

**Disclosure of SecMark Employee Stock Option Scheme, 2019 as on March 31, 2022**

- 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 ESOP:

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 – 5,00,000
  - c. Vesting requirements–24,600 ESOP granted on March 16, 2020. Vesting period 1 year from date of grant
  - d. Exercise price or pricing formula–Exercise price of Rs.10/- each for 24,600 ESOP granted on March 16, 2020
  - e. Maximum term of options granted–The maximum term for 24,600 options granted was 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 24,600 ESOP granted on March 16, 2020
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. 12,600 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 after tax (in Rs.) | 2,65,93,459 | (12,600)                                      | 2,65,80,858                  |
| EPS                           | 6.4411      | (0.0030)                                      | 6.4381                       |

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

| Particulars   | Details  |
|---|----------|
| Number of options outstanding at the beginning of the period                                  | 24,600   |
| Number of options granted during the year   | NIL      |
| Number of options forfeited / lapsed during the year  | 300      |
| Number of options vested during the year  | 24,200   |
| Number of options exercised during the year   | 24,200   |
| Number of shares arising as a result of exercise of options                                   | 24,200   |
| Money realized by exercise of options (INR), if scheme is implemented directly by the company | 2,42,000 |
| Loan repaid by the Trust during the year from exercise price received                         | NA       |
| Number of options outstanding at the end of the year  | 100      |
| Number of options exercisable at the end of the year  | 100      |

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 100 options, weighted-average exercise prices is Rs. 10 per option and weighted-average fair values is Rs. 140 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 |
|----------------------|--|----------------|
| Mr. Jignesh Mehta    | Managing Director & CEO                | 1,500          |
| Ms. Vandana Vania    | Vice-President – Operations            | 1,000          |
| Mr. Sagar Thanki     | Executive Director & CFO               | 2,000          |
| Mr. Sunil Bang       | Company Secretary & Compliance Officer | 1,000          |

- 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  | 2,500          | 10.16   | 2019-20 |
| Mr. Nagesh Carpenter | 3,000          | 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. Pratik Damania   | 2,500          | 10.16   | 2019-20 |
| Mr. Rajiv Mehta      | 3,000          | 12.20   | 2019-20 |
| Mr. Sameer Kor       | 3,000          | 12.20   | 2019-20 |

- 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. 148.75  
Exercise price: Rs. 10 per option  
Expected volatility: 4%  
Expected option life: 716 days (Expiry on March 16, 2024)  
Expected dividends: Nil  
The risk-free interest rate: 6% p.a.  
Any other inputs to the model: Value at Risk taken at 50%
  - 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 BSE 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

### Disclosures in respect of grants made in three years prior to IPO under each ESOS

Until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made.

*Details of options granted, exercised, lapsed and other information under ESOP 2019 Scheme:*

| Particulars   | FY 2022  | FY 2021 | FY 2020 |
|---|----------|---------|---------|
| Number of options outstanding at the beginning of the period                                  | 24,600   | 24,600  | NIL     |
| Number of options granted during the year   | NIL      | NIL     | 24,600  |
| Number of options forfeited / lapsed during the year  | 300      | NIL     | NIL     |
| Number of options vested during the year  | NIL      | 24,600  | NIL     |
| Number of options exercised during the year   | 24,200   | NIL     | NIL     |
| Number of shares arising as a result of exercise of options                                   | 24,200   | NIL     | NIL     |
| Money realized by exercise of options (INR), if scheme is implemented directly by the company | 2,42,000 | NIL     | NIL     |
| Loan repaid by the Trust during the year from exercise price received                         | NA       | NA      | NIL     |
| Number of options outstanding at the end of the year  | 100      | 24,600  | 24,600  |
| Number of options exercisable at the end of the year  | 100      | 24,600  | NIL     |