



SIS LIMITED
(FORMERLY SECURITY AND INTELLIGENCE SERVICES
(INDIA) LIMITED)

EMPLOYEE STOCK OPTION PLAN 2016 (ESOP 2016)
POLICY DOCUMENT

2016

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1. INTRODUCTION

- 1.1 This Plan will be called the Employee Stock Option Plan (“ESOP”) 2016 as approved by the Board of Directors of the Company at its meeting held on June 30, 2016 and by members of the Company at the Extraordinary General Meeting held on July 27, 2016.
- 1.2 Security and Intelligence Services (India) Limited, the (“Company”) wishes to bring about Employees’ participation in the growth and prospects of the Company. The Company has, therefore, decided to introduce the Employee Stock Option Plan 2016 that would encourage a long term and committed involvement of the Employees in the future of the Company.
- 1.3 The objective of this Plan is to encourage ownership of Company’s equity by the Employees on achievement of major organizational milestones. The Plan is intended to reward the Employees for their contribution to the successful operation of the Company and to provide an incentive to continue contributing to organizational success. It is envisaged that the Plan will enable the Company to attract and retain the best available talent by making them partners in business and its growth.
- 1.4 This document sets out the features of the Plan, the benefits accruing to the Employees under the Plan, the duties and responsibilities of the beneficiaries and also the procedures to be followed. The document will serve as a reference for the administration of the Plan. This document should be carefully read and understood and the procedures prescribed need to be diligently observed for availing the benefits under the Plan.
- 1.5 This document is not in the nature of a legal contract and the same needs to be understood in common commercial parlance. The existence of this document is not intended to create any obligation on the part of the Company or its Board of Directors.
- 1.6 This is a confidential document and should not be discussed or shared (in part or otherwise) with any unauthorized persons except as may be required under Applicable Laws.
- 1.7 The Options granted under existing ESOP Plans of 2008 shall continue but would be governed by this ESOP Policy of 2016 as far as the same are not detrimental to the interest of the existing Option grantees.

2. DEFINITIONS

Unless the context otherwise requires, for the purpose of this Plan, the words or expression shall carry the following meaning:

- 2.1 “Applicable Laws” means the laws of India and any such Act which may be applicable to the Plan as amended and modified from time to time. Accordingly, any actions taken hereunder shall be governed by and construed in accordance with the laws of India.
- 2.2 “Associate company” means a company as defined in Section 2(6) of the Companies Act 2013.
- 2.3 “Banded Executive/ Employee” means a banded executive/ employee as defined by the HR policy of the Company.
- 2.4 “Beneficiary” means the person, persons, trust or trusts designated by a Participant, or in the absence of any designation by the Participant, a person or persons who is/ are entitled by the will of the Participant to receive the benefits specified in the Plan, the legal heirs of the Participant, if the Participant dies intestate and includes the Participant's executors or administrator, if no other beneficiary is designated and able to act under the circumstances and such other persons as may be added from time to time to the class of beneficiaries by notice in writing and by nomination form in the exercise of any powers conferred under the Plan or any other agreements forming part thereof.
- 2.5 “Board” or “Board of Directors” means the board of directors of the Company including a duly constituted committee thereof.
- 2.6 “Cause” means (a) commission of an act of fraud or embezzlement against the Company; (b) willful misconduct or gross negligence detrimental to the Company; (c) wrongful use or dissemination of confidential or proprietary information; or (d) intentional or habitual neglect of duties of the Company.
- 2.7 “Committee” or the “NRC” means the nomination and remuneration committee of the Board of Directors constituted in accordance with the Section 178 of the Companies Act, 2013, as amended or modified from time to time and the NRC is also the compensation committee for the purposes of Regulation 5(1) and 5(2) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- 2.8 “Company” means Security and Intelligence Services (India) Limited, a public limited company incorporated under the Companies Act 1956, having its registered office at Anapurna Bhavan, Pathliputra, Telephone Exchange Road, Kurji, Patna – 800 010, Bihar, India and will include its successors-in-interest and permitted assigns.

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- 2.9 “Control” shall have the same meaning as defined under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended and the expression “Change in Control” shall be construed accordingly.
- 2.10 “Employee” shall have the same meaning as assigned to it in the paragraph 2 (1) (f) of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended.
- 2.11 “ESOP 2016” or the “Plan” means the Employee Stock Option Plan 2016 of Company as set out hereunder and will include any alterations, amendments, modifications, or variations made thereto from time to time.
- 2.12 “Exercise” means making of an application by the Employee to the Company for issue of Shares against the Vested Options in pursuance of the Plan.
- 2.13 “Exercise Period” means the time period after Vesting within which the Employee should Exercise his right to apply for Shares against the Vested Options in pursuance of the Plan.
- 2.14 “Exercise Price” means the price payable by the Employee for exercising the Option granted to him in pursuance of the Plan.
- 2.15 “General Meeting” means a general meeting (including Extraordinary General Meeting) of the shareholders of the Company held in accordance with the articles of association of the Company and the Applicable laws.
- 2.16 “Grant” means issue of the Options to Employees to purchase Shares of Company under the Plan.
- 2.17 “Grant Date” means the date on which the NRC approves the Grant. The date will be specified in the offer letter issued to the Employee.
- 2.18 “Group” or “SIS Group” shall have the same meaning as attributed to it under the SEBI (SBEB), Regulations, 2014 (as defined hereunder), as amended.
- 2.19 “Independent Director” shall have the same meaning as assigned to it in the paragraph 16 (1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 2.20 “Long leave” means long leave as defined by the HR policy of the Company.
- 2.21 “Market Price” means the latest available closing price on a recognized stock exchange on which the Shares of the Company are listed on the date immediately prior to the relevant date.

Explanation - If the Shares of the Company are listed on more than one stock exchange, then the closing price on the stock exchange having higher trading volume shall be considered.

Relevant date with reference to Market Price means:

- i) in the case of Grant, the date of the meeting of the NRC on which the Grant is made; or
 - ii) in the case of Exercise, the date on which the notice of Exercise is given to the Company.
- 2.22 “Nominee” means the spouse, any child of the Employee or any other person nominated by the Employee as provided hereinafter.
- 2.23 “Non-Banded Executive/ Employee” means employees other than banded executives/ employees of the Company.
- 2.24 “Option” means an option granted to an Employee by the Company in pursuance of the Plan which provides such Employee a right to purchase or subscribe at a future date, the Shares offered by the Company directly, or indirectly, at Exercise Price determined in accordance with Clause 10 of this Plan and on such terms and conditions as may be specified in the Grant letter/ offer letter.
- 2.25 “Option Grantee” means an eligible Employee pursuant to Clause 6 of the Plan, at the time of Grant of the Option who is declared by the NRC to be eligible to participate under the Plan and on such terms and conditions as may be specified in the offer letter.
- 2.26 “Option Term” means the time period beginning from the Grant Date and ending with the termination of the Options under normal course of employment. At the end of this period, the Options terminate and shall have no force or effect.
- 2.27 “Participant” means the holder of an Option. The Participant shall be entitled to only such rights as may be described under this policy as a holder of an Option.
- 2.28 “Period of Employment” or its grammatical equivalent includes the aggregate period of probation and confirmed employment in the Company.
- 2.29 “Permanent Incapacity” shall mean “Disability” as defined under the Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995.

Definitions as per the Act are given in Annexure-I.

- 2.30 “Promoter” shall have the same meaning as attributed to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

- 2.31 “Promoter Group” includes the persons and entities constituting promoter group under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

Provided where the Promoter or Promoter Group of the Company is a body corporate, the promoters of that body corporate shall also be deemed to be promoters of such Company.

- 2.32 “SEBI” means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.
- 2.33 “SEBI (SBEB) Regulations” means the Securities and Exchange Board of India (Share Based Employee Benefits), Regulations, 2014, as amended.
- 2.34 “Share” means equity shares and securities convertible into equity shares and includes American Depository Receipts (ADRs), Global Depository Receipts (GDRs) or other depository receipts, if any, representing underlying equity shares or securities convertible into equity shares.
- 2.35 “Stock Option Agreement” means the agreement that shall come into effect on acceptance of a Grant by the Option Grantee in accordance with Clause 8 of this Plan, pursuant to which the Option Grantee shall be issued Options under the Plan.
- 2.36 “Superannuation” means superannuation as defined by the HR policy of the Company.
- 2.37 “Unvested Option” means an Option, which is not a Vested Option.
- 2.38 “Vesting” means the process by which the Employee becomes entitled for the Shares of the Company against the Options granted to him in pursuance of the Plan.
- 2.39 “Vesting Date” means the date on and from which the Option Vests with the Option Grantee and thereby becomes exercisable.
- 2.40 “Vested Option” means an Option, which has Vested in pursuance to Clause 9 of this Plan, with the Option Grantee and has thereby become exercisable.
- 2.41 “Vesting Period” means the period during which the Vesting of Options takes place.

All other words expressions unless defined herein shall have the same meaning as have been assigned to them under the SEBI (SBEB) Regulations (as amended), SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Companies Act 1956 and the Companies Act 2013 (to the extent in force) and any statutory modification or re-enactment thereto.

3. CONSTRUCTION

- 3.1 The headings/ sub-headings/ titles/ sub-titles/ marginal notes are only for the sake of convenience and shall not be interpreted to restrict or otherwise affect the meaning or import of the Articles/Clauses/Paragraphs, which shall be interpreted solely in light of the contents thereof.
- 3.2 In case of conflict of any definition between the terms of the Plan with the SEBI (SBEB) Regulations, the definitions provided under the SEBI (SBEB) Regulations shall prevail.
- 3.3 In this document, unless the contrary intention appears or the context otherwise requires:
- where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings;
 - any reference to 'writing' includes printing, typing, lithography and other means of reproducing words in visible form;
 - the term 'including' shall mean 'including without limitation';
 - words denoting the masculine gender shall include the feminine gender and words denoting the singular shall include the plural and vice versa;
 - the word "person" includes an individual, a firm, a body corporate or an association of persons or a body of individuals whether incorporated or not or any other entity;
 - the word 'days' shall mean calendar days in the Gregorian calendar; and
 - references to any statute or statutory provision shall be construed as a reference to such statute or statutory provision as it may have been, or may from time to time be, amended, modified or re-enacted.

4. NOMINATION AND REMUNERATION COMMITTEE

- 4.1 For administration and superintendence of the Plan, the Company has constituted the NRC in accordance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 4.2 The Plan shall be administered by the NRC. The administration of the Plan by the NRC may be subject to compliance with Applicable Laws. The NRC may seek assistance from Employees or external consultants as it may deem necessary, for the discharge of its duties. Subject to Clauses 17, 23 and 24 hereof, the NRC is authorized to interpret the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, and to make any other determinations that it deems necessary or desirable for the administration and implementation of the Plan.
- 4.3 The NRC may, subject to compliance with Applicable Laws, correct any defect, omission or reconcile any inconsistency in the Plan in the manner and to the extent the NRC deems necessary or desirable. Any decision of the NRC in the interpretation and administration of the Plan, as described herein, shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned (including, but not limited to Option Grantee and their beneficiaries or Nominees or successors).
- 4.4 The NRC will meet not less than two times in a financial year for the purpose of administering and superintending the Plan.
- 4.5 The NRC shall, inter alia, do the following:
- Formulate the detailed terms and conditions of the Plan;
 - Adopt rules and regulations for implementing the Plan from time to time;
 - Identify the Employees eligible to participate under the Plan;
 - Decide on the total quantum of incentive to be offered in the form of Employee stock options based on the link to such performance parameters as decided from time to time;
 - Grant Options to the identified eligible Employee and determine the Grant Date;
 - Determine the criteria and respective weightages for allocation of Options;
 - Determine the number of Options to be granted to each Option Grantee;
 - Determine the number of Shares of the Company to be covered by each Option Granted under the Plan;

- Review and decide various aspects of the Plan such as Vesting, Exercise, etc.;
- Determine the terms and conditions, not inconsistent with the terms of the Plan, of any Option Granted hereunder;
- Approve forms or agreements for use under the Plan;
- Decide all other matters that must be determined in connection with an Option under the Plan;
- Construe and interpret the terms of the Plan and the Options Granted pursuant to the Plan;
- Frame suitable policies and procedures to ensure that there is no violation of the securities laws, as amended from time to time, including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995 to be followed by the Company and its Employees(including Option Grantees); and
- Review the Plan annually and recommend appropriate changes in the terms and conditions of the Plan, if any, to the Board of Directors. Changes will be recommended in case:
 - the current Plan does not fulfill the objectives set out for the Plan;
 - there are changes in Applicable Laws which need to be incorporated in the Plan;
 - such changes will facilitate implementation of the Plan;
 - such changes will be for the welfare of the Employees;
 - such changes shall not be detrimental to the interest of Employees.

4.6 All decisions made by the NRC in the matter referred to above shall be conclusive and binding on all parties concerned (including, but not limited to, Option Grantees and/or their beneficiaries or Nominees or successors). Neither the Company, nor the NRC shall be liable for any action or determination made in good faith with respect to the Plan or any Option Granted thereunder.

5. QUANTUM OF INCENTIVE

- 5.1 The total number of Options (including Exercised Options) will not exceed 5% of the aggregate number of issued and outstanding equity shares of the Company as on the first day of the financial year in which options have been granted.
- 5.2 The Options will be valued based on the difference between the Exercise Price to be paid by the Employee and the Market Price of the Share of Company on the Grant Date, as declared by Company and as may be notified by the NRC.
- 5.3 The aggregate value of Options granted in a year under the ESOP for year 2016 onwards will be linked to a specified percentage of the incremental operating profits of the divisions/ Company as may be decided by the NRC.
- 5.4 Any options lapsed during the year would also be considered for the purposes of the quantum specified above. For the sake of clarification, it is hereby clarified that any options lapsed under the Plan will be re-issued and would be eligible for fresh grant of options.
- 5.5 The NRC shall have the power to increase or decrease the quantum of the Plan.
- 5.6 Notwithstanding anything to the contrary in this Plan, the approval of the Company's shareholders by way of special resolution in the General Meeting shall be required in case of:
 - i) Grant of Options, to Employees of subsidiaries of the Company; and
 - ii) Grant of Options to identified Employees, during any one year, equal to or exceeding 5% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant of Option.

6. ELIGIBILITY

- 6.1 As determined by the NRC and subject to other Clauses set out under this paragraph, Employee(s) shall be entitled to participate in the Plan (the "**Eligible Employee**").
- 6.2 Banded Executive/ Employees who have served three or more years upto the date of grant of Options in the Company will be eligible under the Plan.
- 6.3 Banded Executive/ Employees who have served less than three years upto the date of grant of Options in the Company will be eligible under the Plan based on the discretion of the NRC.

Non-banded Executive/ Employees will be eligible under the Plan based on the discretion of the NRC.

- 6.4 Banded and Non-banded executive/ Employees who become eligible under the Plan as provided under Clause 6.2 and 6.3 will only be so eligible provided he does not resign in a period of one year from the date of Grant of the Option under the Plan and on such other conditions as may be decided by the NRC from time to time.
- 6.5 A director nominated by an institution as its representative on the Board may be eligible to participate in the Plan, if the agreement entered into between the institution nominating its Employee as the director allows such director to accept Employee stock options, in the manner specified under Regulation 4 of the SEBI (SBEB) Regulations and based on the discretion of the NRC.
- 6.6 The eligibility under the Plan in a particular year does not create any right to receive future Grant of Options or benefits in lieu of Options, even if Options have been granted in the past.

7. ENTITLEMENT

- 7.1 The entitlement of the eligible Banded Employees will be determined based on a weighted combination of the following criteria:
- Criticality of the role
 - Potential of the individual
 - Performance of the individual
 - Tenure served by the individual till the date of grant
 - Performance of the function or division to which the individual belongs
 - Overall performance of the SIS Group
 - Any other criteria as may be formulated or included by the NRC from time to time

However, NRC reserves the right to apply discretion in finalizing entitlement.

- 7.2 The entitlement of the eligible Non-banded Employees will be determined based on a combination of the following criteria:
- Tenure served by the individual till the date of grant;
 - Criticality of the role;
 - Performance of the function or division to which the individual belongs;
 - Overall performance of the SIS Group; and
 - Any other criteria as may be formulated or included by the NRC from time to time.

However, the NRC reserves the right to apply discretion in finalizing entitlement.

8. GRANT PROCEDURE AND ACCEPTANCE

- 8.1 The NRC will grant the Options in accordance with the terms and conditions of the Plan for the time being in force.
- 8.2 Each Option will entitle the Option Grantee to one Share of the Company.
- 8.3 Options under the Plan will be offered by the NRC from time to time to the selected Employees as per the Notice of Grant of Stock Options, containing among other details the following:
- Number of Options being offered
 - Exercise price of each Option.
- 8.4 The Employee needs to communicate his acceptance to the NRC, within 30 days from the date of issue of offer, by sending a signed copy of:
- Notice of Grant of Stock Options
 - Stock Option Agreement
 - Nomination Form

If the Employee does not communicate his acceptance within the 30 days period, the offer will lapse. On acceptance of the Options, the Employee will have to execute the other formalities as and when required.

- 8.5 A Grant made under Clause 8.1, is personal to the Option Grantee and cannot be transferred in any manner whatsoever.

9. VESTING

- 9.1 Notwithstanding anything contained in this Plan, there shall be a minimum Vesting Period of one year. In the event where Options are Granted by the Company under the Plan in lieu of Options held by a person under the Employees stock option scheme in another 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 of one year.
- 9.2 Options will be available for Vesting only on achievement of performance parameters as laid down by the NRC and the NRC shall have the power to prescribe and determine a graded Vesting based on different levels of achievement of the performance parameters.
- 9.3 The performance parameters and targets will be communicated at the commencement of the financial year for each year of the Vesting Period.

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- 9.4 Subject to Clauses 9.5, 9.6 and 13 and continued employment of the Option Grantee with the Company, the Unvested Options with the Option Grantee shall be eligible for Vesting, unless the NRC decides otherwise, in accordance with the schedule laid down in the offer letter/Grant letter.
- 9.5 In case the Employee goes on leave of over six months during the Vesting Period, the NRC reserves the right to extend the Vesting Period by a period not exceeding the leave period.
- 9.6 The Grant will continue to Vest for the duration of paid maternity leave and will be suspended and will not Vest for any period of unpaid maternity leave. On the return of an Employee with the Company from maternity leave, that portion of the award that would have Vested during unpaid maternity leave will continue to Vest from the date of her return to employment.
- 9.7 On Vesting, the Employee has the option to convert the Vested Options into shares either in full or in part at any time during the Exercise Period as provided in Clause 10 and 11.

10. EXERCISE PRICE, EXERCISE PERIOD AND PROCEDURES

Exercise Price

- 10.1 The NRC is authorized to determine the Exercise price from time to time, which shall be indicated in the Grant letter issued to Employees.
- 10.2 The Company may reprice the Options, which are not Exercised, whether or not they have been Vested, if the Plan becomes unattractive due to fall in the price of the Shares in the stock market.

Provided that the Company shall ensure that such repricing shall not be detrimental to the interest of the Employees and approval of the shareholders in General Meeting has been obtained for such repricing.

Exercise Period

- 10.3 The Employee can Exercise his right to convert the Options into Shares either in full or in part by addressing a communication to the NRC, as and when he wishes to Exercise his Options during the Exercise Period of the Option.
- 10.4 Notwithstanding anything else contained in this Plan, if the Option Grantee does not Exercise his Vested Options within the time specified in Clause 11, the Options shall automatically lapse.
- 10.5 The Nominee upon death of the Option Grantee may Exercise Vested Options at any time prior to the termination of the Options as provided in Clause 11.

Procedures

- 10.6 A Vested Option shall not be exercisable in a fractional form.
- 10.7 A Vested Option shall be deemed to be Exercised only when the NRC receives a written notice of Exercise or in any other manner notified by the NRC / Company/ Board along with the Exercise Price (in accordance with the Plan) from the person entitled to Exercise the Option.
- 10.8 Exercise of Vested Options shall take place at the time and place designated by the NRC and by executing such documents as may be required under the Applicable laws to pass a valid title of the relevant Shares to the Option Grantee, free and clear of any liens, encumbrances and transfer restrictions save for those set out therein.
- 10.9 On payment of full amount for the Exercise of Options by the Employee, the number of Shares Exercised will be transferred to the Employees name.
- 10.10 The Plan will also involve cashless exercise of options, as may be decided by the Committee¹.
- 10.11 Unless the NRC decides otherwise, no Option Grantee can Exercise, if the Option Grantee carries on or engages directly or indirectly, whether through partnership or as a joint venture partner, collaborator, consultant or agent or in any other manner whatsoever, whether for profit or otherwise in any business which competes directly or indirectly with the whole or any part of the business of or any other business carried on by the Company or any activity related to the business carried on by the Company. However, the above restriction does not apply to any investment held as a portfolio by the Option Grantee.
- 10.12 Subject to Clause 10.5, the Option Grantee alone can Exercise the Vested Option.
- 10.13 The Company shall follow Applicable Laws in relation to accounting and disclosure related to Employee stock options, including but not limited to the Guidance Note on Accounting for Employee Share-based Payments (“Guidance Note”) and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (“ICAI”) from time to time, including the disclosure requirements prescribed therein, as amended.
- 10.14 Where the existing Guidance Note or Accounting Standard do not prescribe accounting treatment or disclosure requirements for the Plan, then the Company shall comply with the relevant Accounting Standard as may be prescribed by the ICAI from time to time.

¹ Clause 10.10 has been amended effective April 30, 2020

Original Content: There shall be no cashless Exercise of the Options.

- 10.15 The Company shall disclose details of Grant, Vesting, Exercise and lapse of the Employee stock options and such other details in the Directors' Report or in an annexure thereof as prescribed under SEBI (SBEB) Regulations or any other Applicable Laws.
- 10.16 Where the Employee is, at the time of the issue of Shares pursuant to the ESOP Scheme, a resident outside India, the issue will be made according to applicable provisions of the Foreign Exchange Management Act, 1999.
- 10.17 The Options can be Exercised as per the provisions outlined in the table below:

		Vested	Unvested
1	While in employment	- To be Exercised within such period as determined by the NRC in compliance with the Applicable Laws	- Unvested Options cannot be Exercised till they Vest with the Employee
2	On death or permanent incapacitation of Option Grantee	- To be Exercised within 90 ² days from the date of such event or such period as the NRC may determine	- 100% of the Unvested Options shall Vest in the Employee or the nominee - To be Exercised within 90 ³ days from the date of such event
3	On attainment of superannuation age	- To be Exercised within 15 days from the date of such event or such period as the NRC may determine	- 100% of the Unvested Options shall Vest in the Employee - To be Exercised within 15 days from the date of such event
4	On resignation by Option Grantee/On termination with Cause and other terminations	- To be Exercised on the date of resignation or date of termination as the case may be - The Exercise of Options would be on such terms as may be specified by the	- 100% of the Unvested Options will lapse on the date of submission of resignation/date of termination of employment

² The Nomination and Remuneration Committee amended the said clause effective October 24, 2019
Original Content: To be Exercised within 15 days from the date of such event or such period as the NRC may determine.

³ The Nomination and Remuneration Committee amended the said clause effective October 24, 2019
Original Content: To be Exercised within 15 days from the date of such event

		NRC in the grant letters	
		<ul style="list-style-type: none"> - Until the date of listing pursuant to the Initial Public Offering ("IPO"), the Employee shall be liable to sell/transfer the Shares, at the discretion of the NRC, to such persons or Employees as may be nominated by NRC. - Until the date of listing pursuant to an IPO, the price shall be determined by the NRC and shall not be less than Exercise price. - Upon listing, the above two clauses shall stand deleted. 	

11. OPTION TERM AND TERMINATION OF OPTIONS

- 11.1 Option Term - The Option Term will be determined by NRC from time to time, in accordance with the Applicable Laws for each Grant made pursuant to this Plan.
- 11.2 Notwithstanding anything contained herein, the Options will terminate and have no force or effect whatsoever, as follows:
- On death or permanent incapacity of Option Grantee: On cessation of employment during the Option Term by reason of death or permanent incapacitation, the Options (Vested and Unvested) terminate and have no force or effect upon the expiration of 90 days from the date of such event, or such period as the NRC may determine in accordance with the Applicable Laws. However, the NRC reserves the right to extend the Option Term.
 - On attainment of superannuation age: On cessation of employment during the Option Term by reason of retirement (attainment of superannuation), the Options (Vested and Unvested) terminate and have no force or effect upon the expiration of 15 days from the date of such event, or such period as the NRC may determine in accordance with the Applicable Laws. However, the NRC reserves the right to extend the Option Term.
 - On resignation by Option Grantee/On termination with cause and other terminations: On termination of employment during the Option Term by reason of resignation or due to Cause or reasons other than death, permanent incapacitation and superannuation, the Vested Options terminate on the date following the date of termination of the employment and have no force or effect from the date following the date of such termination of employment.

- The Exercise of Options would be on such terms as may be specified by the NRC in the grant letters.

All Unvested Options will lapse on the date of submission of resignation/date of termination of employment.

- On continuation of employment with Company through the Option Term: the Options terminate and have no force or effect upon the expiration of the Option Term as per Clause 11.1 or such period as the NRC may determine in accordance with the Applicable Laws.

It is expressly clarified that in case of sufficient reason, the NRC reserves the right to extend/reduce the Option Term, in any/all of the above cases.

12. TERMINATION OF EMPLOYMENT

12. 1 On death or permanent incapacitation of Option Grantee:

- One hundred percent (100%) of the Unvested Options will Vest with the Employee or Nominee of the Employee (as applicable), upon his termination of employment due to death or in case of permanent incapacitation while in employment, provided the Employee has continued in the employment of the Company through such event.
- The Options will terminate and have no force or effect upon the expiration of 90 days from the date of such event, or such period as the NRC may determine in accordance with the Applicable Laws. The NRC reserves the right to extend the Option Term.
- The Vested Options will be transferred to the Nominee, in case of death of the Option Grantee, or the Option Grantee himself, in case of permanent incapacitation, immediately subject to proper verification and approval by the NRC. All such Vested Options will be Exercised no later than 90 days from the date of cessation of employment due to death or permanent incapacitation, as applicable, or within such other period as the NRC may determine in accordance with Applicable Laws and will be subject to the regular Exercise procedures as provided under Clause 10.

12. 2 On attainment of superannuation age:

- One hundred percent (100%) of the Unvested Options will Vest with the Employee, upon his retirement from the services of the Company on attainment of superannuation.
- The Options will terminate and have no force or effect upon the 15 days from the date of such event or such period as the NRC may determine in accordance with the Applicable Laws. The NRC reserves the right to extend the Option Term.

- The Vested Options in the account of the Option Grantee on the date of retirement due to superannuation will be Exercised no later than 15 days from the date of cessation of employment due to superannuation, or within such other period as the NRC may determine in accordance with Applicable Laws and will be subject to the regular Exercise procedures as provided under Clause 10.

12. 3 On resignation by Option Grantee/On termination with Cause and other terminations:

- One hundred per cent (100%) of the Unvested Options will lapse on the date of submission of resignation or on the date of termination of employment, as applicable and shall expire and stand terminated with effect from that date.
- One hundred percent (100%) of the Vested Options shall be Exercisable no later than the date of submission of resignation or on the date of termination of employment.
- The Exercise of Options would be on such terms as may be specified by the NRC in the grant letters.

13. CHANGE IN CONTROL

13. 1. In the event of a Change in Control, the incoming management will reserve the right to continue or discontinue the Plan or modify the terms and conditions of the same. Company will make every effort to safeguard the interest of its Employees in such a scenario.

14. RIGHTS OF THE OPTION GRANTEE

14. 1. The Employee 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 him, till Shares are issued upon Exercise of Option.

15. BENEFITS AND OBLIGATIONS AS SHARE HOLDERS

15. 1. The Employee will undertake not to utilize any unpublished information available at his disposal to indulge in insider trading and will give an undertaking to the effect as per the Stock Option Agreement.
15. 2. The Employee who holds any shares under the Plan will not divulge the details of the Plan and his holdings to any person except with the prior permission of the NRC obtained in writing, failing which Company will resort to the appropriate action against the Employee which could include legal action.
15. 3. The Employee will enter into such confidentiality agreements, as the NRC may desire from time to time to effectively implement this Plan.

15. 4. The Employee will not under any circumstances assign or transfer his rights or obligations under the Plan to any third party, except as contemplated in Clause 12 and Clause 18 of the Plan, without the consent in writing by the NRC.

16. REORGANIZATION OF CAPITAL STRUCTURE AND OTHER CORPORATE ACTIONS

16. 1. In the event of corporate actions such as rights issues, bonus issues, merger, sale of division and others or any reorganization of capital structure, the NRC is authorized to make fair and reasonable adjustments to the number of Options and to the Exercise Price subject to compliance with SEBI (SBEB) Regulations and/ or any other Applicable Laws.

17. APPOINTMENT OF NOMINEE

17. 1. The Employee may appoint a nominee as per the Nomination Form, in whom all rights of transfer and/or amount payable in respect of Shares under the Plan will Vest in the event of the Employee's death.
17. 2. The Employee has the right to revoke such nomination at any time and a fresh nomination may be made on such revocation.
17. 3. If the Employee does not have a spouse or a child, any other person may be nominated.
17. 4. The nominee specified as aforesaid will alone be entitled to Exercise the rights of the Employee concerned and the Company will not be liable in relation to any rights and obligations amongst the legal heirs inter se of the Employee concerned.

18. TRANSFER RELATED RESTRICTIONS

18. 1. The Options granted under this Plan may not be transferred, pledged, hypothecated or otherwise alienated in any manner. In the event of failure to comply with the same, the right of the Employee to such Options will be immediately forfeited to the Company, and the Stock Option Agreement and the Plan will lapse.
18. 2. No person other than the Employee to whom the Option is granted shall be entitled to the benefit arising out of such Option.

19. TAX LIABILITY

19. 1. The Options shall be taxable as perquisites in the hands of Employees as per Section 17(2)(vi) of the Income Tax Act, 1961.
19. 2. The taxable value of the said perquisite would be the Fair Market Value ('FMV') prevailing as on the date of Exercise of the Option, as reduced by the Exercise Price received by the Company from the Employee towards such Option.

19. 3. For the purpose of determining the value of taxable perquisite in the hands of the Employees, the FMV of the shares would need to be arrived at in the manner specified in Rule 3(8) of the Income Tax Rules. As per the said Rules, if on the date of Exercise of Options, the Shares are listed on a recognized stock exchange, the FMV shall be the average of opening price and closing price of the Share the stock exchange.
19. 4. The value of perquisite shall be subject to tax deduction at source as per the Income Tax Act, 1961.
19. 5. The tax liability of each employee is his personal liability and the Company is not responsible for the same.
19. 6. The taxability is based on the existing provisions of law and any change to the said law will be deemed to be applicable as and when they change. Corresponding changes in the current document may not be required to this effect.

20. NOTICES AND CORRESPONDENCE

20. 1. Any notice required to be given by an Option Grantee to the Company or the NRC or any correspondence to be made between an Option Grantee and the Company or the NRC, may be given or made to the Company/ NRC at the registered office of the Company or at the place as may be notified by the Company/ NRC in writing or at the email id provided by the Option Grantee.
20. 2. Any notice, required to be given by the Company and/or the NRC to an Option Grantee or any correspondence to be made between the Company and/or the NRC and an Option Grantee shall be given on behalf of the Company at the address of the Option Grantee or the email id of the Option Grantee as provided in the Company records.

21. CHANGES IN TERMS AND CONDITIONS

21. 1. The NRC may from time to time:
 - Revoke, add to, alter, amend or vary all or any of the terms and conditions of the Plan or all or any of the rights and obligations of the Participants;
 - Formulate various sets of special terms and conditions in addition to those set out herein, to apply to the Participants. Each of such sets of special terms and conditions shall be restricted in its application to those Participants;
 - Formulate separate sets of special terms and conditions in addition to those set out herein, to apply to each class or category of Participants separately and each of such sets of special terms and conditions shall be restricted in its applications to such Participants;

Provided such change will not be to the detriment of the Employee participating in the Plan. However the Company shall subject to provisions of the SEBI (SBEB) Regulations, be entitled to vary the terms of the Plan to meet any regulatory requirements.

- Subject to Clause 21.1, the Company may by special resolution in a General Meeting vary the terms of the Plan which are not yet Exercised by the Employee provided such variation is not prejudicial to the interests of the Employee.
21. 2. The terms and conditions of the Plan are subject to change in case of change in the provisions of the Companies Act, 2013 and/or any other Applicable Laws.

22. CONTRACT OF EMPLOYMENT

22. 1. The Plan will not form part of any contract of employment between the Company and the Employee. The rights and obligations of any individual under the terms of his office or employment with Company will not be affected by his participation in the Plan.
22. 2. Nothing in this Plan will be construed as affording such an individual any additional rights as to compensation or damages in consequence of the termination of such office or employment for any reason.
22. 3. This Plan will not confer on any person any legal or equitable rights against the Company either directly or indirectly or give rise to any cause of action on law or equity against the Company.

23. APPLICABILITY OF LAWS AND JURISDICTION

23. 1. This Plan and all agreements hereunder shall be governed by and construed in accordance with the Applicable laws.
23. 2. The granting of Options and the issuance of Shares under the Plan will be subject to all the Applicable Laws and to such approvals by any governmental bodies/agencies or the relevant Securities Exchanges as may be required. The validity, construction, interpretation and enforceability of this Plan and the Stock Option Agreement will be determined and governed by the relevant laws of India. For any litigation issues that may arise under this Plan or the Stock Option Agreement, the parties hereby consent to the jurisdiction of the courts in the territory of India.
23. 3. All Employees eligible under the Plan, if requested by the NRC, will provide such assurances and representations to the Company or the NRC, as the NRC may deem necessary or desirable to ensure compliance with all applicable legal and accounting requirements.
23. 4. The Option Grantee agrees and acknowledges that he has received and read a copy of the Plan. Any term of the Plan that is contrary to the requirement of the SEBI (SBEB) Regulations or any other Applicable Laws shall not apply to the extent it is contrary.

24. ARBITRATION

24. 1. In the event of a dispute arising out of or in relation to the provisions of this Plan (including a dispute relating to the construction or performance thereof), the relevant parties shall attempt in the first instance to resolve such dispute through an amicable settlement.
24. 2. The attempt to bring about an amicable settlement shall be considered to have failed as soon as one of the parties hereto, after reasonable attempts, which attempt shall continue for not more than 60 days, gives 60 days' notice thereof to the other party in writing.
24. 3. In case of such failure, either party may refer the dispute to a single arbitrator appointed by both the parties and failing such agreement, to three arbitrators, one to be appointed by each party and the third arbitrator to be jointly appointed by the two arbitrators appointed by the parties.
24. 4. The arbitration proceedings shall be held in New Delhi, India under and in accordance with the Arbitration and Conciliation Act, 1996 and any statutory modification or re-enactment thereof. The arbitrator(s) shall give a reasoned award in writing. The arbitrator(s) shall also decide on the costs of the arbitration proceedings.
24. 5. The parties shall submit to the arbitrator's award and the award shall be enforceable in competent court of law at New Delhi.

25. GENERAL RISKS

25. 1. Participation in the Plan will not be construed as any guarantee of return on the equity investment. Any loss due to fluctuations in the market price of the Shares and the risks associated with the investment are that of the Employee alone.
25. 2. Statement of Risks: All investments in Shares or Options are subject to risk as the value of Shares may go down or go up. In addition, the Options are subject to the following additional risks:
 - i) Concentration: The risk arising out of any fall in value of Shares is aggravated if the Employee's holding is concentrated to the Shares of the Company.
 - ii) Leverage: Any change in the value of the Share can lead to a significantly larger change in the value of the Options.
 - iii) Illiquidity: The Options cannot be transferred to anybody, and therefore the Employees cannot mitigate their risks by selling the whole or part of their benefits before they are Exercised.
 - iv) Vesting: The Options will lapse if the employment is terminated prior to Vesting. Even after the Options are Vested, the Unexercised options may be forfeited if the Employee is terminated for gross misconduct.

25. 3. Information about the Company

- i) Business of the Company: The SIS Group is engaged in providing security services with a comprehensive suite of security and business support services.
- ii) Abridged Financial Information:

All figures in INR million except per share data

Particulars	31.03.2021	31.03.2020	31.03.2019	31.03.2018	31.03.2017
ASSETS					
Non – current assets					
Property, plant, and equipment	1,018.48	1,246.20	1,022.01	714.89	750.89
Capital work-in-progress	-	10.64	9.46	8.32	3.05
Other intangible assets	6.98	17.41	16.15	21.10	40.24
Intangible assets under development	114.07	41.03	20.77	-	-
Financial assets					
i) Investments	5,243.19	4,981.19	3,848.76	2,063.96	1,826.04
ii) Other non-current financial assets	527.46	625.14	712.00	472.29	184.75
Deferred tax assets (net)	809.77	1,078.60	1,216.61	712.76	583.55
Income tax assets (net)	938.14	1,273.56	944.77	705.82	476.15
Other non – current assets	11.93	6.57	16.38	5.16	6.90
Total non – current assets	8,670.02	9,280.34	7,806.91	4,704.30	3,871.57
Current assets					
Inventories	182.05	168.84	162.13	91.43	-
Financial assets					
i) Trade receivables	4,455.15	4,649.03	3,473.77	2,290.61	1,496.08
ii) Cash and cash equivalents	2,061.91	502.08	573.31	708.00	92.88
iii) Bank balances other than above	1,980.66	492.12	736.50	508.57	949.79
iv) Other current financial assets	2,168.26	2,366.86	2,079.31	2,026.46	1,769.76
Other current assets	673.66	753.96	655.89	696.53	612.79
Assets classified as held for distribution to shareholders			-	-	156.60
Total current assets	11,521.69	8,932.89	7,680.91	6,321.59	5,077.90
Total assets	20,191.71	18,213.23	15,487.82	11,025.89	8,949.47
EQUITY AND LIABILITIES					
Equity					
Equity share capital	741.51	733.19	733.13	731.84	687.03

Particulars	31.03.2021	31.03.2020	31.03.2019	31.03.2018	31.03.2017
Other equity	7,375.90	6,846.52	6,550.97	5,332.67	1,512.46
Total Equity	8,117.41	7,579.71	7,284.10	6,064.51	2,199.49
Liabilities					
Non – current liabilities					
Financial liabilities					
i) Borrowings	2,859.34	2,610.04	2,645.41	986.03	2,523.79
ii) Other non-current financial liabilities	394.85	414.02	26.59	22.52	15.18
Provisions	627.64	469.39	390.72	374.71	278.11
Total non-current liabilities	3,881.83	3,493.45	3,062.72	1,383.25	2,817.08
Current liabilities					
Financial liabilities					
i) Borrowings	2,990.00	3,706.26	2,082.85	1,110.74	1,811.04
ii) Trade payables					
a) Total outstanding dues of micro enterprises and small enterprises	1.85	0.03	0.18	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	78.51	129.48	155.15	170.16	125.23
iii) Other current financial liabilities	4,058.65	2,322.47	2,110.24	1,638.49	1,530.48
Other current liabilities	974.97	918.42	742.95	618.89	421.98
Provisions	88.49	63.41	49.63	39.84	44.17
Total current liabilities	8,192.47	7,140.07	5,141.00	3,578.12	3,932.90
Total liabilities	12,074.30	10,633.52	8,203.72	4,961.38	6,749.98
Total equity and liabilities	20,191.71	18,213.23	15,487.82	11,025.89	8,949.47

Particulars	31.03.2021	31.03.2020	31.03.2019	31.03.2018	31.03.2017
Income					
a) Revenue from operations	30,040.79	29,958.81	25,035.17	21,350.52	16,018.22
b) other income	265.23	440.32	209.44	72.26	58.82
c) Other gain/(loss)	(2.34)	8.83	5.44	3.70	4.37
Total Income (a+ b +c)	30,303.68	30,407.96	25,250.05	21,426.48	16,081.41
Expenses					
a) Purchases of stock-in-trade	385.15	394.11	402.63	195.29	-

Particulars	31.03.2021	31.03.2020	31.03.2019	31.03.2018	31.03.2017
b) Changes in inventories of stock - in- trade	(13.21)	(6.71)	(70.71)	(91.43)	-
c) Employee benefits expense	26,619.92	26,110.92	22,007.91	18,820.41	14,357.42
d) Finance costs	702.08	756.36	475.43	465.54	509.05
e) Depreciation and amortization expenses	414.75	534.79	295.10	305.27	242.63
f) Other expenses	1,338.93	1,548.80	1,262.19	950.30	678.21
Total expenses (a + b + c + d + e + f)	29,447.62	29,338.27	24,372.55	20,645.38	15,787.31
Profit before tax and exceptional items (1-2)	856.06	1,069.69	877.50	781.10	294.10
Exceptional items	-	-	-	8.32	-
Profit before tax (3+4)	856.06	1,069.69	877.50	772.78	294.10
Tax expense					
a) Current tax	0.83	62.23	223.09	173.02	50.05
b) Deferred tax	284.30	144.18	(538.20)	(130.35)	(295.71)
Total tax expense	285.13	206.41	(315.11)	42.67	(245.66)
Profit for the year (5-6)	570.93	863.28	1,192.61	730.11	539.76
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
a) Re-measurement of defined benefits plan	(61.28)	16.52	98.31	(2.66)	(34.31)
b) Income tax relating to these items	15.42	(4.16)	(34.35)	0.93	11.88
Other comprehensive income / (loss) for the year (net of taxes)	(45.86)	12.36	63.96	(1.73)	(22.44)
Total comprehensive income for the year (7+8)	525.07	875.64	1,256.57	728.38	517.32
Earnings per share (EPS) (face value INR 5 per share)					
(a) Basic (INR)	3.88	5.89	8.14	5.10	3.94
(b) Diluted (INR)	3.86	5.79	8.01	5.01	3.92
Weighted average equity shares used in computing earnings per equity share					
(a) Basic (Nos.)	14,70,67,507	14,66,36,099	14,65,02,268	14,31,96,146	13,69,19,798
(b) Diluted (Nos.)	4,77,46,111	14,89,69,024	14,88,97,322	14,58,23,364	13,95,99,816

iii) Risk Factors:

Among others, some of the risk factors are as under:

Operational risks are inherent in the business of the Company as it includes rendering services in challenging environments, handling of arms and ammunition, increased public scrutiny and increasing complexity. A failure to manage such risks could have an adverse impact on its business, results of operations and financial condition.

The Company operates in a labor-intensive industry and has a large workforce, consequently it may be exposed to employment related claims and losses. In the event that its employees unionize, the Company may be subject to disruptions in the delivery of its services. Further, the company also deploys contract labor and may be liable to make payment of wages and other labor related benefits to contract laborers in case its independent contractors default on their obligations.

The Company has foreign currency denominated borrowings and is exposed to fluctuations between Australian Dollar and the Indian Rupee. The hedging activities entered into by the company to hedge such risk may not be sufficient to protect it against incurring potential losses on account of foreign exchange fluctuation.

The Company is subject to extensive laws and government regulations for its operations and if it fails to obtain, maintain or renew statutory and regulatory licenses, permits and approvals required to operate its business and results of operations may be adversely affected. The Company is also subject to various contractual and financial obligations, the breach of which may adversely affect the business. Financing agreements of the Company entail interest at variable rates and any increases in interest rates may adversely affect the Company's results of operations.

- iv) Continuing Disclosure Requirement: The Option Grantee shall be provided copies of such documents that the Company deems relevant.

26. MISCELLANEOUS

26. 1. The Plan is discretionary in nature and may be modified, suspended or terminated by Company as provided.
26. 2. The grant of Options does not create any right to receive future grant of Options or benefits in lieu of Options, even if Options have been granted in the past.
26. 3. The participation of the Employee in the Plan is voluntary.
26. 4. The Option does not constitute a part of the normal or expected compensation of any purposes, including calculations of any severance, resignation, termination, retirement, bonus or similar payments.
26. 5. The Company shall bear the costs of establishing and administering this Plan, including any costs of the Company's auditors or any independent financial adviser in

relation to the preparation of any confirmation by them or provision of any other service in relation to this Plan.

26. 6. An Option Grantee shall, before accepting a Grant, obtain all necessary consents that may be required to enable him to accept the Grant and the Company to allot and issue to him in accordance with the provisions of this Plan, the Shares due to be allotted and issued upon the Exercise of his Vested Options. By accepting a Grant and/ or submitting the Exercise form, the Participant thereof is deemed to have represented to the Company or the NRC that he has obtained all such consents.
26. 7. By accepting a Grant, an Option Grantee expressly acknowledges that Grant of Option does not constitute guarantee or continuity of employment and Company shall reserve the right to terminate employment of the Option Grantee with Company in accordance with the terms of employment. An Option Grantee shall be deemed irrevocably to have waived any entitlement, by way of compensation for loss of office or otherwise howsoever, to any sum or other benefit to compensate him for loss of any rights under this Plan.
26. 8. Each person who is a director and/or a member of the NRC, shall be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him in connection with or resulting from any claim, motion, suit or proceedings which he is involved in, by way of the Plan.
26. 9. Notwithstanding anything contained herein or in any Agreement to the contrary, the Company shall not be required to sell or issue stock option if the issuance thereof violates any provision of Applicable Laws including any regulatory requirements of securities market regulators and stock exchanges whether in India or abroad.
26. 10. Once the Company gets listed on Indian stock exchange it shall in accordance with the SEBI (SBEB) Regulations, comply with the requirements of listing of Exercised Options (Shares) issued under the Plan.
26. 11. Once the Company gets listed on Indian stock exchange it shall place a certificate at each Annual General Meeting from its auditors that the Plan has been implemented in accordance with SEBI (SBEB) Regulations and in accordance with the resolution of the Company passed in the General Meeting.
26. 12. The terms of the Plan are independent of each other. If any clause is determined to be invalid, illegal or unenforceable by any rule or law, all other clauses shall nevertheless remain in full force and effect.

DEFINITION OF PERMANENT INCAPACITATION FOR THE PURPOSE OF THE PLAN

“Permanent Incapacity” shall be expressed to mean the term “Disability” as defined under the Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995.

The Relevant Definitions as per the Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995 are:

(a) **"Disability"** means-

- i) Blindness
- ii) Low vision
- iii) Leprosy-cured
- iv) Hearing impairment
- v) Loco motor disability
- vi) Mental retardation
- vii) Mental illness

(b) **"Blindness"** refers to a condition where a person suffers from any of the following conditions, namely:-

- i) Total absence of sight; or
- ii) Visual acuity not exceeding 6160 or 201200 (snellen) in the better eye with correcting lenses; or
- iii) Limitation of the field of vision subtending an angle of 20 degree or worse.

(c) **"Hearing impairment"** means loss of sixty decibels or more in the better year in the conversational range of frequencies.

(d) **"Leprosy cured person"** means any person who has been cured of leprosy but is suffering from-

- i) Loss of sensation in hands or feet as well as loss of sensation and paresis in the eye and eye-lid but with no manifest deformity;
- ii) Manifest deformity and paresis; but having sufficient mobility in their hands and feet to enable them to engage in normal economic activity;

- iii) Extreme physical deformity as well as advanced age which prevents him from undertaking any gainful occupation, and the expression "leprosy cured" shall be construed accordingly.
- (e) **"Loco motor disability"** means disability of the bones, joints muscles leading to substantial restriction of the movement of the limbs or any form of cerebral palsy.
- (f) **"Mental retardation"** means a condition of arrested or incomplete development of mind of a person which is specially characterized by sub normality of intelligence.
- (q) **"Mental illness"** means any mental disorder other than mental retardation.