

**Disclosures relating to SML Employee Stock Option Plan-2018**

The Board of Directors of the Company had formulated a plan viz. SML Employee Stock Option Plan-2018 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.	Disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time	<b>Refer Note No. 40 in Notes to Standalone Financial Statement</b> {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 ICAI or any other relevant accounting standards as prescribed from time to time	<b>Not Applicable</b> As on March 31, 2019, there is no vesting, therefore, no impact on the EPS of the Company.						
C.	<b>Details related to ESOS</b>							
(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	<b>February 11, 2018</b>						
(b)	Total number of options approved under ESOS	<b>2,53,18,220</b>						
(c)	Vesting requirements	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;"><b>At the end of 1<sup>st</sup> year from the date of Grant</b></td> <td style="text-align: center;"><b>40%</b></td> </tr> <tr> <td style="text-align: center;"><b>At the end of 2<sup>nd</sup> year from the date of Grant</b></td> <td style="text-align: center;"><b>30%</b></td> </tr> <tr> <td style="text-align: center;"><b>At the end of 3<sup>rd</sup> year from the date of Grant</b></td> <td style="text-align: center;"><b>30%</b></td> </tr> </table>	<b>At the end of 1<sup>st</sup> year from the date of Grant</b>	<b>40%</b>	<b>At the end of 2<sup>nd</sup> year from the date of Grant</b>	<b>30%</b>	<b>At the end of 3<sup>rd</sup> year from the date of Grant</b>	<b>30%</b>
<b>At the end of 1<sup>st</sup> year from the date of Grant</b>	<b>40%</b>							
<b>At the end of 2<sup>nd</sup> year from the date of Grant</b>	<b>30%</b>							
<b>At the end of 3<sup>rd</sup> year from the date of Grant</b>	<b>30%</b>							
(d)	Exercise price or pricing formula	<b>Rs. 13.25 per option</b>						
(e)	Maximum term of options granted	<b>Three years from the date of vesting</b>						
(f)	Source of shares (primary, secondary or combination)	<b>Primary</b>						
(g)	Variation in terms of options	<b>NIL</b>						
(ii)	Method used to account for ESOS - Intrinsic or fair value.	<b>Fair Value</b>						

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(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
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(iv)	<b>Option Movement during the year (for each ESOS)</b>	
	<b>Particulars</b>	<b>Details</b>
	Number of options outstanding at the beginning of the period	NIL
	Number of options granted during the year	2,48,20,000
	Number of options forfeited / lapsed during the year	20,59,000 *
	Number of options vested during the year	NIL
	Number of options exercised during the year	Not Applicable
	Number of shares arising as a result of exercise of options	Not Applicable
	Money realized by exercise of options (INR), if scheme is implemented directly by the company	Not Applicable
	Loan repaid by the Trust during the year from exercise price received	Not Applicable
	Number of options outstanding at the end of the year	2,27,61,000
	Number of options exercisable at the end of the year	2,27,61,000

\* 20,59,000 options got cancelled due to exit of employees before vesting of these options.

(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%;"> <tr> <td style="text-align: center;"><b>Weighted Average Exercise Price</b></td> <td style="text-align: center;"><b>Rs. 13.25 per option</b></td> </tr> <tr> <td style="text-align: center;"><b>Weighted Average Fair Value</b></td> <td style="text-align: center;"><b>Rs. 6.41 per option</b></td> </tr> </table>	<b>Weighted Average Exercise Price</b>	<b>Rs. 13.25 per option</b>	<b>Weighted Average Fair Value</b>	<b>Rs. 6.41 per option</b>
<b>Weighted Average Exercise Price</b>	<b>Rs. 13.25 per option</b>					
<b>Weighted Average Fair Value</b>	<b>Rs. 6.41 per option</b>					

(vi)	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -	
(a)	senior managerial personnel;	<b>Refer Table No. 1 below</b>
(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	<b>Refer Table No. 2 below</b>

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(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.	Refer Table No. 3 below
(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><b>Black Scholes Method</b></p> <p>Refer Note-I below</p> <p>Not Applicable</p> <p>Not Applicable</p> <p>Not Applicable</p>

### **Note-I**

Date of Grant	18.09.2018	05.02.2019
<b>Weighted-Average values of share price</b>	Rs. 6.73	Rs. 4.43
<b>Exercise Price</b>	Rs. 13.25 per option	Rs. 13.25 per option
<b>Historical Volatility</b>		
Vest 1	61.35%	72.82%
Vest 2	63.07%	67.19%
Vest 3	63.25%	68.47%
<b>Expected Life of Option</b>		
Vest 1	2.5 years	2.5 years
Vest 2	3.5 years	3.5 years
Vest 3	4.5 years	4.5 years
<b>Dividend Yield</b>	--	--
<b>Risk Free Rate</b>		
Vest 1	8.06%	7.02%
Vest 2	8.11%	7.27%
Vest 3	8.22%	7.42%

**Table No. 1 - Details of Options granted to Senior Managerial Personnel:**

S. No.	Name of Employees	Designation	No. of Options granted & Exercise Price
1.	Preeti Das	CEO	23,00,000
2.	Rajneesh Arora	CFO & Head of Strategic Initiatives	6,00,000
3.	M. R. Bothra	VP-Corporate Affairs & Company Secretary	4,00,000
4.	Rohit Ahuja	Advisor to Chairman	5,00,000
5.	Amrish Lakhanpal	Senior Vice President	3,00,000
6.	Rajan Khosla	Vice President	1,50,000
7.	Prashant Hansraj	Vice President	3,00,000
8.	Sarita Talwar	Head - Digital Tech. Delivery	3,00,000
9.	Ravindra Sarawagi	VP - Finance & Accounts	3,00,000
10.	Deepak Mehta	VP - Finance & Accounts	3,00,000
11.	Ram Prakash Goyal	Vice President - Taxation	35,000
12.	Mrinal Seth	Associate Vice President	35,000
13.	Srinivas S Vemuri	Chief Product Officer	3,00,000

**Table No. 2 - Details of Options granted to other employee(s) who have received a grant amounting to 5% or more of option granted during the year:**

S. No.	Name of Employees	Designation	No. of Options granted & Exercise Price
1.	S. Murali	Executive Director of Spice Connect Pvt. Ltd. (the Holding Company)	34,25,000

**Table No. 3 - Details of Options granted to identified employees, 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:**

S. No.	Name of Employees	Designation	No. of Options granted & Exercise Price
1.	Preeti Das	CEO	23,00,000
2.	S. Murali	Executive Director of Spice Connect Pvt. Ltd. (the Holding Company)	34,25,000

Exercise Price for all options is Rs. 13.25 per option.