

Part F – Disclosures by the Board of Directors

(In terms of Regulation 14 of SEBI SBEB & SE Regulations, 2021)

The Board of Directors confirms that the **MCON ESOP Scheme 2023** is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

There has been **one material modification** to the scheme during FY 2024–25, where the **vesting period was reduced from 4 years to 3 years**, with a corresponding change in the vesting schedule. This change was approved by the shareholders via special resolution in the EGM held on **10th February 2025**.

A link to the scheme and full disclosure will be made available on the company's website at: <https://mconrasayan.com/investor-relation/>

The Board of Directors confirms that the “MON ESOP Scheme 2023” remains in compliance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulation, 2021. Initially the scheme was approved by the shareholders via a special resolution on 11th December 2023. Further on 10th February 2025, the changes were a Vesting of Options shall be subject to, amongst other things, the conditions that: a minimum of 1 (one) year has completed from Grant Date except in case of death or Permanent Incapacity of the Grantee

The Options Granted under the MCON ESOP Scheme 2023 shall Vest in equal proportions over a period of 2 to 4 years from the date of their Grant, as follows:

- (i) Year 1: 0%
- (ii) Year 2: 33.33% (rounded to the nearest whole number)
- (iii) Year 3: 66.66% (rounded to the nearest whole number)
- (iv) Year 4: 100% (rounded to the nearest whole number).

A. Relevant Disclosures in Accounting Standards

Relevant disclosures in accordance with the accounting standards prescribed under Section 133 of the Companies Act, 2013, including the “Guidance Note on Accounting for Employee Share-Based Payments” issued by ICAI, have been or will be provided in the financial statements for FY 2024–25.

B. Diluted EPS on Issue of Shares

Diluted Earnings Per Share (EPS) after considering the potential dilution from ESOPs shall be disclosed in accordance with **Accounting Standard 20 (AS-20)** or Ind AS, as applicable.

C. Details Related to ESOS

1. Description of the ESOS

- **Scheme Name:** MCON ESOP Scheme 2023

- **Shareholders' Approval Date:** 11th December 2023
- **Total Options Approved:** 3,15,500
- **Vesting Requirements:**
 1. One year minimum vesting period (except in case of death/permanent incapacity)
 2. Subject to continued employment and performance criteria
- **Exercise Price / Formula:** Up to 75% discount on market price, not below face value
- **Maximum Term of Options:** 5 years from vesting
- **Source of Shares:** Primary issuance
- **Variation in Terms:** Vesting period reduced from 4 years to 3 years (approved in EGM held on 10th February 2025)

2. Accounting Method Used

The company follows the **fair value method**, as prescribed under SEBI regulations and the ICAI Guidance Note.

3. Impact if Intrinsic Value Were Used

Since the Company uses the **fair value method**, there is **no difference** between the employee compensation cost computed using intrinsic value and that using fair value. Accordingly, there is **no impact on profit or EPS** arising from such a difference for the financial year.

4. Option Movement During the Year (FY 2024–25)

Particulars	Number
Options outstanding at the beginning of the year	NIL
Options granted during the year	7947
Options forfeited/lapsed during the year	357 due to resignation
Options vested during the year	7947
Options exercised during the year	6,340
Shares arising on exercise	6,340
Money realized on exercise (INR)	2,53,600
Loan repaid by Trust from exercise price	Not applicable
Options outstanding at the end of the year	1607
Options exercisable at the end of the year	1250

5. Weighted-Average Prices

Closing Price as on **7th February, 2025*** was Rs.160.

Exercised Price is Rs.160*75%=Rs.40

*10th February, 2025 was EGM but there were no transactions or price available on NSE, so we considered 7th February 2025's price

Category	Weighted-Average Exercise Price (₹)	Weighted-Average Fair Value (₹)
Exercise price equals market price	Not applicable	Not applicable
Exercise price exceeds market price	Not applicable	Not applicable
Exercise price less than market price (₹40 vs ₹160)*	₹40.00	₹120.00

*Note: Based on the ESOP Scheme, options were granted at an exercise price of ₹40, which is 75% less than the prevailing fair market value of ₹160 at the time of grant.

6. Employee-wise Details of Grants

- (a) To **Senior Managerial Personnel**: NIL
- (b) Any employee with 5% or more of options in FY25: NIL
- (c) Any employee with options $\geq 1\%$ of issued capital: NIL

7. Disclosures for Grants Made Within Three Years Prior to IPO

Not applicable as the scheme does not below to Pre-IPO tenure.

8. Employee-wise Details of Grants

- (a) To Senior Managerial Personnel: NIL
- (b) Any employee with 5% or more of options in FY25: NIL
- (c) Any employee with options $\geq 1\%$ of issued capital: NIL

(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 used:

- Share Price at the time of grant: ₹160
- Exercise Price: ₹40
- Expected Volatility: 32%
- Expected Option Life: 3.5 years
- Expected Dividends: Nil
- Risk-Free Interest Rate: 6.75%
- Model Used: Black-Scholes Model

(b) The method used and assumptions made to incorporate the effects of expected early exercise:

- The expected life of options was determined based on historical exercise behavior and management estimates, assuming early exercise trends in line with market peers.

(c) How expected volatility was determined:

- Expected volatility was determined based on historical volatility of comparable listed entities over a period corresponding to the expected option life.

(d) Other features incorporated in fair value measurement:

- No market condition was attached to the options granted. Hence, no such adjustment was required in the fair value computation.

D. Details Related to ESPS

Not applicable – the company has not made any allotments under an Employee Stock Purchase Scheme.

E. Details Related to SAR

Not applicable – no Stock Appreciation Rights scheme exists currently.

F. Details Related to GEBS / RBS

Not applicable – no General Employee Benefits Scheme or Retirement Benefit Scheme currently in force.

G. Details Related to Trust

The Company has not constituted a Trust for the administration of the MCON ESOP Scheme 2023. Hence, no disclosures under this head are applicable.