

Disclosure pursuant to Regulation 14 of SEBI (Share Based Employee Benefits Regulations), 2021 and Rule 12 of The Companies (Share Capital and Debentures) Rules, 2014, as amended for the financial year ended on 31<sup>st</sup> March, 2023.

### General Disclosures

Disclosures in terms of Guidance Notes on accounting for employee share-based payments or any other relevant accounting standards:

For details, please refer Notes to Financial Statements for the financial year 2022-23.

- A. 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.

PARTICULARS	Year ended 31 <sup>st</sup> March 2023 (Rs in Lakhs)
Number of equity shares at the beginning of the year	19,28,09,490
Number of equity shares at the end of the year	19,28,09,490
Weighted average number of equity shares outstanding during the year (A)	19,28,09,490
Weighted average number of equity shares held in controlled trust (B)	2,72,151
Weighted average number of equity shares for computing basic earnings per share [C= (A-B)]	19,25,37,339
Weighted average number of potential equity shares on account of employee stock options (D)	17,682
Weighted average number of equity shares for computing diluted earnings per share [E= (C+D)]	19,25,55,021
Nominal value of each equity share (Re.)	1
Profit after tax available for equity shareholders (Rs.in Lakhs) [F]	18,047.83
Basic earnings per share (Rs.) [F/C]	9.37
Diluted earnings per share (Rs.) [F/E]	9.37

- B. The following table sets forth the particulars of stock options granted under ESOP 2013:

Sr. No.	Description of scheme	The establishment of the Employee Stock Option Scheme 2013 (Scheme) was approved by the shareholders at the 2013 Annual General Meeting. The Scheme is designed to provide incentives to eligible employees to deliver long term returns.
1.	Date Of Shareholders Approval	July 26, 2013
2.	Total number of options approved under the scheme	8,70,146
3.	Vesting requirements	The Options shall vest as per the following schedule:

		<p>After 1 year from the date of grant 20% of Options granted</p> <p>After 2 years from the date of grant 20% of Options granted</p> <p>After 3 years from the date of grant 20% of Options granted</p> <p>After 4 years from the date of grant 20% of Options granted</p> <p>After 5 years from the date of grant 20% of Options granted</p>
4.	Maximum term of options granted	10 years from the date of vesting.
5.	Source of shares	Primary
6.	Variation in terms of options	At the Annual General Meeting held on July 19, 2019, the ESOS 2013 scheme was amended for implementation through the Trust which will be administered under the guidance, advice and direction of the Nomination & Remuneration Committee in accordance with the provisions of the Companies Act, 2013 and SEBI (SBEB) Regulations. The Board of Directors has facilitated setting up of Saregama Welfare Trust to implement the ESOS 2013 scheme which has been formed by the Company. The Company shall provide financial assistance to the Trust for the secondary acquisition of equity shares of the Company for the purpose of implementation of ESOS 2013 scheme.
7.	Method used to account for ESOS	The employee compensation cost has been calculated using the fair value method of accounting for Options issued under the Company's Employee Stock Option Scheme 2013. The employee compensation cost as per fair value method for the financial year 2022-23 is Rs. 306.75 Lakhs (2021-22 Rs.75.70 Lakhs).
8.	Exercise price or pricing formula	Exercise price shall be the price determined by the Nomination and Remuneration Committee from time to time at which the eligible Employees shall be authorized to exercise their Options provided that such price is not detrimental to such eligible Employees' interest.

C. Option movement during the year:

Particulars	31 <sup>st</sup> March 2023
Number of Options Outstanding at the beginning of the year	3,00,000
Number of Options granted during the year	14,00,000
Number of Options forfeited/lapsed during the year	1,00,000
Number of Options Vested during the Year	2,00,000
Number of Options Exercised during the year	1,80,000
Number of Shares Arising as a result of exercise of Options	-
Money realized by exercise of options (Rs. in lakhs), if scheme is implemented directly by the company	74.92

Loan repaid by the Trust during the year from exercise price received	74.92
Number of Options Outstanding at the end of the year	14,20,000
Number of Options Exercisable at the end of the year	20,000

D. 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.

Weighted average exercise price per Option: Rs. 355.55

Weighted average fair value per Option: Rs. 128.28

The fair value of the options and the inputs used in the measurement of fair value as on the grant date are as follows:			
Name of employee	Vikram Mehra	Kumar Ajit	Rashna Pochkhanawala
Grant Date	23-Dec-22	13-Aug-22	13-Aug-22
Fair value at grant date (Rs.)	125.67	163.70	163.70
Share price at grant date (Rs.)	376.40	400.10	400.10
Exercise price (Rs.)	368.53	399.35	399.35

F. Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -

a) Senior managerial personnel

Name of employee	Vikram Mehra	Kumar Ajit	Rashna Pochkhanawala
Designation	Managing Director	Executive Vice President, Music & Retail	Executive Vice President, Music Licencing
Number of options granted during the year	12,00,000	1,00,000	1,00,000
Exercise price (Rs.)	368.53	399.35	399.35

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;

No other employee was granted more than 5% or more of option granted during that year other than above-mentioned.

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. - Nil

G. 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;

Measurement of fair value	Vikram Mehra	Kumar Ajit	Rashna Pochkhanawala
Grant Date	23-Dec-2022	13-Aug-22	13-Aug-22
Fair value at grant date (Rs.)	125.67	163.70	163.70
Share price at grant date (Rs.)	376.40	400.10	400.10
Exercise price (Rs.)	368.53	399.35	399.35
Expected volatility	44.64%	50.15%	50.15%
Expected Life (expected weighted average life)	2.5 years	3.5 years	3.5 years
Expected dividend	0.80%	0.75%	0.75%
Risk free interest rate (based on Government bonds)	7.15%	6.88%	6.88%

- (b) the method used and the assumptions made to incorporate the effects of expected early exercise;
- **The Company has incorporated the early exercise of Options by calculating expected life on past exercise behaviour. There are no market conditions attached to the grant and vest.**
- (c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and
- **Expected volatility has been based on the evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The Expected term of the instruments has been based on the historical experience and general option holder behaviour.**

- (d) Whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition - N.A.

#### Details related Trust

- (i) General information on all schemes

Sl. No.	Particulars	Details
1	Name of the Trust	Saregama Welfare Trust
2	Details of the Trustee(s)	Mr. Subhasis Mitra Mrs. Sonalika Johri Gupta
3	Amount of loan disbursed by company / any company in the group, during the year	Rs. 1717.74 Lakhs
4	Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	Rs.1691.18 Lakhs
5	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	NIL
6	Any other contribution made to the Trust during the year	NIL

- (ii) Brief details of transactions in shares by the Trust

(a) Number of shares held at the beginning of the year: 2,00,000 equity shares

(b) Number of shares acquired during the year through:

(i) Primary issuance - *Nil*

(ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share: Purchase during the year 4,39,400 Shares

(iii) Number of shares transferred to the employees / sold along with the purpose thereof: **1,80,000 equity shares were transferred by Saregama Welfare Trust to Mr. Vikram Mehra upon exercise of options vested on them under the Saregama Employee Stock Option Scheme 2013.**

(c) Number of shares held at the end of the year: **4,59,400 equity shares**

(iii) In case of secondary acquisition of shares by the Trust

Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
Held at the beginning of the year	0.10%
Acquired during the year	0.23%
Sold during the year	-
Transferred to the employees during the year	0.09%
Held at the end of the year	0.24%