

### HIL Limited

CIN: L74999TG1955PLC000656

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#### Disclosure under Section 62 of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debenture) Rules, 2014 and Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 for the financial year ended March 31, 2024

##### 1. General Disclosures:

- 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 by the Institute of Chartered Accountants of India in that regard from time to time.

For details, please refer to notes to Financial Statements mentioned in the Annual Report 2023-24 which can be accessed through web link <https://hil.in/investor-relations/>.

- B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with IND AS 33 - 'Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time.

Please refer Note no. 37 of the notes to the financial statements forming part of the Annual Report for the financial year 2023-24.

##### 2. Summary of Employee Stock Option Plans

The position of the existing Schemes are summarized below:

S. No.	Particulars	HIL Limited Employee Stock Option Scheme 2015 ("HIL ESOS 2015")	HIL Limited Employee Stock Option Scheme 2019 ("HIL ESOS 2019")	HIL Limited Employee Stock Option Scheme 2023 ("HIL ESOS 2023")
I	<b>Description of ESOS that existed at any time during the year, including the general terms and conditions:</b>			
1	Date of Shareholder's approval	Approved on July 30, 2015 and modified on July 18, 2017	October 3, 2019	April 4, 2023
2	Total number of options approved	2,50,000	1,50,000	1,31,868

3	Vesting requirements	<ul style="list-style-type: none"> <li>- 40% of the granted options shall vest at the end of 3<sup>rd</sup> year from the date of Grant.</li> <li>- 60% of the granted options shall vest at the end of 4<sup>th</sup> year from the date of Grant.</li> </ul>	<ul style="list-style-type: none"> <li>- 40% of the granted options on completion of 3 years from the date of Grant.</li> <li>- 60% of the granted options on completion of 4 years from the date of Grant.</li> </ul>	<ul style="list-style-type: none"> <li>(i) Grant I dated July 15, 2023: 40% of the granted options shall vest on July 16, 2024 and remaining 60% of the options shall vest on April 1, 2025.</li> <li>(ii) Grant II dated October 19, 2023: 40% of the granted options shall vest on October 19, 2024 and remaining 60% of the options shall vest on October 19, 2025.</li> <li>(iii) Grant III dated October 19, 2023: 40% of the granted options shall vest on October 19, 2025 and remaining 60% of the options shall vest on October 19, 2026.</li> </ul>
4	Exercise price or pricing formula	Rs. 620/- per option	Rs. 1234.15/- per option	Grant I - Rs. 2999.50/- per option Grant II & III - Rs. 2931/- per option
5	Maximum term of Options granted	4 (four) years from the respective vesting dates. However, this period can be extended by Nomination & Remuneration cum Compensation Committee (NRC)	4 (four) years from the respective vesting dates. However, this period can be extended by Nomination & Remuneration cum Compensation Committee (NRC)	4 (four) years from the respective vesting dates. However, this period can be extended by Nomination & Remuneration cum Compensation Committee (NRC)
6	Sources of shares (Primary, Secondary or Combination)	Primary	Primary	Primary
7	Variation in terms of Option	Not applicable	Not applicable	Not applicable
8	Method used for accounting of ESOS (Intrinsic or fair value)	Fair Value	Fair Value	Fair Value
9a	Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and employee compensation cost calculated on the basis of fair value of	Nil	Nil	Nil

	stock options.			
9b	Impact on the profits of the Company and the earnings per share (“EPS”) arising due to difference in the accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options)	Nil	Nil	Nil
<b>II</b>	<b>Option movement during the FY 2023-24</b>			
1	Number of options outstanding at the beginning of the period	1,98,660 options	1,23,004 options	1,31,868 options
2	Number of options granted during the year	Nil	Nil	65,656 options
3	Number of options forfeited/ lapsed during the year	Nil	Nil	Nil
4	Number of options vested during the year	Nil	3,336	Nil
5	Number of options exercised during the year	Nil	3,336	Nil
6	Number of shares arising as a result of exercise of options	Nil	3,336	Nil
7	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	Nil	Rs. 41,17,124.40/- (3336 options at Rs. 1234.15 exercise price)	Nil
8	Loan repaid by the Trust during the year from exercise price received	Not applicable	Not applicable	Not applicable
9	Number of options outstanding at the end of the year	1,98,660 options	1,23,004 options	66,212 options
10	Number of options exercisable at the end of the year	Nil	Nil	Nil

<b>III</b>	<b>Weighted average exercise price and weighted average fair value of options whose exercise price either equals or exceeds or is less than market price of the stock</b>			
a.	Exercise price (Rs.)	Rs. 620/- per option	Rs. 1234.15/- per option	Grant I - Rs. 2999.50/- per share. Grant II & III - Rs. 2,931/- per share
b.	Weighted average fair value (Rs.)	Rs. 1091.02/-	Rs. 1234.15/-	Grant I - Rs. 1075.72 /- Grant II - Rs. 1171.22/- Grant III - Rs. 1302.37/-
<b>IV</b>	<b>Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to:</b>			
1	Senior Managerial Personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	Nil	Nil	Please refer point no. (I) of below <i>Annexure</i>
2	Employee who received grant in any one year equal to or more than 5% of options granted during the year	Not applicable	Not applicable	- Mr. Akshat Seth, Managing Director & CEO - Mr. Ajay Kapadia, Chief Financial Officer - Mr. Arun Magoo, BU Head SBU3 - Mr. Vijay Lahoti, BU Head SBU1 & 2 - Ms. Surbhi Puri Bist, CHRO
3	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	Not applicable	Not applicable	Nil
<b>V</b>	<b>A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information</b>			
<b>a.</b>	<b>Particulars</b>			
i.	The weighted - average values of share price	Not applicable as no options are outstanding under HIL ESOS 2015 as on March 31, 2024	Please refer point no. (II) of below <i>Annexure</i>	Please refer point no. (III) of below <i>Annexure</i>
ii.	Exercise price			
iii.	Expected volatility			
iv.	Expected option life (Avg. Period)			

v.	Expected dividend rate			
vi.	The risk-free interest rate			
vii.	Any other inputs to the model (Price of underlying shares in market at the time of option grant)			
<b>b.</b>	<b>Particulars</b>			
i.	The method used to incorporate the effects of expected early exercise	Black Scholes Option Pricing Method	Black Scholes Option Pricing Method	Black Scholes Option Pricing Method
ii.	The assumptions made to incorporate the effects of expected early exercise	Not applicable	Not applicable	Not applicable
<b>c.</b>	<b>How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility.</b>	The expected volatility was determined based on last year trend	The expected volatility was determined based on last year trend	The expected volatility was determined based on last year trend
<b>d.</b>	<b>Whether and how any other features of the options granted were incorporated into measurement of fair value, such as market condition.</b>	Not applicable	Not applicable	Not applicable

**Annexure**

**I. Details of Senior Managerial Personnel granted stock options under HIL ESOS 2023:**

S. No.	Name of Employee	Designation	Number of options granted during the financial year 2023-24	Exercise Price (Rs.)
<b>Grant I</b>				
1	Mr. Akshat Seth	Managing Director & CEO	36,603	2,999.50
2	Mr. Ajay Kapadia	Chief Financial Officer	6,247	2,999.50
3	Mr. Arun Magoo	BU Head SBU3	6,504	2,999.50
4	Mr. Vijay Lahoti	BU Head SBU1 & 2	6,700	2,999.50
<b>Grant II</b>				
5	Mr. Mudit Agarwal	Head – Strategy	1,742	2,931
<b>Grant III</b>				
6	Ms. Surbhi Puri Bist	Chief Human Resource Officer (CHRO)	5,096	2,931
7	Mr. Peeyush Bachlaus	Chief Marketing Officer	2,764	2,931

**II. HIL ESOS 2019:**

Particulars	HIL ESOS 2019 (Tranche II)
The weighted - average values of share price	Rs. 1,234.15
Exercise price	Rs. 1,234.15
Expected volatility	37.89%
Expected option life (Avg. Period)	5 years
Expected dividend rate	2.05%
The risk-free interest rate	6.56%
Any other inputs to the model (Price of underlying shares in market at the time of option grant)	Rs. 1,234.15

**III. HIL ESOS 2023:**

Particulars	HIL ESOS 2023					
	Grant I dated July 15, 2023		Grant II dated October 19, 2023		Grant III dated October 19, 2023	
	Tranche I	Tranche II	Tranche I	Tranche II	Tranche I	Tranche II
The weighted - average values of share price	Rs. 1,075.72	Rs. 1,075.72	Rs. 1,171.22	Rs. 1,171.22	Rs. 1,302.37	Rs. 1,302.37
Exercise price	Rs. 2,999.50	Rs. 2,999.50	Rs. 2,931.00	Rs. 2,931.00	Rs. 2,931.00	Rs. 2,931.00
Expected volatility	41.25%	46.84%	45.35%	45.35%	44.48%	44.48%
Expected option life (Avg. Period)	3.01 years	3.72 years	4 years	4 years	4.6 years	4.6 years
Expected dividend rate	1.79%	1.79%	0.85%	0.85%	0.85%	0.85%
The risk-free interest rate	6.91%	6.93%	7.28%	7.28%	7.30%	7.30%
Any other inputs to the model (Price of underlying shares in market at the time of option grant)	Rs. 2,999.50	Rs. 2,999.50	Rs. 2,931	Rs. 2,931	Rs. 2,931	Rs. 2,931

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