

**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	<p>The Shareholders had approved the Plan vide Annual General Meeting held on September 29, 2021.</p> <p>No changes are carried out in the Plan.</p> <p>Further, the Plan is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.</p>																					
2.	Following disclosures are made on the website of the Company: <a href="https://www.thehitechgears.com/investors">https://www.thehitechgears.com/investors</a>																						
a.	<p>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.</p> <p>Members may refer to the audited financial statement prepared as per Indian Accounting Standards (Ind AS) for the financial year 2022-23, available on <a href="https://www.thehitechgears.com/investors">https://www.thehitechgears.com/investors</a></p>																						
b.	<p>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.</p> <p>Diluted EPS for the year ended March 31, 2023 is ₹ 26.79/-.</p>																						
c.	Details related to the Plan:																						
(i)	<p>A description of the Plan that existed at any time during the year, including the general terms and conditions of the Plan, including -</p> <table border="1" data-bbox="240 1189 1503 1897"> <tbody> <tr> <td data-bbox="240 1189 304 1234">(a)</td> <td data-bbox="309 1189 815 1234">Date of shareholders' approval</td> <td data-bbox="820 1189 1503 1234">September 29, 2021</td> </tr> <tr> <td data-bbox="240 1240 304 1361">(b)</td> <td data-bbox="309 1240 815 1361">Total number of stock options approved under the Plan</td> <td data-bbox="820 1240 1503 1361">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.</td> </tr> <tr> <td data-bbox="240 1368 304 1547">(c)</td> <td data-bbox="309 1368 815 1547">Vesting requirements</td> <td data-bbox="820 1368 1503 1547">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.</td> </tr> <tr> <td data-bbox="240 1554 304 1697">(d)</td> <td data-bbox="309 1554 815 1697">Exercise price or pricing formula</td> <td data-bbox="820 1554 1503 1697">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.</td> </tr> <tr> <td data-bbox="240 1704 304 1778">(e)</td> <td data-bbox="309 1704 815 1778">Maximum term of stock options granted</td> <td data-bbox="820 1704 1503 1778">The Options granted shall vest over a maximum period of 4 years.</td> </tr> <tr> <td data-bbox="240 1785 304 1861">(f)</td> <td data-bbox="309 1785 815 1861">Source of shares (primary, secondary or combination)</td> <td data-bbox="820 1785 1503 1861">Primary</td> </tr> <tr> <td data-bbox="240 1868 304 1897">(g)</td> <td data-bbox="309 1868 815 1897">Variation in terms of stock options</td> <td data-bbox="820 1868 1503 1897">Not Applicable</td> </tr> </tbody> </table>		(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 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
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(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)	<b>Option movement during the year</b>			
	Number of options outstanding at the beginning of the period	0		
	Number of options granted during the year	95,220		
	Number of options forfeited / lapsed during the year	13,333		
	Number of options vested during the year	Nil		
	Number of options exercised during the year	Nil		
	Number of shares arising as a result of exercise of options	Nil		
	Money realized by exercise of options (₹), if scheme is implemented directly by the company	Not applicable, The Plan is implemented directly		
	Loan repaid by the Trust during the year from exercise price received	NA		
	Number of options outstanding at the end of the year	81,887		
	Number of options exercisable at the end of the year	Nil		
(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		
(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;	<b>(a) Senior Managerial Personnel</b>		
		<b>Name of Employee</b>	<b>Designated</b>	<b>Number of option granted</b>
		Mr. Jawaid Ashraf	Group Chief Human Resource Officer	11,111
		Mr. Kapil Rajora	Vice President	11,111
	Mr. Naveen Jain	GM-Legal & Company Secretary	4,615	

(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	<b>(b) Employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year:</b>																					
	<table border="1"> <thead> <tr> <th data-bbox="662 369 901 448">Name of Employee</th> <th data-bbox="901 369 1252 448">Designated</th> <th data-bbox="1252 369 1495 448">Number of option granted</th> </tr> </thead> <tbody> <tr> <td data-bbox="662 448 901 526">Mr. Subir Kumar Chowdhury</td> <td data-bbox="901 448 1252 526">Executive Director &amp; President</td> <td data-bbox="1252 448 1495 526">14,667</td> </tr> <tr> <td data-bbox="662 526 901 593">Mr. Gunjan Malhotra*</td> <td data-bbox="901 526 1252 593">Vice President</td> <td data-bbox="1252 526 1495 593">13,333</td> </tr> <tr> <td data-bbox="662 593 901 660">Mr. Jawaid Ashraf</td> <td data-bbox="901 593 1252 660">Group CHRO</td> <td data-bbox="1252 593 1495 660">11,111</td> </tr> <tr> <td data-bbox="662 660 901 705">Mr. Kapil Rajora</td> <td data-bbox="901 660 1252 705">Vice President</td> <td data-bbox="1252 660 1495 705">11,111</td> </tr> <tr> <td data-bbox="662 705 901 750">Mr. Ankush Passi</td> <td data-bbox="901 705 1252 750">Associate Vice President</td> <td data-bbox="1252 705 1495 750">6,154</td> </tr> <tr> <td data-bbox="662 750 901 851">Mr. Rajesh Kumar Magoo</td> <td data-bbox="901 750 1252 851">President (Employee of Wholly owned Step-down Subsidiary)</td> <td data-bbox="1252 750 1495 851">9,615</td> </tr> </tbody> </table> <p data-bbox="662 851 1495 896">*Option was forfeited after grant due to his resignation.</p>	Name of Employee	Designated	Number of option granted	Mr. Subir Kumar Chowdhury	Executive Director & President	14,667	Mr. Gunjan Malhotra*	Vice President	13,333	Mr. Jawaid Ashraf	Group CHRO	11,111	Mr. Kapil Rajora	Vice President	11,111	Mr. Ankush Passi	Associate Vice President	6,154	Mr. Rajesh Kumar Magoo	President (Employee of Wholly owned Step-down Subsidiary)	9,615
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(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.	<b>(c) Not applicable</b>																					
(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;	<p data-bbox="662 1220 1495 1265">(a)</p> <table border="1"> <thead> <tr> <th data-bbox="662 1265 1109 1377">Particulars</th> <th data-bbox="1109 1265 1300 1377">Grant 1 November 05, 2022</th> <th data-bbox="1300 1265 1495 1377">Grant 2 November 22, 2022</th> </tr> </thead> <tbody> <tr> <td data-bbox="662 1377 1109 1456">The weighted-average values of share price of option granted</td> <td data-bbox="1109 1377 1300 1456">211.94</td> <td data-bbox="1300 1377 1495 1456">244.12</td> </tr> <tr> <td data-bbox="662 1456 1109 1489">Exercise price,</td> <td data-bbox="1109 1456 1300 1489">10</td> <td data-bbox="1300 1456 1495 1489">10</td> </tr> <tr> <td data-bbox="662 1489 1109 1568">Expected volatility</td> <td data-bbox="1109 1489 1300 1568">53.10% - 59.71%</td> <td data-bbox="1300 1489 1495 1568">53.10% - 59.71%</td> </tr> <tr> <td data-bbox="662 1568 1109 1713">Expected option life, (Vesting &amp; exercise period) in years</td> <td data-bbox="1109 1568 1300 1713">Vesting – 4 years Exercise – 1 year</td> <td data-bbox="1300 1568 1495 1713">Vesting – 3 years Exercise- 5 years</td> </tr> <tr> <td data-bbox="662 1713 1109 1747">Expected dividends,</td> <td data-bbox="1109 1713 1300 1747">0.58%</td> <td data-bbox="1300 1713 1495 1747">0.66%</td> </tr> <tr> <td data-bbox="662 1747 1109 1780">Average Risk-free interest rate</td> <td data-bbox="1109 1747 1300 1780">6.90</td> <td data-bbox="1300 1747 1495 1780">7.05</td> </tr> </tbody> </table>	Particulars	Grant 1 November 05, 2022	Grant 2 November 22, 2022	The weighted-average values of share price of option granted	211.94	244.12	Exercise price,	10	10	Expected volatility	53.10% - 59.71%	53.10% - 59.71%	Expected option life, (Vesting & exercise period) in years	Vesting – 4 years Exercise – 1 year	Vesting – 3 years Exercise- 5 years	Expected dividends,	0.58%	0.66%	Average Risk-free interest rate	6.90	7.05
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<p>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>	<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>
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