

Disclosure pursuant to Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

"SMEL Employee Stock Incentive Plan - 2023" ("ESIP - 2023") was formulated by the Nomination & Remuneration Committee (NRC) of the Board of Directors and approved by the Board of Directors of the Company at its meeting held on 24th May, 2023 and by the shareholders initially through Postal Ballot on 07th July, 2023, which was later on modified by the NRC and approved by Board on 27th July, 2023 and by the Shareholders on 21st September, 2023 in accordance with Section 62(1)(b) of the Companies Act, 2013 read with Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 prescribed by the Securities and Exchange Board of India.

The Plan is an Employees Stock Incentive Plan Subdivided into SMEL Performance ESOP Scheme ("ESOP - 2023") and SMEL Loyalty ESOP Scheme ("ESOP II - 2023"), which has been implemented to incentivize employees,

align their interests with those of the shareholders and promote enhanced performance which is accounted for in accordance with Ind AS 102 "Share Based Payment".

Under the Plan, the Company shall grant Employees Stock Options ("ESOP") to such employees who are in permanent employment of the Company within the meaning of the Plan, including any director, whether whole-time or otherwise (other than promoters of the Company, or member of the promoter group, independent directors and directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), entitling the employees eligible for ESOP to receive in aggregate not more than 10,93,286 equity shares of par value of 10/- each, based on such eligibility criteria and terms and conditions as may be decided by the Nomination & Remuneration Committee of the Board of Directors

The details of ESARs as on 31st March 2024 under the Plan:

(i) A description of each ESOP that existed at any time during the year, including the general terms and conditions of each ESOP, including -

Sr. No.	Particulars	Details
(a)	Date of shareholders' approval	7 th July, 2023 and subsequently on 21 st September, 2023
(b)	Total number of shares approved under ESOP	13,35,766
(c)	Date of Grant	25 th and 27 th September, 2023
(d)	Vesting requirements	The ESOPs shall vest over a minimum period of one year and a maximum of four years from the date of grant, contingent on continued employment and other performance conditions as defined by the Nomination and Remuneration Committee
(e)	Exercise price or pricing formula	₹ 326, ₹331 and ₹ 221 respectively. Pricing Formula = [(Closing Market Price on the previous day of grant of Shares - Discount of 25% and 50% on ESOP & ESOP II)
(f)	Total Number of ESOPs granted	10,93,286
(g)	Maximum term of ESOPs granted	ESOPs shall vest in 4 years from the date of grant for ESOP and 3 Years for ESOP - II
(h)	Method of settlement(cash/equity)	Equity
(i)	Choice of settlement (with employee or entity or combination)	Not Applicable (NA)
(j)	Source of shares (Primary, secondary or combination)	The Plan contemplates secondary acquisition of shares through Trust Route by way of diluting Promoters Shareholding
(k)	Variation in terms of ESOPs	NA

(ii) Method used to account for ESOP - Fair Value.

(iii) ESOP movement during the year:

Sr. No.	Particulars	Number of ESOP	Range of ESOP price (H)	Weighted Average ESOP price (H)	Weighted Average remaining life of ESOP
(a)	Number of ESOPs outstanding at the beginning of the period	0	NA	NA	NA
(b)	Number of ESOPs granted during the year	10,93,286	326/331/221*	326/331/221*	-
(c)	Number of ESOPs forfeited during the year	0	NA	NA	NA
(d)	Number of ESOPs lapsed during the year	0	NA	NA	NA
(e)	Number of ESOPs vested during the year	0	NA	NA	NA
(f)	Number of ESOPs exercised during the year	0	NA	NA	NA
(g)	Number of shares arising as a result of exercise of ESOPs	0	NA	NA	NA
(h)	Money realized by exercise of ESOPs (INR), if scheme is implemented directly by the company	0	NA	NA	NA
(i)	Loan repaid by the Trust during the year from exercise price received	NA	NA	NA	NA
(j)	Number of ESOPs outstanding at the end of the year	10,93,286	-	-	-
(k)	Number of ESOPs exercisable at the end of the year	10,93,286	NA	NA	NA
	Contractual life for ESOPs outstanding as on 31 st March, 2024 (In Years)	4 Years 3 Years	-	-	-

- The weighted average ESOP Price of the Shares are different for both the schemes considering the discount granted on Market Price.

(iv) a) Weighted-average exercise prices of ESOPs granted during the year for ESOPs whose

Sr. No.	Particulars	Details (₹)
A)	Exercise price equals to market price of the stock	326 / 331 / 221 (Yes, market price - discount granted)
B)	Exercise price exceeds market price of the stock	Nil
C)	Exercise price is less than the market price of the stock	Nil

(iv) b) Weighted-average fair values of ESOPs granted during the year for ESOPs whose

Sr. No.	Particulars	Details (H)
A)	Exercise price equals to market price of the stock	268.18 / 283.67 / 263.38
B)	Exercise price exceeds market price of the stock	Nil
C)	Exercise price is less than the market price of the stock	Nil

c) Senior Management as defined under Regulation 16 (d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

ESOPs granted to senior management during the year

Sr. no.	Name of Employee	Designation	Number of ESOPs	ESOP Price (₹)
1	Mr. Deepak Agarwal	Director - Finance & CFO	69,000	221
2	Mr. Dev Kumar Tiwari	Whole-time Director	52,000	221
3	Mr. Aneesh Mishra	Associate President	43,008	326
4	Mr. Sanjib Mohanty	Vice President	27,498	326
5	Mr. Prashant Kumar	General Manager	16,594	326

d) Any other employee who receives a grant in any one year of ESOP amounting to 5% or more of ESOP granted during that year

Sr. no.	Name of Employee	Designation	Number of ESOP granted during the year	ESOP Price (₹)
			NA	

e) Identified employees who were granted ESOP, 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.

Sr. no.	Name of Employee	Designation	Number of ESOP granted during the year	ESOP Price (₹)
			NA	

(v) A description of the method and significant assumptions used during the year to estimate the fair value of ESARs including the following information:

{a) The weighted-average values of:

i)	ESOP Price (₹)	326 & 331 for ESOP and 221 for ESOP-II
ii)	Exercise Price (Base Price) (₹)	326 & 331 for ESOP and 221 for ESOP-II
iii)	Expected volatility (%)	48.62%, 47.90%, 26.50%
iv)	Expected ESAR life(years)	4 year and 3 years respectively
v)	Expected dividends (%)	0.82%
vi)	The risk-free interest rate (%)	7.29%
vii)	Any other inputs to the model	Nil

(b) The method used and the assumptions made to incorporate the effects of expected early exercise: Not Applicable

(c) How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility:

The expected price volatility is determined using annualized standard deviation (a measure of volatility used in Black-Scholes- Merton option pricing) and the historic volatility based on remaining life of the ESOPs.

(d) Whether and how any other features of the ESOPs granted were incorporated into the measurement of fair value, such as a market condition: Nil