

DiGiSPICE Technologies Limited

Disclosures relating to DTL Employees Stock Option Plan-2018 (Erstwhile SML Employees Stock Option Plan-2018) ('ESOP Plan')

The Board of Directors of the Company had formulated an ESOP Plan to provide incentive benefits to the employees of the Company, its holding company and subsidiary companies. The said plan has been approved by the shareholders of the Company. During the year, there has been no change in the aforesaid plan.

S. No.	Particulars	Details						
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 regard from time to time.	Refer Note No. 38 in Notes to Standalone Financial Statement {attached as Annexure-I}						
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 Note No. 33 in Notes to Standalone Financial Statement {Attached as Annexure-II}						
C.	Details related to ESOS							
(i)	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	11th February, 2018						
(b)	Total number of options approved under ESOS	2,53,18,220						
(c)	Vesting requirements	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">At the end of 1st year from the date of Grant</td> <td style="text-align: center;">40%</td> </tr> <tr> <td style="text-align: center;">At the end of 2nd year from the date of Grant</td> <td style="text-align: center;">30%</td> </tr> <tr> <td style="text-align: center;">At the end of 3rd year from the date of Grant</td> <td style="text-align: center;">30%</td> </tr> </table>	At the end of 1 st year from the date of Grant	40%	At the end of 2 nd year from the date of Grant	30%	At the end of 3 rd year from the date of Grant	30%
At the end of 1 st year from the date of Grant	40%							
At the end of 2 nd year from the date of Grant	30%							
At the end of 3 rd year from the date of Grant	30%							
(d)	Exercise price or pricing formula	Rs. 13.25 per option						
(e)	Maximum term of options granted	Three years from the date of vesting¹						
(f)	Source of shares (primary, secondary or combination)	Primary						

¹ Subsequent to closure of financial year ended 31st March, 2022, the Nomination and Remuneration Committee has approved the increase of exercise period from earlier three years to five years.

(g)	Variation in terms of options	There has been no variation in terms of ESOPs during the year. Subsequent to close of financial year, the Nomination and Remuneration Committee has approved (a) the increase of exercise period from earlier three years to five years; (b) change in title of ESOP Plan.
-----	-------------------------------	--

(ii)	Method used to account for ESOS - Intrinsic or fair value.	Fair Value
------	--	-------------------

(iii)	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
-------	---	-----------------------

(iv)	Option Movement during the year (for each ESOS)	
	Particulars	Details
	Number of options outstanding at the beginning of the period	1,03,50,186
	Number of options granted during the year	NIL
	Number of options forfeited / lapsed during the year	7,53,300 *
	Number of options vested during the year	31,42,500
	Number of options exercised during the year	25,38,227
	Number of shares arising as a result of exercise of options	25,38,227
	Money realized by exercise of options (INR), if scheme is implemented directly by the company	3,36,31,507.75
	Loan repaid by the Trust during the year from exercise price received	Not Applicable
	Number of options outstanding at the end of the year	70,58,659
	Number of options exercisable at the end of the year	70,58,659

* 7,53,300 options got lapsed due to exit of employees.

(v)	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	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Weighted Average Exercise Price</td> <td style="width: 40%; text-align: center;">Rs. 13.25 per option</td> </tr> <tr> <td>Weighted Average Fair Value</td> <td style="text-align: center;">Rs. 6.41 per option</td> </tr> </table>	Weighted Average Exercise Price	Rs. 13.25 per option	Weighted Average Fair Value	Rs. 6.41 per option
Weighted Average Exercise Price	Rs. 13.25 per option					
Weighted Average Fair Value	Rs. 6.41 per option					
(vi)	<p>Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to –</p> <p>(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</p> <p>(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</p> <p>(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.</p>	<p>Not Applicable</p> <p>Not Applicable</p> <p>Not Applicable</p>				
(vii)	<p>A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:</p> <p>(a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;</p> <p>(b) the method used and the assumptions made to incorporate the effects of expected early exercise;</p> <p>(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and</p> <p>(d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.</p>	<p>Not Applicable</p>				

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: **Not Applicable**

Annexure-I

Notes to the financial statements for the year ended 31st March 2022

38. Share-based payments

The Company has granted stock options under the SML Employees stock option Plan 2018 (ESOP) to the eligible employees of the Company. Under ESOP, the company has granted 21,381,000 options on 18th September, 2018 and 3,439,000 options on 5th February, 2019. 40%, 30% and 30% of total options granted would vest in after one year, two year and three year from the date of respective grant subject to fulfilment of vesting conditions. The maximum period for exercise of options is three year from the date of vesting. Each option when exercised would be converted into one fully paid-up equity share of Rs.3 each of the Company. The options granted under ESOP carry no rights to dividends and voting rights till the date of exercise.

The fair value of the options are estimated at the grant dates using Black and Scholes Model, taking into account the terms and conditions upon which the options were granted.

During the year, certain unvested options were cancelled on non-fulfilment of certain vesting conditions under ESOP. As at the end of the financial year, details and movements of the outstanding options are as follows:

Particulars	As at 31st March 2022		As at 31st March 2021	
	No of Options	Weighted Average exercise price (Rs.)	No of Options	Weighted Average exercise price (Rs.)
Options outstanding at the beginning of the year (1)	1,03,50,186	-	1,14,82,250	-
Options granted under ESOP 2018 (2)	-	-	-	-
Options exercised during the year	25,38,227	-	4,94,314	-
Options cancelled during the year	7,53,300	13.25	6,37,750	13.25
Options expired during the year	-	-	-	-
Options outstanding at the end of the year (3)	70,58,659	13.25	1,03,50,186	13.25
Options exercisable at the end of the year	70,58,659	13.25	1,03,50,186	13.25
Range of exercise price of outstanding options (Rs.)	13.25		13.25	
Remaining contractual life of outstanding options granted on September 18, 2018	0.47 years (40% vesting) 1.47 years (30% vesting) 2.47 years (30% vesting)		1.47 years (40% vesting) 2.47 years (30% vesting) 3.47 years (30% vesting)	
Remaining contractual life of outstanding options granted on February 05, 2019	0.85 years (40% vesting) 1.85 years (30% vesting) 2.85 years (30% vesting)		1.85 years (40% vesting) 2.85 years (30% vesting) 3.85 years (30% vesting)	

1) a) Options outstanding at the beginning of the current year includes 52,32,000 options hold by employees of Holding company (48,93,000 options) and subsidiary companies (3,39,000 options).

1) b) Options outstanding at the beginning of the previous year includes 52,86,750 options hold by employees of Holding company (48,95,000 options) and subsidiary companies (3,91,750 options).

- 2) a) Current Year- Options exercised includes 4,62,500 options granted to employees of Holding company (4,62,500 options) and subsidiary Companies (Nil).
 2) b) Previous Year- Options exercised includes 2,000 options granted to employees of Holding company (2,000 options) and subsidiary Companies (Nil).
- 3) a) Current Year- Options cancelled includes 42,000 options granted to employees of Holding company (Nil options) and subsidiary Companies (42,000 options).
 3) b) Previous year - Options cancelled includes 52,750 options granted to employees of Holding company (Nil options) and subsidiary Companies (52,750 options).
- 4) a) Current year Options outstanding at the end of the year includes options 47,27,500 options hold by employees of Holding company (44,30,500 options) and subsidiary Companies (2,97,000 options).
 4) b) Previous year Options outstanding at the end of the year includes options 52,32,000 options hold by employees of Holding company (48,93,000 options) and subsidiary Companies (3,39,000 options).

The fair value of each option is estimated on the date of grant based on the following assumptions:

Particulars	As at 31st March 2022	
	18th September,2018	5th Feburary,2019
Grant Date		
No of options outstanding at the end of the year	70,43,859	14,800
Dividend yield (%)	-	-
Expected life	2.50,3.50 and 4.50 yrs.	2.50,3.50 and 4.50 yrs.
Risk free interest rate (%)	8.06% (2.50 yrs.) 8.11% (3.50 yrs.) 8.23% (4.50 yrs.)	7.02% (2.50 yrs.) 7.27% (3.50 yrs.) 7.42% (4.50 yrs.)
Expected Volatility (%)	62.56%	69.49%
Market price on date of grant/re-pricing (₹)	13.25	9.70
Weighted Average Fair Value of option at grant date	6.73	4.43

33 **Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders (after adjusting impact on profit of dilutive potential equity shares) by the aggregate of weighted average number of equity shares outstanding during the year and the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computations:

	(Amount in Rs. Lakhs)	
	For the year ended 31st March 2022	For the year ended 31st March 2021
Profit/(Loss) attributable to equity holders of the Company:		
Profit/(loss) for the year	(385.02)	(402.66)
Profit/(Loss) attributable to equity holders of the Company	(385.02)	(402.66)
Weighted average (net) number of equity shares in calculating basic and diluted EPS	22,93,74,638	22,79,42,474
Weight Average no. of shares		
Weight Average no. of shares of opening shares	22,83,96,379	22,79,02,065
Weight Average no. of shares issued during the year	9,78,259	40,409
Total weighted Average no. of shares	22,93,74,638	22,79,42,474
Earnings per share		
Basic	(0.17)	(0.18)
Diluted	(0.17)	(0.18)

Diluted negative earnings per share is decreased when taking the vested ESOP options into account, hence ignored in the calculation of diluted earnings per share being anti-dilutive. Therefore, diluted earnings per share is equivalent to basic earnings per share.