

Disclosures pursuant to Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021 (“SEBI (SBEB) Regulations, 2021”) as on March 31, 2023

The details pursuant to Regulation 14 of the SEBI (SBEB) Regulations, 2021 are furnished hereunder:

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 regard from time to time.

The Company established the Employee Stock Option Plan 2013 (the “Plan”) to attract and retain talent and remain competitive in the talent market and strengthen interdependence between individual and organization prosperity.

On April 14, 2018, pursuant to the Nomination and Remuneration Committee approval, the Company has issued following stock-based compensation:

- a. 32,595 options granted to employees at an exercise price of Rs. 10 per share (Tranche 1). These stock options will vest over one year from the grant date. These options shall be exercisable on or before five years from the date of vesting.
- b. 595,164 options granted to employees at an exercise price of Rs. 10 per share (Tranche 2). These options are issued under a graded vesting schedule, meaning that they vest rateably over three years. These options shall be exercisable on or before 5 years from the date of vesting.

On 14 February 2023, pursuant to the nomination and remuneration committee approval, the Company has issued following stock-based compensation:

- a. 332,500 options granted to employees at an exercise price of Rs. 10 per share (Tranche 3). These stock options will vest over one year from the grant date. These options shall be exercisable on or before five years from the date of vesting. The Fair value of ESOPs granted under Tranche 3 on grant date is Rs. 63.08 per unit, which is measured using the Binomial options pricing model using the following assumptions:

	Tranche 3
Fair Value per equity share (in Rs.)	69.55
Weighted average exercise price (in Rs.)	10
Expected volatility (*)	38.67%
Expected term	6 Years
Dividend yield	0%
Risk free interest rate	7.16%

(*) Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company’s publicly traded equity shares during 1 year before the date of Grant. The Group believes that such measure of volatility is currently the best available indicator of the expected volatility used in these estimates.

The Company records stock compensation expense for these options, net of estimated forfeitures on a straight-line basis over the vesting period. Tranche 1 and Tranche 2 have a grant date fair value of ₹ 126.22 per unit and ₹ 127.22 per option respectively.

Refer Note no. 44 of Standalone Financial Statements of the Company for the year ended March 31, 2023.

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.

Rs. 2.96/- per share

Description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS	The aggregate number of shares to be issued under all scheme(s) whatever name called shall not exceed 2.5% of the issued equity shares of the Company.
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Date of shareholders' approval	September 30, 2013
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Total number of options approved under ESOS	2,742,387 Note: The aforesaid options constitute 2.5% of paid-up share capital computed as on March 31, 2023 (Paid-up share capital of Rs. 1699.64 million) and excludes allotment under ESPP of 15,06,715
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Vesting requirements	Vesting of Options will commence after a minimum period of 1 year from the date of Grant and may extend up to such period as the Nomination and Remuneration Committee, may, at its discretion, determine. The Vesting may occur in tranches, subject to the terms and conditions of Vesting, as may be stipulated by the Nomination and Remuneration Committee, in its discretion, and which will include performance appraisal of the employee and achievement of other performance milestones.
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Exercise price or pricing formula	The Nomination and Remuneration Committee shall from time to time fix the value of the Options. The value shall be the price at which the Options are purchased by the Employees or their nominees. The exercise price of options shall not be less than face value of equity share.
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Maximum term of options granted	Vesting will occur after a minimum of 1 year of grant of options and the vested options can be exercised within 5 years from the date of vesting.
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Source of shares (Primary, secondary or combination)	Primary
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Variation in terms of options	Not applicable
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Method used to account for ESOS - Intrinsic or fair value	Fair value
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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.	Not applicable
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Option movement during the year (For each ESOS):

Particulars	Details
Number of options outstanding at the beginning of the period FY 23	4,66,383
Number of options granted during FY 23	3,32,500
Number of options forfeited / lapsed during FY 23	0
Number of options vested during FY 23	4,66,383
Number of options exercised during FY 23	3,40,064
Number of shares arising as a result of exercise of options	3,40,064
Money realized by exercise of options (INR), if scheme is implemented directly by the Company	Rs. 34,00,640
Loan repaid by the Trust during FY 23 from exercise price received	0
Number of options outstanding at the end of FY 23	4,58,819
Number of options exercisable at the end of FY 23	4,58,819
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.	
Exercise Price is Rs. 10/- per share during FY 23	
Weighted Average Fair-value of Options is Rs. 69.55/- per share as on March 31, 2023	
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 & Designation	Options
% of ESOPs Granted	
Gopalakrishnan J Executive Director & Group CFO	1,25,000
	37.59
(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	
Name & Designation	Options
% of ESOPs Granted*	
K R Ramesh Executive Director – Operations	1,00,000
	30.08
Jajit Menon Director, Sales, Marketing & CRM	50,000
	15.04
*Percentage of ESOPs granted indicates the percentage of options granted to each employee against the total options granted.	
(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	
A description of the method and significant assumptions used during the year to estimate the fair value of options	The employee compensation cost has been calculated using fair value method for options using the Binomial Option Pricing Model.
• Weighted Average values of share price	Rs. 69.55

• Exercise price	Rs. 10/-
• Expected volatility	38.67%
• Expected option life	6 years
• Expected dividends	0%
• Risk-free interest rate	7.16%
• Any other inputs to the model	Nil
Method used and the assumptions made to incorporate the effects of expected early exercise:	Not applicable
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility:	Based on historical volatility of comparable companies over periods corresponding to the remaining life of the options.
Whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition:	Yes. Based on Management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Company does not have any scheme under ESPS, SAR, GEBS/RBS or any scheme under Trust route. Hence, disclosures pertaining to these are not applicable.