

DISCLOSURE UNDER REGULATION 14 OF SEBI (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021

Si. No.	Particulars	The Hi-Tech Gears Limited Stock Incentive Plan, 2021 ("the Plan")
1.	Any material change in the Plan and whether the Plan is in compliance with the regulations	The Shareholders had approved the Plan vide Annual General Meeting held on September 29, 2021. No changes are carried out in the Plan. Further, the Plan is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
2.	Following disclosures are made on the website of the Company : https://www.thehitechgears.com/investors	
a.	Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time. Members may refer to the audited financial statement prepared as per Indian Accounting Standards (Ind AS) for the financial year 2023-24, available on https://www.thehitechgears.com/investors	
b.	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 Central Government or any other relevant accounting standards as issued from time to time. Diluted EPS for the year ended March 31, 2024 is ₹ 26.19 .	
c.	Details related to the Plan :	
(i)	A description of the Plan that existed at any time during the year, including the general terms and conditions of the Plan, including -	
(a)	Date of shareholders' approval	September 29, 2021
(b)	Total number of stock options approved under the Plan	The maximum number of Options approved pursuant to the Plan are 6,00,000 (Six Lakhs) which shall be convertible into equal number of Equity Shares of face value of ₹10/- each of the Company.
(c)	Vesting requirements	Vesting requirements under the Scheme: Vesting shall commence after one (1) year from the grant date and the options granted shall vest over a period of maximum 4 years at the discretion of and in the manner prescribed by the Nomination and Remuneration Committee of the Board.
(d)	Exercise price or pricing formula	Exercise Price may be at such discounted price to the Market Price of the Shares of the Company as may be determined by the Board. However, in any case the Exercise Price shall not be less than the par value of the Shares of the Company.
(e)	Maximum term of stock options granted	The Options granted shall vest over a maximum period of 4 years.
(f)	Source of shares (primary, secondary or combination)	Primary
(g)	Variation in terms of stock options	Not Applicable

(ii)	Method used to account for the Plan - Intrinsic or Fair value	Fair Value
(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 had opted for using the Fair value method for expensing of the options. Hence, same is not applicable.
(iv)	Options movement During Year: Number of options outstanding at the beginning of the period Number of options granted during the year Number of options forfeited / lapsed during the year 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 realized by exercise of options (₹), if scheme is implemented directly by the company Loan repaid by the Trust during the year from exercise price received Number of options outstanding at the end of the year Number of options exercisable at the end of the year	81,887 17,583 42,162 15,679 (Including 1,308 options which have been lapsed at the year end) 10,186 10,186 10,186 equity shares of Rs. 10 each Not applicable, The Plan is implemented directly 47,122 4,185
(v)	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.	Grant date – November 05, 2022 Exercise Price – Rs. 10.00 Weighted average fair value – Rs. 211.94 Grant date – November 22, 2022 Exercise Price – Rs. 10.00 Weighted average fair value – Rs. 244.12 Grant date – January 09, 2024 Exercise Price – Rs. 10.00 Weight average fair value – Rs. 469.93

(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;	(a)			
		Name of the Employee	Designated	Number of options granted	
		Mr. Kapil Rajora	Vice President & CFO	5,112	
	(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; and	Mr. Naveen Jain	GM- Legal & Company Secretary	2,453	
		(b)			
		Name of Employees	Designated	Number of options granted	
		Mr. Mahesh Kumar Agarwal	Sr. General Manager	2,453	
		Mr. Rajesh Kumar	President (Employee of Wholly owned Step-down Subsidiary)	5,112	
	(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.	Mr. Shital Khatri	Corporate Controller – Finance and Legal (employee of Wholly Owned Step-down Subsidiary)	2,453	
		(c) Not applicable			
(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;	(a)			
		Particulars	Grant 1 November 05, 2022	Grant 2 November 05, 2022	Grant 3 January 09, 2024
		The weighted-average values of share price of option granted	211.94	244.12	469.93
		Exercise price,	10	10	10
		Expected volatility	53.10% - 59.71%	53.10% - 59.71%	55.78% - 56.48%
		Expected option life, (Vesting & exercise period) in years	Vesting – 3 years Exercise- 5 years	Vesting – 3 years Exercise – 5 year	Vesting – 3 years Exercise – 5 years

	<p>(b) the method used and the assumptions made to incorporate the effects of expected early exercise;</p> <p>(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and</p> <p>(d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.</p>	Expected dividends,	0.66%	0.58%	0.51%
		Average Risk-free interest rate	7.05	6.90	6.80
		(b) Not Applicable			
		<p>(c) 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 options.</p> <p>(d) There are no market conditions attached to the grant and vest</p>			