VASCON

AS PER THE DISCLOSURE REQUIREMENT SPECIFIED UNDER SEBI SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021 AND SECTION 62(1)(B) OF THE COMPANIES ACT, 2013 READ WITH RULE 12(9) OF THE COMPANIES (SHARE CAPITAL & DEBENTURES) RULES, 2014, THE FOLLOWING INFORMATION IS DISCLOSED IN RESPECT OF EMPLOYEE STOCK BENEFIT

DETAILS OF THE ESOPS AS PER REGULATION 14 OF SEBI (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021

Our Company has one existing ESOP Scheme namely ESOS-2020. There were no variations in terms of the ESOS Schemes in FY 2025-26 except as given below:

A. **Variation in terms of ESOS 2020 – Change in Vesting Condition for outstanding lapsed options:** In ESOS 2020, the members of the Company vide in its AGM held on and results of which were declared on September 24, 2024, approved the change in vesting schedule of outstanding options from 4 years to 1 year from the date of grant of such options, in respect of all options which may become available for grant and/or options pending to be granted respectively.

B. **Disclosures in terms of the 'Guidance Note on Accounting for Employee Share - based Payments' issued by ICAI or any other relevant Accounting Standards prescribed from time to time:** Refer Note No. 28 forming part of the standalone financial statements and Note No. 28 of the consolidated financial statements for the financial year 2025-26. Please note that the said disclosure is provided in accordance with Indian Accounting Standards (Ind AS) 102 - Share Based Payment.

C. **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 issued from time to time**: Refer Note No. 28 forming part of the standalone financial statements and Note No. 28 of the consolidated financial statements for the financial year 2025-26. Please note that the said disclosure is provided in accordance with Indian Accounting Standards (Ind AS) 33 – Earnings per share.

D.

i. **Details of the existing scheme i.e Employee Stock Options Scheme, 2017 ("ESOS 2017") and Employee Stock Options Scheme, 2020 ("ESOS 2020") are summarized as under:**

Sr. No	Particulars	Details of ESOS 2020
a)	Date of shareholders' approval	**August 08, 2020**
b)	Total number of options approved under ESOS	**1,60,00,000**
c)	Vesting requirements	**25%, 25%, 25% and 25% of the total options to vest on completion of 3(three) years, 4(four) years, 5(five) years and 6(six) years respectively from the date of grant of such options. Further, the Nomination and Remuneration Committee of the Board of Director of the Company, in its absolute discretion can determine the vesting requirements pertaining to ESOS 2020.**
d)	Exercise price or pricing formula	**The exercise price shall be the Market Price of the equity shares or at such discount to the Market Price of the Equity Shares as may be determined by the Board but shall not be less than the face value per share.**
e)	Maximum term of options granted	**Options granted would vest for a period ranging from 3 years to 6 years as stated in point d) above and can be exercised within 1 year of vesting. Hence, maximum term of options granted is 7 years.**
f)	Source of shares (primary, secondary or combination)	**Secondary**
g)	Variation in terms of options	**No variation during the year**

** Change in Vesting Condition: September 24, 2024*

ii. **Method used to account for ESOS:** The Company has calculated the employee compensation cost using the fair valuation method of accounting for the Options granted under the Scheme.

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:** The Company has calculated the employee compensation cost using the fair value method

iv. **Option movement during the year:**

Sr. No	Particulars	ESOS 2020
a)	Number of options outstanding at the beginning of the period	**1,10,30,000**
b)	Number of options granted during the year	**54,10,000**
c)	Number of options forfeited / lapsed during the year	**Nil**
d)	Number of options vested during the year	**54,10,000**
e)	Number of options exercised during the year	**54,10,000**
f)	Number of shares arising as a result of exercise of options	**Nil**
g)	Money realized by exercise of options (INR), if scheme is implemented directly by the company	**Nil**
h)	Loan repaid by the Trust during the year from exercise price received	**NA**
i)	Number of options outstanding at the end of the year	**56,20,000**
j)	Number of options exercisable at the end of the year	**Nil**

v. Weighted-average exercise prices (in Rs.)

ESOS 2020
a) Grant of 1,60,00,000 options in 2020 – Rs. 10/- b) Exercise price for outstanding 1,60,00,000 options of Rs.15/- c) Exercise Price for outstanding unvested / lapsed options in September 2024 - Rs. 10/-

Weighted-average fair values of options (in Rs.)

ESOS 2020
The weighted average fair value of each option of the grant is Rs.1.58/-

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 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	Designation	No of options granted	Exercise Price
1	Somnath Biswas	Chief Financial Officer	626367	10/-
2	Neelam Piyush Pipada	Company Secretary	-	-

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;

Employee Stock Option Scheme	Name of the Employee	Designation	Number of Options Granted	Exercise Price
ESOS 2020	Dr. Santosh Sundararajan	Whole Time Director and Group CEO	1006250	10

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:

Employee Stock Option Scheme	Name of the Employee	Designation	Number of options granted	Exercise Price
ESOS 2020	Dr. Santosh Sundararajan	Whole Time Director and Group CEO	1006250	10

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

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:

ESOS 2020

The fair value of the stock option is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values.

Share price at grant date	9.75
Exercise price	10
Expected volatility	68.11%
Expected Options / Option Life	1 year from the date of vesting
Expected Dividend Yields	2%
Risk-free interest rate (based on Govt bonds)	5.90%

b) the method used and the assumptions made to incorporate the effects of expected early exercise; **The Binomial Lattice model used for ESOS valuations. There are various assumptions including Expected Volatility, Exercise Factor, Dividend Yield, Risk Free interest rate, Expected life of Grant and Strike Price.**

c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; **The expected volatility is the amount by which a company anticipates its share price will fluctuate over time, and is a key input in option valuation models. Volatility estimates can be based on historical price data, or measured on an implied basis using data from the company's publicly-traded options. A combination of implied and historical volatility data should ideally be used in estimating volatility**.

d) Whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition**: A lattice model produces estimates of fair value based on assumed changes in share prices over successive periods of time.**

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.: **NA**