan") to the employees and Directors of the Company, as determined from time to time.

The Board of Directors (hereinafter referred to as "Board") of the Company at its meeting on Friday, 27<sup>th</sup> November 2020 approved ESOP 2020 as formulated and approved by the the Nomination and Remuneration Committee (hereinafter referred to as "Committee") at their meeting.

Accordingly, the Committee and the Board at their respective meetings held on 27<sup>th</sup> November 2020 had approved the introduction of ESOP 2020, subject to your approval.

As per prevailing rules, approval of the members is required for implementation of the ESOP 2020.

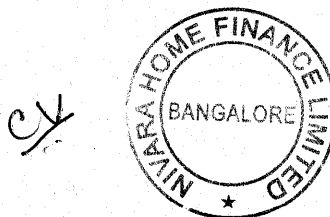
**Particulars as required under Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 are given below:**

**a. Total number of options to be granted:**

A total of 400000(four lakh) Options would be available for being granted to the eligible employees of the Company under ESOP 2020. Each option when exercised would be converted into one equity share of face value of Rs.10/- each fully paid-up.

Options lapsed or cancelled due to any reason including the reason of lapse of exercise period or due to resignation of the employees / Directors or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled options as per the ESOP 2020.

In case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment will be made to the options granted. Accordingly, if any additional equity shares are required to be issued by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling of options/ equity shares as aforesaid shall be deemed to increase to the extent of such additional equity shares issued.



b. **Identification of classes of employees entitled to participate in the ESOP 2020:**

All permanent employees and whole-time or executive Directors (hereinafter referred to as "employees") of the Company, shall be eligible subject to determination or selection by the Board/ Committee.

However, following classes of employees / Directors shall not be eligible who are:

- a. Independent Directors;
  - b. Promoters or persons belonging to promoter group; and
  - c. Director who either himself or through his relative or through anybody corporate, directly or indirectly, holds more than 10% (ten percent) of the outstanding equity shares of the Company;
- c. **Appraisal Process for determining the eligibility of the employees to Employee Stock Options:**

The options shall be granted to the employees as per performance appraisal system of the Company or where the Committee may determine the eligibility criteria for the employees under the ESOP 2020 based on their evaluation on various parameters, such as length of service, grade, performance, technical knowledge, leadership qualities, merit, contribution and conduct, future potential, etc., and such other factors as may be deemed appropriate by it.

d. **Requirements of vesting and period of vesting:**

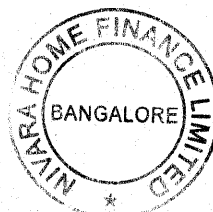
The options granted shall vest so long as the employee continues to be in the employment of the Company. The Committee may, at its discretion, lay down certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which options granted would vest (subject to the minimum and maximum vesting period as specified below).

The vesting period of options granted shall vest in not earlier than **1 (one) year** and not more than **4 (four) years** from the date of grant of such options. The exact proportion in which and the exact period over which the options would vest would be determined by the Board, subject to the minimum vesting period of one year from the date of grant of options.

e. **The maximum period within which the options shall be vested:**

The options granted shall vest in not more than **4 (four) years** from the date of grant of such options.

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f. **The Exercise price or pricing formula:**

The Exercise Price per Options shall be determined by the Committee which shall not be less than the face value of the Shares of the Company as on date of Grant.

g. **The Exercise Period and the process of exercise:**

The Vested Options can be exercised by the Option Grantees (while employment with the Company) only in connection with or upon happening of a Liquidity Event and/or within such period as prescribed by the Committee in this regard.

The options will be exercisable by the Employees by a written application to the Company to exercise the options in such manner, and on execution of such documents, as may be prescribed by the Committee from time to time.

h. **Lock-in period:**

The shares issued pursuant to exercise of options shall not be subject to any lock-in period restriction except such restrictions as may be prescribed under any policy of the Company on disposal of Company securities and provisions of applicable laws particularly after listing of securities of the Company.

i. **Maximum number of options to be issued per employee and in aggregate:**

Number of options that may be granted to any individual employee under the ESOP 2020 shall not exceed 400000(four lakh)].

j. **Method of option valuation:**

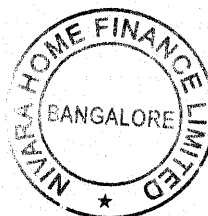
To calculate the employee compensation cost, the Company shall use the Fair Market Value Method for valuation of the options granted.

In case the Company calculates the employee compensation cost using the Intrinsic Value of the stock options, the difference between the employee compensation cost so computed and the cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the directors' report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the directors' report.

k. **The conditions under which option vested in employees may lapse:**

The vested options shall lapse in case of termination of employment due to misconduct or due to breach of Company policies or the terms of employment. Further, irrespective of employment status, in case vested options are not exercised within the prescribed exercise period, then such vested options shall lapse.

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- l. The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee:**

In case of resignation/ termination (other than due to misconduct) all the vested options as on that date can be exercised by the Option Grantee in connection with/upon **happening of Liquidity Event** or may be settled in cash within such period as may be notified by the Committee in this regard.

**m. Disclosure and Accounting Policies:**

The Company shall comply with the disclosure and the accounting policies prescribed as per prevailing Accounting guidelines and upon listing of securities of the Company, the Company shall comply with the accounting policies and disclosure requirements as prescribed under Regulation 15 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

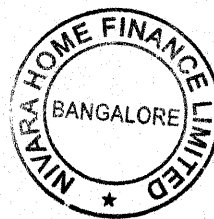
As the ESOP 2020 provides for issue of shares to be offered to persons other than existing shareholders of the Company, consent of the members is being sought pursuant to Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 by way of a special resolution.

A draft copy of the ESOP 2020 is available for inspection at the Company's Registered Office during official hours on all working days till the date of the ensuing Extra- Ordinary General Meeting.

None of the Directors, Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, in this resolution, except to the extent of the securities that may be offered to them under the ESOP 2020.

The Board recommends the Special Resolution as set out at Item No. 1 of the accompanying Notice for the approval for the Members.

**For and on behalf of the Board of Directors,  
Nivara Home Finance Limited,**



  
.....  
**Chalamalasetti Venkateswara Rao**  
**Managing Director & CEO**  
**DIN:0699475**

**NIVARA HOME FINANCE LTD**

CIN : U65922KA2014PLC077547

No.23,24,25/101/3, 3<sup>rd</sup> Floor, BNR Complex, Sri Rama layout, J P Nagar 7<sup>TH</sup> Phase,  
Bangalore- 560078

**ATTENDANCE SLIP**

**Extraordinary General meeting dated Monday December 07,2020 at 11.00 a.m.**

Regd. Folio No. \_\_\_\_\_

No. of shares held \_\_\_\_\_

I hereby record my presence at the **Extraordinary General Meeting** of the Company on  
Monday December 07,2020 at 11.00 a.m. at the registered office of the Company at No  
22,23,24,25/101/3, 3<sup>rd</sup> Floor, BNR Complex, Sri Rama Layout, J.P Nagar 7<sup>th</sup> Phase,  
Bangalore- 560078

Name of Member

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Signature of Member

:

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NIVARA HOME FINANCE LTD

Regd Office : No 22,23,24,25/101/3 3<sup>rd</sup> floor, BNR Complex, Sri Rama Layout  
J.P. Nagar 7<sup>th</sup> Phase, BANGALORE 560078(CIN U65922KA2014PLC077547)

**Form No. MGT-11**

**Proxy form**

Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

Name of the Member(s)		
Registered Office		
E-mail Id		
Folio No /Client ID		
DP ID		
Name :		
Address:		
E-mail Id:		
Signature , him		or failing
Name :		
Address:		
E-mail Id:		
Signature , him		or failing
Name :		
Address:		
E-mail Id:		
Signature , him		or failing



as my/ our proxy to attend and vote( on a poll) for me/us and on my/our behalf at the Extraordinary General Meeting of the company, to be held on **Monday December 07, 2020 at 11.00 a.m.** at No 22,23,24,25/101/3 3<sup>rd</sup> floor, BNR Complex, Sri Rama Layout J.P. Nagar 7<sup>th</sup> Phase, Bangalore 560078 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Approval of 'Nivara Home Finance Limited - Employee Stock Option Plan 2020' and grant of option to eligible employees of the Company

Dated:

Signature of shareholder:

Signature of Proxy holder:

This form of proxy in order to be effective should be duly completed and deposited at registered office of the company not less than 48 hours before commencement of meeting.

Affix  
Revenue  
Stamps

**Venue for EGM to be held on Monday, December 07,2020 at 11.00 a.m. at the  
Registered Office of the Company at No 22,23,24,25/101/3, 3rd Floor, BNR  
Complex, Sri Rama Layout, J.P Nagar 7th Phase, Bangalore- 560078**

