

Disclosure of SecMark Employee Stock Option Scheme, 2019 as on March 31, 2024

The Company has a SecMark Employee Stock Scheme 2019 under which the total quantum of options approved as per the scheme originally was 5,00,000. During financial year 2022-23, the Company has issued bonus equity shares in the ratio of 3:2 (i.e., 3 bonus equity shares for every 2 fully paid-up equity shares) and therefore the ESOP pool is now 12,50,000 options. The number of options/exercised price has been proportionately changed in the below mentioned disclosure.

A. Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regards from time to time.

Refer Notes to Accounts to the Standalone & Consolidated Financial Statements forming part of this Annual Report.

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time.

Refer Notes to Accounts to the Standalone & Consolidated Financial Statements forming part of this Annual Report

C. Details related to ESOS:

1. A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including:
 - a. Date of shareholders' approval- January 28, 2020 and further amended on September 29, 2021
 - b. Total number of options approved under ESOS: 12,50,000
 - c. Vesting requirements:
 - 61,500 options granted on March 16, 2020 for which the vesting period was one year from the date of grant.
 - 73,500 options granted on August 23, 2022 will be vested as under:
 - 1/6th of stock options granted at the end of first year from the date of grant;
 - 2/6th of stock options granted at the end of second year from the date of grant;
 - 3/6th of stock options granted at the end of third year from the date of grant
 - 15000 options granted on August 19, 2023 will be vested as under:
 - 7500 on August 23, 2024
 - 7500 on August 23, 2025

d. Exercise price or pricing formula:

- Exercise price of Rs.10/- each (pre bonus) per option for 61,500 options granted on March 16, 2020
- Exercise price of Rs. 40/- each (post bonus) per option for 73,500 options granted on August 23, 2022 and August 19, 2023.

e. Maximum term of options granted:

- The maximum term for 61,500 options granted on March 16, 2020 was 3 years from date of vesting
- The maximum term for 73,500 options granted on August 23, 2022 is 3 years from date of vesting
- The maximum term for 15,000 options granted on August 19, 2023 is 3 years from date of vesting

f. Source of shares (primary, secondary or combination): Primary

g. Variation in terms of options:

- No variation in terms of 61,500 options granted on March 16, 2020. Same has been exercised and allotted
- No variation in terms of 73,500 options granted on August 23, 2022.
- No variation in terms of 15,000 options granted on August 19, 2023.

2. Method used to account for ESOS: *Intrinsic Value*.

3. Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.

The Company has used intrinsic value of the options for expensing of the options for the year.

The employee compensation cost would have been higher by Rs. 297,946 if expensing of the options was based on the fair value of the options. Further effect on profit and EPS of the Company if expensing of the options was based on the fair value of the options for the year is as under:

Particulars	Existing	Difference if ESOP was expensed at fair value	If fair value was considered
Net profit/(loss) after tax (in Rs.)	(2,36,46,213)	(297,946)	(2,39,44,159)
EPS	(2.279)	(0.0029)	(2.308)

4. Option movement during the year (For each ESOS):

Particulars	Details
Number of options outstanding at the beginning of the period	71250
Number of options granted during the year	15000
Number of options forfeited / lapsed during the year	2625
Number of options vested during the year	12250
Number of options exercised during the year	11625
Number of shares arising as a result of exercise of options	11625
Money realized by exercise of options (INR), if scheme is implemented directly by the company	465000
Loan repaid by the Trust during the year from exercise price received	N.A.
Number of options outstanding at the end of the year	72000
Number of options exercisable at the end of the year	0

5. Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock

For the outstanding 72000 options, weighted-average exercise prices is Rs. 40 per option and weighted-average fair values is Rs. 68 per option.

6. Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to –

- a. senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

Name of the employee	Designation	No. of options	Exercise price per option
Mr. Sagar Thanki	Executive Director & CFO	3,125	Rs. 40
Mr. Michael D'souza	Executive Director	15,000	Rs. 40

- b. any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and

Details of employees who have been granted options/issued shares in excess of 5% of option/Shares issued in one year:

Name of the employee	No. of options	% of options granted/issued shares issued in excess of 5% of option/Shares issued in one year	Year
Mr. Rajnikant Dubey	6,250	10.16	2019-20
Mr. Nagesh Carpenter	7,500	12.20	2019-20
Mr. Pratik Damania	6,250	10.16	2019-20
Mr. Rajiv Mehta	7,500	12.20	2019-20

Name of the employee	No. of options	% of options granted/issued shares issued in excess of 5% of option/Shares issued in one year	Year
Mr. Sameer Kor	7,500	12.20	2019-20

Name of the employee	No. of options	% of options granted/issued shares issued in excess of 5% of option/Shares issued in one year	Year
Mr. Onkar Kondekar	4,500	6.12	2022-23
Mr. Prasad Naik	4,500	6.12	2022-23
Ms. Shilpa Gaonkar	15,000	20.41	2022-23
Mr. Sagar Thanki	3,750	5.10	2022-23

Name of the employee	No. of options	% of options granted/issued shares issued in excess of 5% of option/Shares issued in one year	Year
Mr. Michael Dsouza	15,000	100%	2023-24

- c. identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant: *NIL*
7. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:
- The weighted-average values of share price: *Rs. 90.1*
Exercise price: *Rs. 40 per option*
Expected volatility: *3.05%*
Expected option life: *875 days (Expiry on August 23, 2026)*

Expected dividends: *Nil*
The risk-free interest rate: *6% p.a.*
Any other inputs to the model: *Value at Risk taken at 100%*
 - the method used and the assumptions made to incorporate the effects of expected early exercise: *Black & Sholes Method*
 - how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility: *Based on data available on NSE Ltd. Website*
 - whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition: *NA*

- D. Details related to ESPS - Not Applicable**
- E. Details related to SAR - Not Applicable**
- F. Details related to GEBS/ RBS - Not Applicable**
- G. Details related to Trust - Not Applicable**

