

ANNEXURE - II

Praxis Home Retail Limited Share Value Appreciation Rights, Plan – 2018 (Praxis SVAR Plan- 2018) of the Company as at March 31, 2019.

To encourage ownership of Company's equity by its employees on an ongoing basis and also in order to reward the employees for their contribution to the successful operation of the Company and to provide an incentive to continue contributing to the success of the Company, it was proposed to create, grant and offer Employees Stock Options (ESOPs) / Stock Options / Options / Stock Appreciation Rights (SARs) to the Eligible Employees of the Company under Praxis Home Retail Limited Share Value Appreciation Rights, Plan – 2018 (Praxis SVAR Plan- 2018) as recommended by the People Office.

Sl. No.	Particulars	Praxis SVAR Plan- 2018
A.	Disclosures in terms of the Guidance note on accounting for employee share based payments issued by ICAI or any other relevant accounting standards as prescribed from time to time	Refer Note No. 29 in Notes to Financial Statements
B.	Diluted Earnings Per Share (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 ICAI or any other relevant accounting standards as prescribed from time to time	Refer Note No. 30 in Notes to Financial Statements

C. Description of ESOS that existed at any time during the year including the general terms and conditions

I.	Date of Shareholders' approval	The Shareholders of the Company had passed Special Resolution at the Seventh Annual General Meeting of the Company held on September 18, 2018 and have authorized the Board to create, offer and grant to the Employees of the Company, 9,75,000 (Nine Lakh Seventy-Five Thousand) Employee Stock Options / Stock Appreciation Rights under Praxis SVAR Plan - 2018 exercisable into not exceeding 9,75,000 (Nine Lakh Seventy-Five Thousand) fully paid-up equity shares of the Company, in aggregate, of face value of ₹ 5/- (Rupees Five) each, either directly by the Company or through an Employee Welfare Trust to be set-up by the Company, by way of primary issue or secondary acquisition at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Nomination & Remuneration Committee in accordance with the provisions of this Praxis SVAR Plan – 2018, SEBI (Share Based Employee Benefits) Regulations, 2014 (SEBI SBEB Regulations) and in due compliance with other applicable laws and regulations.
II.	Total number of Options approved under Praxis SVAR Plan- 2018	9,75,000 (Nine Lakh Seventy-Five Thousand) Equity Shares of the face value of ₹ 5/- each fully paid-up
III.	Vesting Requirements	Options granted under Praxis SVAR Plan- 2018 plan would vest not less than 1 year and not more than 5 years from the Date of Grant of such Options.

IV.	Exercise price or pricing formula	The Exercise Price per Option shall not be less than face value of equity share and shall not exceed Market Price of the equity share of the Company as on the Date of Grant of Options which may be decided by the Nomination & Remuneration Committee of the Company. Exercise price for Options granted during the year was ₹ 176 /-
V.	Maximum term of Options granted	5 years from the date of respective vesting
VI.	Source of shares (primary, secondary or combination)	Combination
VII.	Variation in terms of options	None
VIII.	Method used to account for ESOS	Black Scholes Method

D. The stock-based compensation cost was calculated as per the Black Scholes method, the total cost to be recognised in the financial statements for the year 2018-19 would be :

₹ 1,48,523/- for Options granted with a vesting period of not less than 1(one) year and not more than (3) Three years and ₹ 60,706/- for Options granted with a vesting period of not less than 1(one) year and not more than (5) Five years, from the Date of Grant aggregating to total cost of ₹ 2,09,229/-.

E. Option movement during the year ended on March 31, 2019

Sl. No.	Particulars	Details	
		Grant - I*	Grant - II^
I.	Number of Options outstanding at the beginning of the year	NIL	NIL
II.	Number of Options granted during the year	3,07,500	1,59,000
III.	Number of Options forfeited / Cancelled /lapsed during the year	NIL	NIL
IV.	Number of Options vested during the year	NIL	NIL
V.	Number of Options exercised during the year	NIL	NIL
VI.	Number of shares arising as a result of exercise of Options	NA	NA
VII.	Exercise Price (in ₹ per Option)	NA	NA
VIII.	Money realized by exercise of Options, if scheme is implemented directly by the Company (in ₹)	NA	NA
IX.	Loan repaid by the Trust during the year from exercise price received	NA	NA
X.	Total number of Options outstanding (in force) at the end of the year	3,07,500	1,59,000
XI.	Number of Options exercisable at the end of the year	NIL	NIL

F. Weighted average Share Price of Options granted during the year :

The details pertaining to the Options granted during the financial year 2018-19 are as follows:

		Grant - I*	Grant - II^
		Grant on March 27, 2019	Grant on March 27, 2019
I.	Exercise price equals market price (₹)	176.00	176.00
II.	Exercise price is greater than market price (₹)	-	-
III.	Exercise price is less than market price (₹)	-	-

Weighted average Exercise Price of Options granted during the year whose :

		Grant - I*	Grant - II^
		Grant on March 27, 2019	Grant on March 27, 2019
I.	Exercise price equals market price (₹)	176.00	176.00
II.	Exercise price is greater than market price (₹)	-	-
III.	Exercise price is less than market price (₹)	-	-

Weighted average Fair Value of Options (Black Scholes Method) granted during the year whose :

		Grant - I*	Grant - II^
		Grant on March 27, 2019	Grant on March 27, 2019
I.	Exercise price equals market price (₹)	67.38	88.40
II.	Exercise price is greater than market price (₹)	-	-
III.	Exercise price is less than market price (₹)	-	-

G. Employee-wise details of Options granted during the year as on March 31, 2019

Employee-wise details of Options granted during the year as on March 31, 2019

I. Senior Managerial Personnel

Sr. No	Name of Employee	Designation	Number of Options granted during the year	Exercise Price
1	Mr. Viraj Didwania	Chairman & Managing Director	2,31,000	₹176/-
2	Mr. Sumit Midha	Chief Operating Officer	33,500	₹176/-
3	Mr. Thomas Johan	Head- Strategy & Planning	26,000	₹176/-
4	Mr. Anil Chandak	Chief Financial Officer	17,000	₹176/-

Sr. No	Name of Employee	Designation	Number of Options granted during the year	Exercise Price
5	Ms. Smita Chowdhury	Company Secretary & Compliance Officer	2,000	₹176/-
6	Ms. Medha Tawde	Chief Marketing Officer	7,750	₹176/-
7	Mr. Sujoy Mitra	Head-Business Technology	11,250	₹176/-
8	Ms. Vaishali Thakkar	Chief Customer Service	5,000	₹176/-
9	Mr. Ketan Gandhalikar	Category Head -Furniture	12,000	₹176/-
10	Mr. Soumyajit Banerjee	Regional Head	8,000	₹176/-
11	Mr. Varun Kant	Regional Head	6,250	₹176/-

- ii. Employees who were granted, during any one year, Options amounting to 5% or more of the Options granted during the year

Sr. No	Name of Employee	Designation	Number of Options granted during the year	Exercise Price
1	Mr. Viraj Didwania	Chairman & Managing Director	2,31,000	₹176/-
2	Mr. Sumit Midha	Chief Operating Officer	33,500	₹176/-
3	Mr. Thomas Johan	Head- Strategy & Planning	26,000	₹176/-

- iii. 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 grants:-

None

H. Method and Assumptions used to estimate the fair value of Options granted during the year

The details pertaining to the Options granted during the financial year 2018-19 are as follows:

The fair value has been calculated using the Black Scholes Options Pricing model.

The Assumptions used in the model are as follows:

Date	Grant – I*	Grant – II^
	Grant on March 27, 2019	Grant on March 27, 2019
Risk Free Interest Rate	6.83%	7.12%
Expected Life	3.3 years	5.85 years
Expected Volatility	46.10%	46.10%
Dividend	0	0
Price of underlying shares in the market at the time of Option grant (₹)	176	176
Stock Price	The valuation has been done using the share price of ₹ 176/-, which is the closing price on NSE on the date immediately prior to the Date of Grant.	

Date	Grant – I*	Grant – II^
	Grant on March 27, 2019	Grant on March 27, 2019
Volatility	Volatility was calculated using standard deviation of daily change in stock price.	
Risk-free rate of return	Zero coupon sovereign bond yields as on March 27, 2019 was utilized with maturity equal to expected term of the Option	
Exercise Price (₹)	176/-	
Expected Option Life	The expected Option life is assumed to be approximately half way between the Option vesting period and contractual term of the Option. Since the vesting period and contractual term is different, the expected life of the Option will be different. The expected Option life is calculated as $\text{Year to Vesting} + (\text{Contractual Option Term}) / 2$	
Expected Dividend Yield	0	

(*) **Grant – I** refers to Options granted under Praxis SVAR Plan- 2018 which would vest not less than 1 year and not more than 3 years from the Date of Grant of such options.

(^)**Grant – II** refers to Options granted under Praxis SVAR Plan- 2018 which would vest not less than 1 year and not more than 5 years from the Date of Grant of such options.

I. Details Related to Stock Appreciation Rights (SARs): During the year under review, no SARs were granted to the employees of the Company, however details related to SARs under Praxis SVAR Plan – 2018 is given below:

I.	Date of Shareholders' approval	The Shareholders passed Special Resolution at the Seventh Annual General Meeting of the Company held on September 18, 2018 and have authorized the Board to create, offer and grant to the Employees of the Company, 9,75,000 (Nine Lakh Seventy-Five Thousand) Employee Stock Options / Stock Appreciation Rights under Praxis SVAR Plan – 2018 exercisable into not exceeding 9,75,000 (Nine Lakh Seventy-Five Thousand) fully paid-up equity shares of the Company, in aggregate, of face value of ₹ 5/- (Rupees Five) each, either directly by the Company or through an Employee Welfare Trust to be set-up by the Company, by way of primary issue or secondary acquisition, at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Nomination and Remuneration Committee in accordance with the provisions of this Praxis SVAR Plan – 2018, SEBI SBEB Regulations and in due compliance with other applicable laws and regulations.
II.	Total number of Shares approved under Praxis SVAR Plan- 2018	9,75,000 (Nine Lakh Seventy-Five Thousand only) Equity Shares of face value of ₹ 5/- each fully paid-up
III.	Vesting Requirements	SARs granted under Praxis SVAR Plan- 2018 plan would vest not less than 1 year and not more than 5 years from the Date of Grant of such SARs.

IV.	SAR price or pricing formula	SAR price shall be determined by the Nomination and Remuneration Committee and shall not be less than face value of equity share and shall not exceed Market Price of the equity share of the Company as on Date of Grant of SARs.
V.	Maximum term of SAR granted	5 years from the date of respective vesting
VI.	Choice of settlement	Combination
VII.	Sources of Shares	Combination
VIII.	Variation in terms of scheme	None

J. During the year under review, no SARs were granted to the employees of the Company, hence the stock-based employee compensation cost to be recognised in the financial statements in case of SARs for the year 2018-19 would be Nil.

K. SAR movement during the year ended on March 31, 2019: Not Applicable

Sl. No.	Particulars	Details
I.	Number of SARs outstanding at the beginning of the year	Nil
II.	Number of SARs granted during the year	Nil
III.	Number of SARs forfeited / Cancelled /lapsed during the year	NA
IV.	Number of SARs vested during the year	NA
V.	Number of SARs exercised / settled during the year	NA
VI.	Number of SARs outstanding at the end of the year	NA
VII.	Number of SARs exercisable at the end of the year	NA

L. Employee-wise details of SAR granted during the year on March 31, 2019: Not Applicable

I.	Senior Managerial Personnel :	—
II.	Employees who were granted, during any one year, SARs amounting to 5% or more of SAR granted during the year	—
III.	Identified employees who were granted SARs, 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 grants:-	—

Details of Company's Employees' Welfare Trust:

The details inter-alia, in connection with transactions made by the Trust meant for the purpose of administering the Praxis Home Retail Limited Share Value Appreciation Rights, Plan - 2018 (Praxis SVAR Plan- 2018) are as under:

i. **General Information of the Trust**

Name of the Trust	Praxis Home Retail Limited Employees' Welfare Trust
Details of the Trustee	Beacon Trusteeship Limited
Amount of loan disbursed by the Company / any Company in the group, during the year	NIL
Amount of loan outstanding (repayable to Company / any Company in the group) as at the end of the year	NIL
Amount of loan, if any, taken from any other source of which Company / any Company in the group has provided any security or guarantee	NIL
Any other contribution made to the Trust during the year	NIL

- ii. Brief details of the transaction in shares by the Trust : None
- iii. In case of secondary acquisition of shares by the Trust : None

For & on behalf of the Board of Directors of
PRAXIS HOME RETAIL LIMITED

Place: Mumbai
Date: May 23, 2019

Viraj Didwania
Chairman & Managing Director
DIN: 02412474