

DiGiSPICE Technologies Limited

Disclosures relating to DTL Employees Stock Option Plan-2018 ('ESOP Plan') (FY 2022-23)

The Board of Directors of DiGiSPICE Technologies Limited (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.

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.	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.	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 (for ESOPs granted on 18 th September, 2018 and 5 th February, 2019) and Rs. 29 per option (for options granted on 1 st August, 2023)						
(e)	Maximum term of options granted	Five years from the date of respective vesting						
(f)	Source of shares (primary, secondary or combination)	Primary						

(g)	Variation in terms of options	During the year, there has been no variation in terms of ESOPs, except (a) change in title of ESOP Plan; and (b) change in exercise period of options granted in earlier years from earlier three years to five years.
-----	-------------------------------	--

(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	70,58,659
	Number of options granted during the year	25,25,000
	Number of options forfeited / lapsed during the year	19,82,959
	Number of options vested during the year	0
	Number of options exercised during the year	6,06,800
	Number of shares arising as a result of exercise of options	6,06,800
	Money realized by exercise of options (INR), if scheme is implemented directly by the company	80,40,100
	Loan repaid by the Trust during the year from exercise price received	Not Applicable
	Number of options outstanding at the end of the year	69,93,900
	Number of options exercisable at the end of the year	61,43,900

(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	Refer the Annexure-I
(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>Attached as Annexure-III</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>The fair value of the ESOPs awarded on 1st August, 2023 was determined using the Black-Scholes Model. Some of assumptions used in the said model are:</p> <ol style="list-style-type: none"> 1. Market are efficient; 2. Interest rate remain constant and same; 3. Returns are normally distributed; 4. Volatility is constant over time; and 5. Markets are perfectly liquid. <p>Weighted Average compensation cost: Rs. 16.67/-</p> <p>Exercise price: Rs. 29/-</p> <p>Historical volatility: 63.43%, 63.32% and 66.10% for 1st, 2nd and 3rd vesting years respectively;</p>

		<p>Risk free rate: 6.83%, 6.98% and 7.09% for 1st, 2nd and 3rd vesting years respectively Dividend yield: 0% for all</p>
(b)	the method used and the assumptions made to incorporate the effects of expected early exercise;	<p>Historical volatility is a measure of the amount by which a price has fluctuated during the period. The period to be considered for volatility has to be adequate to represent a consistent trend in the price movement due to abnormal events if any gets evened out. There is no research that demonstrates conclusively how long the historical period used to estimate long-term future volatility should be. However, informal tests and preliminary research tends to confirm that estimates of expected future long term volatility should be based on historical volatility for a period that approximates the expected life of the options having valued.</p>
(c)	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	
(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>Apart from the above, no other features were incorporated into the measurement of fair value of option.</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**

Share-based payments

The Company has granted stock options under the DTL - Employee 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, 3,439,000 options on 5th February, 2019 and 25,25,000 options on 1st August, 2022. 40%, 30% and 30% of total options granted would vest in after one year, two years and three years from the date of respective grant subject to fulfilment of vesting conditions. The maximum period for exercise of options is five years from the date of vesting. Also, the Nomination and Remuneration Committee approved the increase in exercise period to 5 (Five) years from the respective vesting from 3 (Three) years earlier, in relations to options granted on 18th September, 2018 and 5th February, 2019 which still remain unexercised on 1st August, 2022. 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.

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	FY 2022-23		FY 2021-22	
	No. of Options	Weighted Average exercise price (Rs.)	No. of Options	Weighted Average exercise price (Rs.)
Options outstanding at the beginning of the year	70,58,659	13.25	1,03,50,186	-
Options granted under ESOP 2018	25,25,000	29.00	-	-
Options exercised during the year	6,06,800	-	25,38,227	-
Options cancelled during the year	3,07,959	13.25	7,53,300	13.25
Options cancelled during the year	16,75,000	29.00	-	-
Options expired during the year	-	-	-	-
Options outstanding at the end of the year	61,43,900	13.25	70,58,659	13.25
Options outstanding at the end of the year	8,50,000	29.00	-	-
Options exercisable at the end of the year	61,43,900	13.25	70,58,659	13.25
Range of exercise price of outstanding options (Rs.)	13.25 - 29.00		13.25	
Remaining contractual life of outstanding options granted on 18 th September, 2018	1.47 years (40% vesting) 2.47 years (30% vesting) 3.47 years (30% vesting)		0.47 years (40% vesting) 1.47 years (30% vesting) 2.47 years (30% vesting)	
Remaining contractual life of outstanding options granted on 5 th February, 2019	1.85 years (40% vesting) 2.85 years (30% vesting) 3.85 years (30% vesting)		0.85 years (40% vesting) 1.85 years (30% vesting) 2.85 years (30% vesting)	
Remaining contractual life of outstanding options granted on 1 st August, 2022	5.33 years (40% vesting) 6.33 years (30% vesting) 7.33 years (30% vesting)		NA	

The above options include following options held by Employees of holding and subsidiary companies:

Particulars	FY 2022-23		FY 2021-22	
	Employees of Holding company	Employees of Subsidiary companies	Employees of Holding company	Employees of Subsidiary companies
Options outstanding at the beginning of the year	44,30,500	2,97,000	48,93,000	3,39,000
Options granted during the year	-	-	-	-
Options exercised during the year	4,21,800	-	4,62,500	-
Options cancelled during the year	-	10,000	-	42,000
Options outstanding at the end of the year	40,08,700	2,87,000	44,30,500	2,97,000

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

Particulars	As at 31 st March 2023		
	18 th September, 2018	5 th February, 2019	1 st August, 2022
Grant Date			
No. of options outstanding at the end of the year	61,33,900 (31 st March, 2022: 70,43,859)	10,000 (31 st March, 2022: 14,800)	8,50,000 (31 st March, 2022: Nil)
Dividend yield (%)	-	-	-
Expected life	2.50, 3.50 and 4.50 yrs.	2.50, 3.50 and 4.50 yrs.	3.50, 4.50 and 5.50 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.)	6.83% (3.50 yrs.) 6.98% (4.50 yrs.) 7.09% (5.50 yrs.)
Expected Volatility (%)	62.56%	69.49%	63.43% (40% vesting) 65.32% (30% vesting) 66.10% (30% vesting)
Market price on date of grant/re-pricing (Rs.)	13.25	9.70	29.00
Weighted Average Fair Value of option at grant date	6.73	4.43	16.67

Annexure-II

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:

(Rs. in Lakh unless otherwise specified)

Particulars	For the year ended 31 st March, 2023	For the year ended 31 st March, 2022
Profit/(Loss) attributable to equity holders of the Company:		
Profit/(loss) for the year	(1,097.94)	(385.02)
Profit/(Loss) attributable to equity holders of the Company	(1,097.94)	(385.02)
Weighted average (net) number of equity shares in calculating basic and diluted EPS	23,13,01,857	22,93,74,638
Weighted Average no. of shares		
Weighted Average no. of shares of opening shares	23,09,34,606	22,83,96,379
Weighted Average no. of shares issued during the year	3,67,251	9,78,259
Total weighted Average no. of shares	23,13,01,857	22,93,74,638
Earnings per share		
Basic earnings per share of Rs. 3 each (in Rs.)	(0.47)	(0.17)
Diluted earnings per share of Rs. 3 each (in Rs.)*	(0.47)	(0.17)

*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.

Annexure – III

Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sr. No.	Name of employee and Designation	Number of options granted	Exercise price
1	Mr. Rohit Ahuja, Executive Director	2,00,000	Rs. 29/- per option
2	Mr. Vinit Kishore, CFO	1,50,000	
3	Ms. Ruchi Mehta, Company Secretary	1,00,000	
4	Mr. Chandrachur Ghosh, Chief Operating Officer	4,50,000 [#]	

[#]lapsed during the year.