

## ANNEXURE TO REPORT OF BOARD OF DIRECTORS

Disclosures with respect to Compliance to section 62 of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with SEBI Circular dated June 16, 2015 on ESOP Disclosures as on 31<sup>st</sup> March, 2021

Sr. No.	Particulars	Remarks
A	Disclosures in term 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.	Please refer to Note No. 46 of the Standalone Financial statement.
B	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulation shall be disclosed in accordance with 'Accounting Standard 20- Earning Per Shares' issued by ICAI or any other relevant accounting standards as prescribed from time to time.	Diluted ESP on standalone basis is Rs. (5.98). Please refer Note No 35 of the Standalone Financial statement.
<b>C</b>	<b>Details related to ESOS</b>	
i.	A description of each ESOS that existed at any time during the year, including general terms and conditions of each ESOS	Details are provided in <b>Annexure-1</b>
ii.	Method used to account for ESOS-Intrinsic or Fair value	The Fair value of the ESAR, was determined by using the Black Scholes model
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 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)	Details are provided in <b>Annexure-2</b>
v	Weighted-average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equal or exceeds or less than the market price of the stocks.	Not applicable, as none of ESARs are exercised during the year.

vi.	<p>A description of the method and significant assumptions used during the year to estimate the fair value of the options at the time of grant including the following information:</p> <p><b>1) The fair value of the ESAR's (Grant date Aug 07, 2020)</b></p> <p>a) Share price at measurement date (Rs. per share)</p> <p>b) Expected volatility (%)</p> <p>c) Dividend Yield (%)</p> <p>d) Risk-free interest rate (%)</p> <p>e) Carrying amount of liability- included in Employee Stock Appreciation Rights Reserve</p> <p><b>2) The fair value of the ESAR's (Grant date Nov 09, 2020)</b></p> <p>a) Share price at measurement date (Rs. per share)</p> <p>b) Expected volatility (%)</p> <p>c) Dividend Yield (%)</p> <p>d) Risk-free interest rate (%)</p> <p>e) Carrying amount of liability- included in Employee Stock Appreciation Rights Reserve</p> <p><b>3) The fair value of the ESAR's (Grant date Feb 03, 2021)</b></p> <p>a) Share price at measurement date (Rs. per share)</p> <p>b) Expected volatility (%)</p> <p>c) Dividend Yield (%)</p> <p>d) Risk-free interest rate (%)</p> <p>e) Carrying amount of liability- included in Employee Stock Appreciation Rights Reserve</p>	<p>The fair valuation of all the grants at the grant date has been done using the Black Scholes model.</p> <p>The fair valuation is worked out using the following assumptions:</p> <p>Rs. 160</p> <table border="1" data-bbox="933 622 1407 696"> <thead> <tr> <th>Year 1</th> <th>Year 2</th> <th>Year 3</th> </tr> </thead> <tbody> <tr> <td>44.05</td> <td>42.26</td> <td>41.51</td> </tr> </tbody> </table> <p>1.22</p> <table border="1" data-bbox="933 801 1407 875"> <thead> <tr> <th>Year 1</th> <th>Year 2</th> <th>Year 3</th> </tr> </thead> <tbody> <tr> <td>4.84</td> <td>5.18</td> <td>5.46</td> </tr> </tbody> </table> <p>Rs. 4.86 Crores</p> <p>Rs. 172</p> <table border="1" data-bbox="933 1160 1407 1234"> <thead> <tr> <th>Year 1</th> <th>Year 2</th> <th>Year 3</th> </tr> </thead> <tbody> <tr> <td>43.83</td> <td>42.36</td> <td>41.72</td> </tr> </tbody> </table> <p>1.10</p> <table border="1" data-bbox="933 1339 1407 1413"> <thead> <tr> <th>Year 1</th> <th>Year 2</th> <th>Year 3</th> </tr> </thead> <tbody> <tr> <td>4.79</td> <td>5.15</td> <td>5.45</td> </tr> </tbody> </table> <p>Rs. 4.86 Crores</p> <p>Rs. 211</p> <table border="1" data-bbox="933 1630 1407 1704"> <thead> <tr> <th>Year 1</th> <th>Year 2</th> <th>Year 3</th> </tr> </thead> <tbody> <tr> <td>44.50</td> <td>42.96</td> <td>42.35</td> </tr> </tbody> </table> <p>0.91</p> <table border="1" data-bbox="933 1787 1407 1861"> <thead> <tr> <th>Year 1</th> <th>Year 2</th> <th>Year 3</th> </tr> </thead> <tbody> <tr> <td>5.08</td> <td>5.43</td> <td>5.72</td> </tr> </tbody> </table> <p>Rs. 4.86 Crores</p>	Year 1	Year 2	Year 3	44.05	42.26	41.51	Year 1	Year 2	Year 3	4.84	5.18	5.46	Year 1	Year 2	Year 3	43.83	42.36	41.72	Year 1	Year 2	Year 3	4.79	5.15	5.45	Year 1	Year 2	Year 3	44.50	42.96	42.35	Year 1	Year 2	Year 3	5.08	5.43	5.72
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	Methods used and assumptions made to incorporate effects of expected early exercise	Not Applicable
	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	The calculation of expected volatility is based on historical stock prices. Volatility was calculated using standard deviation of daily change in stock price.
	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	The expected life of ESAR is based on historical data. Future market conditions are not used for measurement of fair value.
vii.	Employee wise details of options granted to -	
	a) Senior Managerial Personnel;	Details are provided in <b>Annexure-3</b>
	b) Any other employee who receive a grant in any one year of the option amounting to 5% or more of option granted during that year; and	No employee of the Company, other than mentioned in item no. vii (a) above, received ESAR during the year amounting to 5% or more of options granted or exceeding 1% of issued capital of the Company
	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	

**Note:**

- i) Pursuant to approval of the members at the Annual General Meeting held on 17<sup>th</sup> July, 2018, the Company adopted the VIP Employee Stock Appreciation Rights Plan, 2018.
- ii) The maximum number of the Employee Stock Appreciation Rights (ESARs) to be issued per employee in a fiscal year did not exceed 1% of the outstanding issued share capital, in the line with Regulation 6(3)(d) of SEBI (Share based Employee Benefits) Regulation, 2014

## ANNEXURE

## Annexure-1

## Details related to ESOS

Sr. No.	Particulars	VIP Employee Stock Appreciation Rights Plan, 2018
1	Date of shareholders' approval	17 <sup>th</sup> July, 2018
2	Total number of options approved under ESOS	The total number of ESARs to be granted shall be such which upon exercise shall not exceed 7,06,587 (Seven Lakh Six Thousand Five Hundred Eighty Seven) equity shares in the Company
3	Vesting requirements	All the ESARs granted on any date shall vest not earlier than minimum of 1 (One) year and not later than a maximum of 7 (Seven) years from the date of grant of ESAR.
4	Exercise price or Pricing Formula	The ESAR Price per ESAR shall be maximum up to 40% (Forty percent) discount on the Market Price per share as on the grant date of such ESARs as determined by the Nomination & Remuneration Committee from time to time.
5	Maximum term of options granted	All the ESARs granted on any date shall vest not later than a maximum of 7 ( <b>Seven</b> ) years from the date of grant of ESARs as stated above.
6	Source of shares (primary, secondary or combination)	Primary
7	Variation in terms of options	Nil

## Annexure-2

## Option movement during the year (for each ESOS)

	VIP Employee Stock Appreciation Rights Plan, 2018
Number of options outstanding at the beginning of the period	3,35,000 ESAR
Number of option granted during the year	13,80,000 ESAR
Number of options forfeited/ Surrendered/lapsed during the year	6,50,000 ESAR
Number of options vested during the year	-
Number of options exercised during the year	-
Number of shares arising as a result of exercise of options	-
Money realised by exercise of option (INR)	-
Number of options outstanding at the end of the year	10,65,000 ESAR
Number of options exercisable at the end of the year	-

## Annexure-3

## Employee wise details of options granted to Senior Managerial Personnel-

Sr. No.	Name	Designation	No. of ESARs
1.	Mr. Anindya Dutta	Managing Director	2,40,000
2.	Mr. Sudip Ghose	Managing Director	2,40,000
3.	Ms. Neetu Kashiramka	Chief Financial Officer	2,25,000
4.	Mr. Ashish Saha	Managing Director ( <i>Subsidiary Company</i> )	75,000
5.	Mr. Sunil Kolhe	Sr. VP - Design, Sourcing & Product Development, Head India Mfg	75,000
6.	Mr. Dheeraj Goyal	Sr. VP - Human Resources	75,000
7.	Mr. Praful Gupta	Head - Marketing & Business Head - Modern Trade	60,000
8.	Mr. Anup Sur	Business Head - Traditional trades	60,000
9.	Mr. Venkatesh Maheshwari	Head - Supply Chain & Logistics	45,000
10.	Mr. Venkatesh Maheshwari	Head - Supply Chain & Logistics	45,000
11.	Mr. Tapan Banerjee	Assistant Vice President - Commercial & Logistics	45,000
12.	Mr. Atish Kulkarni	Assistant Vice President - Accounts	45,000
13.	Mr. Anand Daga	Company Secretary & Head - Legal	30,000
14.	Mr. Shivaprasad Eregowda	Channel Head - E-Commerce	30,000
15.	Mr. Ajit Kolhe	Head IT	30,000
16.	Mr. Jaydip Gupta	Channel Head - Institutional Trades	30,000
17.	Mr. Narendra K. Talele	Plant Head - Nashik	30,000
18.	Mr. Abhishek Parashar	General Manager - Supply Chain	30,000
19.	Mr. Manish Vig	Channel Head - Retail	30,000
20.	Mr. Sopan Godse	G.M - Human Resources & Industrial Relations	30,000
21.	Ms. Purvi Masekar	G.M - Human Resources	30,000
22.	Mr. MonjurAhamad	Assistant General Manager ( <i>Subsidiary Company</i> )	30,000
23.	Mr. Md. Shahaneaz Alam	Assistant General Manager ( <i>Subsidiary Company</i> )	30,000
24.	Mr. Avijit Samanta	Assistant General Manager ( <i>Subsidiary Company</i> )	30,000