

Annexure-II

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

1. Any material change in the Plan and whether the Plan is in compliance with the regulations:

The Shareholders had approved the Plan vide Postal Ballot on March 14, 2021.

Further, pursuant to the sub-division of the equity shares of the Company from face value of ₹ 10/- each per share into ₹ 1/- each per share on September 24, 2021 (Record date for share Split), the Nomination and Remuneration Committee of the Board amended the Plan and revised the number of Stock Options granted to bring the same in line with the sub-divided equity shares of the Company.

Accordingly, the revised number of stock options stood at 69,67,000 (Sixty Nine Lakh Sixty Seven Thousand) exercisable into 69,67,000 (Sixty Nine Lakh Sixty Seven Thousand) equity shares of face value of ₹ 1/- each fully paid-up.

No other changes were carried out in the Plan.

Further, the Plan is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014/SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

2. Following disclosures are made on the website of the Company:

- 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 statements for FY23 prepared as per Indian Accounting Standards (Ind AS), available on <https://www.artemishospitals.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, 2023 is ₹ 2.86

- 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: March 14, 2021

(b) Total number of stock options approved under the Plan:

The maximum number of options approved pursuant to the Plan are 69,67,000 (Sixty Nine Lakh Sixty Seven Thousand) which shall be convertible into equal number of equity shares of face value of ₹ 1/- each of the Company. (adjusted number after sub-division of equity shares).

- (c) Vesting requirements under the Plan:

Vesting commenced after one (1) year from the grant date i.e. April 1, 2021 and the options granted shall vest equally over a period of 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:

The exercise price for options will be ₹ 1/- per stock option. In any event, the exercise price will not be below the face value of equity shares of the Company.

- (e) Maximum term of stock options granted:

The Options granted shall vest equally over a period of 4 years subject to continued employment with the Company.

- (f) Source of shares (primary, secondary or combination): Primary

- (g) Variation in terms of stock options: Not Applicable

- (ii) Method used to account for 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:

Not applicable as the Company had opted Fair value method for expensing of the options.

- (iv) Options movement during the year:

Number of options outstanding at the beginning of the period: 69,67,000

Number of options granted during the year: Nil

Number of options forfeited / lapsed during the year: Nil

Number of options vested during the year:
17,41,750

Number of options exercised during the year:
17,41,750

Number of shares arising as a result of exercise of options: 17,41,750

Money realized by exercise of options (₹), if scheme is implemented directly by the Company: 17,41,750

Loan repaid by the Trust during the year from exercise price received: Not applicable, the Plan is implemented directly

Number of options outstanding at the end of the year: 52,25,250

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.

A. Weighted average exercise price of options outstanding at the end of the year whose:

| Particulars | Plan |
|---|-------|
| Exercise price equals market price | - |
| Exercise price is greater than market price | - |
| Exercise price is less than market price | ₹ 1/- |

B. Weighted average fair value of Options outstanding at the end of the year whose:

| Particulars | Plan |
|---|-----------|
| Exercise price equals market price | - |
| Exercise price is greater than market price | - |
| Exercise price is less than market price | ₹ 21.37/- |

- (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;
(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
(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:

Not applicable, as no options were granted during FY23.

- (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;
(b) the method used and the assumptions made to incorporate the effects of expected early exercise;
(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and
(d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition:

Not applicable, as no options were granted during FY23.

For and on behalf of the Board of Directors

Place : Gurugram
Date : May 5, 2023

Onkar Kanwar
Chairman
DIN : 00058921