

ESOP DISCLOSURES

Disclosures pursuant to Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021, as on March 31, 2023:

- (A) Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by Institute of Chartered Accountants of India or any other relevant accounting standards as prescribed from time to time

Members may refer to the audited financial statement prepared as per Indian Accounting Standard (Ind-AS) for the year 2022-23.

- (B) Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Ind-AS 33 : Not applicable.

- (C) Details related to Ceinsys Employee Stock Option Scheme 2022- Plan 1 ("Plan 1") and Ceinsys Employee Stock Option Scheme 2022- Plan 2 ("Plan 2")

i) The description including terms and conditions of Plan 1 and Plan 2 are summarized as under:

| Sr.no | Particulars | PLAN-1 | PLAN-2 |
|-------|--|---|--|
| (a) | Date of shareholder's approval | May 16, 2022 | May 16, 2022 |
| (b) | Total number of options approved under ESOS: | 1,96,188 | 7,41,812 |
| (c) | Vesting requirement | <p>(a) 100% of the Options Granted shall vest at the end of 1 (one) year from the Date of Grant ("Vesting Period"), provided that the Option Holder remains an Eligible Employee at the time of Vesting.</p> <p>(b) The Vesting Period of one year shall not be applicable in case of death or Disability of the Option Holder during course of employment. In case where options are granted by a Company under this Plan is in lieu of options held by an employee under an incentive plan in another company which has merged, demerged, arranged or amalgamated with the Company, the period during which the options granted by the transferor company were held by such employee shall be adjusted against the Minimum Vesting Period required.</p> <p>(c) The Vesting of all the Options will be subject to the forfeiture conditions as set out in Clause 7.7 of Plan 1 and the Eligible Person complying with the terms of Plan 1.</p> | 100% of the Options Granted shall vest at the end of 1 (one) year from the Date of Grant provided that the Option Holder remains an Eligible Employee at the time of Vesting. |
| (d) | Exercise Price or pricing formula | The Exercise Price for the Options granted under the Plan 1 shall be Rs.10/- (Rupees Ten only) each | The Exercise Price for the Options granted under the Plan 1 shall be Rs.10/- (Rupees Ten only) each |
| (e) | Maximum term of options granted | <p>100% of the Options Granted shall vest at the end of 1 (one) year from the Date of Grant ("Vesting Period"), provided that the Option Holder remains an Eligible Employee at the time of Vesting.</p> <p>An Option Vested with an Option Holder must be Exercised by him/her within 5 years from the date of vesting (in maximum of 3 tranches), and such exercise must only be in accordance with the Plan and the terms of the Letter of Grant.</p> | <p>100% of the Options Granted shall vest at the end of 1 (one) year from the Date of Grant ("Vesting Period"), provided that the Option Holder remains an Eligible Employee at the time of Vesting.</p> <p>An Option Vested with an Option Holder must be Exercised by him/her within 5 years from the date of vesting (in maximum of 3 tranches), and such exercise must only be in accordance with the Plan and the terms of the Letter of Grant.</p> |
| (f) | Source of shares (Primary, secondary or combination) | Primary | Primary |
| (g) | Variation in terms of options | None | None |

ii. Method used to account for ESOS - Fair Value Method using Black Scholes Options Pricing Model.

iii. Where the company opts for expensing of the options using the intrinsic value 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 (NA)

iv. Option movement during the year (For Plan 1 and Plan 2):

| Sr.no | Particulars | Plan 1 | Plan 2 |
|-------|---|----------|----------|
| (a) | Number of options outstanding at the beginning of year | Nil | Nil |
| (b) | Number of options granted during the year | 1,66,188 | 7,41,812 |
| (c) | Number of options forfeited / lapsed during the year | Nil | Nil |
| (d) | Number of options vested during the year | Nil | Nil |
| (e) | Number of options exercised during the year | Nil | Nil |
| (f) | Number of shares arising as a result of exercise of options | Nil | Nil |
| (g) | Money realized by exercise of options (₹) | Nil | Nil |
| (h) | Loan repaid by the Trust during the year from exercise price received | Nil | Nil |
| (i) | Number of options outstanding at the end of the year | 1,96,188 | 7,41,812 |
| (j) | Number of options exercisable at the end of the year | Nil | Nil |

v. a) Weighted average exercise price of Options outstanding at the end of the year whose:

(Amount in Rs.)

| Particulars | Plan 1 | Plan 2 |
|---|--------|--------|
| Exercise price equals market price | - | - |
| Exercise price is greater than market price | - | -- |
| Exercise price is less than market price | - | - |

b) Weighted average fair value of Options outstanding at the end of the year whose:

(Amount in Rs.)

| Particulars | Plan 1 | Plan 2 |
|---|--------|--------|
| Exercise price equals market price | | |
| Exercise price is greater than market price | | |
| Exercise price is less than market price | | |

vi. Employee wise details of options granted during the year 2022-2023 to:

a) Senior managerial personnel as defined under Regulation 16(d) of SEBI (LODR) Regulations, 2015; NA

b) Any other employee who received a grant during the year of amounting to 5% or more of the options granted during the year :

| Particulars | Designation | Options granted under ESOP PLAN-1 | Exercise Price (Rs.) | Options granted under ESOP PLAN-2 | Exercise Price (Rs.) |
|------------------------|---|-----------------------------------|----------------------|-----------------------------------|----------------------|
| Mr. Amit Joshi | Global Head – Operations of Allygrow Technologies Private Limited | 34,000 | 10 | --- | --- |
| Mr. Anand Paranjape | Global Head – Pre-Sales of Allygrow Technologies Private Limited | 32,000 | 10 | --- | --- |
| Mr. Mangesh Sawant | Global Head – IT&IS of Allygrow Technologies Private Limited | 22,000 | 10 | --- | --- |
| Mr. Manmingsingh Saini | Head- Administration of Allygrow Technologies Private Limited | 20,000 | 10 | --- | --- |
| Mr. Ramraju k | Head- Human Capital of Allygrow Technologies Private Limited | 18000 | 10 | --- | --- |
| Mr. Vishal Pawar | CEO of Allygrow Technologies Private Limited | 40,188 | 10 | --- | --- |
| Mr. Prashant Kamat | Vice Chairman & CEO | --- | --- | 741812 | --- |

c) Identified employees who were granted Options, during the year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant :

| Name of the Employee | Designation | Options granted under ESOP Plan-1 | Options granted under ESOP Plan-2 | Exercise Price (in Rs.) |
|----------------------|---------------------|-----------------------------------|-----------------------------------|-------------------------|
| Mr. Prashant Kamat | Vice Chairman & CEO | --- | 7,41,812 | --- |

vii. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

| | | PLAN-1 and PLAN-2 | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|---|--------------------------------|--|----------|--------------------|------------------------|---------------------|----------|----------|-------------------------------|----------|----------|--|----------|----------|-------------------------|----------|----------|-----------------------------------|----------|----------|-------------------------|----------|----------|
| 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; | Parameters | Vesting as at 17th Jun 2023 | | | | | | | | | | | | | | | | | | | | | | |
| | | Share Price (INR) | 149.10 | | | | | | | | | | | | | | | | | | | | | | |
| | | Exercise Price (INR) | 10.00 | | | | | | | | | | | | | | | | | | | | | | |
| | | Risk Free Return | 6.31% | | | | | | | | | | | | | | | | | | | | | | |
| | | Expected Dividend Yield | 0.6799% | | | | | | | | | | | | | | | | | | | | | | |
| | | Volatility | 57.96% | | | | | | | | | | | | | | | | | | | | | | |
| | | Expected Life of option (Years) | 1 | | | | | | | | | | | | | | | | | | | | | | |
| b. | the method used and the assumptions made to incorporate the effects of expected early exercise; | NA | | | | | | | | | | | | | | | | | | | | | | | |
| c. | how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and | <p>The measure of volatility used in option pricing models is the annualised standard deviation of the continuously compounded rates of return on the share over a period of time.</p> <p>Volatility is typically expressed in annualised terms that are comparable regardless of the time period used in the calculation, for example, daily, weekly or monthly price observations.</p> <p>To estimate the expected volatility, the historical volatility of the share price over the most recent period that is generally commensurate with the expected term of the option (taking into account the remaining contractual life of the option and the effects of expected early exercise).</p> <p>Therefore, as per the above guidance, we have taken the daily volatility of the share prices on Investing.Com, over a period prior to the date of grant, corresponding to the expected life of the options.</p> | | | | | | | | | | | | | | | | | | | | | | | |
| d. | whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition. | <p>Black Scholes Option Pricing Model uses number of assumptions. The fair value of the option price is quite sensitive to each of these assumptions.</p> <p>Below mentioned table reflects how the change in the assumption will impact the fair value of the option price:</p> <table><tr><th>Variable</th><th>Change in Variable</th><th>Change in option value</th></tr><tr><td>Stock Price now (P)</td><td>Increase</td><td>Increase</td></tr><tr><td>Exercise Price of Option (EX)</td><td>Increase</td><td>Decrease</td></tr><tr><td>Number of periods to Exercise in years (t)</td><td>Increase</td><td>Increase</td></tr><tr><td>Risk-Free Interest Rate</td><td>Increase</td><td>Increase</td></tr><tr><td>Standard Deviation (annualized s)</td><td>Increase</td><td>Increase</td></tr><tr><td>Expected Dividend Yield</td><td>Increase</td><td>Decrease</td></tr></table> | | | Variable | Change in Variable | Change in option value | Stock Price now (P) | Increase | Increase | Exercise Price of Option (EX) | Increase | Decrease | Number of periods to Exercise in years (t) | Increase | Increase | Risk-Free Interest Rate | Increase | Increase | Standard Deviation (annualized s) | Increase | Increase | Expected Dividend Yield | Increase | Decrease |
| Variable | Change in Variable | Change in option value | | | | | | | | | | | | | | | | | | | | | | | |
| Stock Price now (P) | Increase | Increase | | | | | | | | | | | | | | | | | | | | | | | |
| Exercise Price of Option (EX) | Increase | Decrease | | | | | | | | | | | | | | | | | | | | | | | |
| Number of periods to Exercise in years (t) | Increase | Increase | | | | | | | | | | | | | | | | | | | | | | | |
| Risk-Free Interest Rate | Increase | Increase | | | | | | | | | | | | | | | | | | | | | | | |
| Standard Deviation (annualized s) | Increase | Increase | | | | | | | | | | | | | | | | | | | | | | | |
| Expected Dividend Yield | Increase | Decrease | | | | | | | | | | | | | | | | | | | | | | | |

For Ceinsys Tech Limited

Sd/-

Pooja Karande
Company Secretary
Compliance Officer