

ANNEXURE II – ESOP

Part A - PRAXIS SVAR Plan - 2018

Praxis Home Retail Limited Share Value Appreciation Rights, Plan – 2018 (Praxis SVAR Plan- 2018) of the Company as on March 31, 2022.

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 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 Nomination & Remuneration Committee.

Sr. 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. 31 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. 32 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 had authorised 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) ESOPs
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 shares 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. Exercise price for Options granted during the Financial Year (FY) 2018-19 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	The Company at its Eighth Annual General Meeting held on September 21, 2019 amended the Praxis SVAR Plan- 2018 to the effect that the number of ESOPs / SARs that may be granted to the Employee(s) of the Company or of its subsidiary company(ies) under the Plan, in any financial year shall be less than 1% (one percent) of the issued equity share capital (excluding outstanding warrants and conversions) of the Company, however number of ESOPs/ SARs that may be granted to any specific Employee(s) of the Company or of its subsidiary company(ies) in aggregate under the Plan may exceed 1% (one percent) of the issued equity share capital (excluding outstanding warrants and conversions) of the Company, over the tenure of the Plan.
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 FY 2021-22 would be:

NIL for Options granted with a vesting period of not less than 1 (one) year and not more than (3) Three years and ₹ 9,21,180 /- for Options granted with a vesting period of not less than 1 year and not more than (5) Five years, from the Date of Grant aggregating to total cost ₹ 48,37,213/-.

E. Option movement during the year ended on March 31, 2022

Sr. No.	Particulars	Details	
		Grant - I*	Grant - II^
I.	Number of options outstanding at the beginning of the year	3,07,500	1,59,000
II.	Number of options granted during the year	Nil	Nil
III.	Number of options forfeited / Cancelled / lapsed during previous FY 2020-21	2,48,000	10,000
IV.	Number of options forfeited / Cancelled / lapsed so far	3,07,500	54,250
V.	Number of options forfeited / Cancelled / lapsed during the year	Nil	29,250
VI.	Number of options vested during the year	Nil	37,750
VII.	Number of options exercised during the year	Nil	Nil
VIII.	Number of shares arising as a result of exercise of options	NA	NA

Sr. No.	Particulars	Details	
		Grant - I*	Grant - II^
IX.	Exercise Price (in ₹ per Option)	NA	NA
X.	Money realised by exercise of options, if scheme is implemented directly by the Company (in ₹)	NA	NA
XI.	Loan repaid by the Trust during the year from exercise price received	NA	NA
XII.	Total number of options outstanding (in force) at the end of the year	Nil	37,750
XIII.	Number of options exercisable at the end of the year	Nil	37,750

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

The Company has not granted any options during the year under review. However, the details pertaining to the options granted during the FY 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 previous FY 2021-22 whose:

		Grant - I	Grant - II
I.	Exercise price equals market price (₹)	-	-
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 FY 2018-19 whose:

		Grant - I*	Grant - II^
		Grant on March 27, 2019	Grant on March 27, 2019
I.	Exercise price equals market price (₹)	-	-
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 ended on March 31, 2022

I.	Senior Managerial Personnel None – No fresh options were granted during the year ended March 31, 2022.
II.	Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year None – No fresh options were granted during the year ended March 31, 2022.
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 – No fresh options were granted during the year ended March 31, 2022.

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

The Company has not granted any options during the year under review. However, the details pertaining to the options granted during the FY 2018-19 are as follows:

The fair value has been calculated using the Black Scholes Option 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.	
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 utilised with maturity equal to expected term of the Option	
Exercise Price (₹)	176/-	
Expected Option Life	The expected Option life is assumed to be approximately halfway 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 Year to Vesting + (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. However, due to resignation of employees, options granted under Grant-I have lapsed/cancelled.
- (^) **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 the 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 authorised 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	The Company at its Eighth Annual General Meeting held on September 21, 2019 amended the Praxis SVAR Plan- 2018 to the effect that the number of ESOPs / SARs that may be granted to the Employee(s) of the Company or of its subsidiary company(ies) under the Plan, in any financial year shall be less than 1% (one percent) of the issued equity share capital (excluding outstanding warrants and conversions) of the Company, however number of ESOPs/ SARs that may be granted to any specific Employee(s) of the Company or of its subsidiary company(ies) in aggregate under the Plan may exceed 1% (one percent) of the issued equity share capital (excluding outstanding warrants and conversions) of the Company, over the tenure of the Plan.

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 FY 2021-22 would be Nil.

K. SAR movement during the year ended on March 31, 2022: 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
VI.	Number of SARs exercisable at the end of the year	NA

L. Employee-wise details of SAR granted during the year ended on March 31, 2022: 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

Part B - ESOP 2021 / Plan**Praxis Home Retail Limited - Employee Stock Option Plan 2021 (ESOP 2021 / Plan) of the Company as on March 31, 2022**

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 Options to the Eligible Employees of the Company under Praxis Home Retail Limited – Employee Stock Option Plan 2021 (ESOP 2021 / Plan) as recommended by the Nomination and Remuneration Committee.

Sr. No.	Particulars	ESOP 2021
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. 31 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. 32 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 through Postal Ballot on December 12, 2021, Postal Ballot Notice dated November 11, 2021 and had authorised the Board to create, offer and grant to the Employees of the Company, 20,00,000 (Twenty Lakh) Employee Stock Options under ESOP 2021 Plan exercisable into not more than 20,00,000 (Twenty Lakh) equity shares of face value of ₹ 5/- (Rupees Five) each fully paid-up, where one employee stock option would convert into one equity share upon exercise, on such terms and conditions, as may be determined by the Nomination & Remuneration Committee in accordance with the provisions of this ESOP 2021 Plan, 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 ESOP 2021 Plan	20,00,000 (Twenty Lakh) ESOPs
III.	Vesting Requirements	All the options granted on any date shall vest not earlier than minimum period of 1(One) year and not later than a maximum period of 3(Three) years from the date of grant of options

IV.	Exercise price or pricing formula	The exercise price shall be determined by the Nomination & Remuneration Committee at its sole discretion which shall not be less than the face value of the Share as on date of Grant of such Option. Exercise price for Options granted during the FY 2021-22 was ₹ 5/-
V.	Maximum term of options granted	3 years from the date of respective vesting
VI.	Source of shares (primary, secondary or combination)	Primary Market
VII.	Variation in terms of options	—
VIII.	Method used to account for ESOS	Fair Value Method

D. The stock-based compensation cost was calculated as per the Fair Value Method, the total cost to be recognised in the financial statements for the FY 2021-22 would be:

₹ 60,52,768/- for Options granted with a vesting period of not less than 1 (one) year and not more than (3) Three years from the Date of Grant.

E. Option movement during the year ended on March 31, 2022

	Particulars	Grant - I*
I.	Number of options outstanding at the beginning of the year	20,00,000
II.	Number of options granted during the year	12,05,000
III.	Number of options forfeited / Cancelled / lapsed during previous year	Nil
IV.	Number of options forfeited / Cancelled /lapsed during the year	Nil
V.	Number of options vested during the year	Nil
VI.	Number of options exercised during the year	Nil
VII.	Number of shares arising as a result of exercise of options	NA
VIII.	Exercise Price (in ₹ per Option)	NA
IX.	Money realised by exercise of options, if scheme is implemented directly by the Company (in ₹)	NA
X.	Loan repaid by the Trust during the year from exercise price received	NA
XI.	Total number of options outstanding (in force) at the end of the year	7,95,000
XII.	Number of options exercisable at the end of the year	Nil

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

The Company has granted 12,05,000 Employee Stock Options during the year under review. The details pertaining to the options granted are as follows:

		Grant - I
		Grant on January 27, 2022
I.	Exercise price equals market price (₹)	-
II.	Exercise price is greater than market price (₹)	-
III.	Exercise price is less than market price (₹)	5.00

Weighted average Exercise Price of options granted during the previous FY 2020-21 whose: Not Applicable

		Grant – I
		Grant on January 27, 2022
I.	Exercise price equals market price (₹)	-
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 FY 2021-22 whose:

		Grant – I
		Grant on January 27, 2022
I.	Exercise price equals market price (₹)	65.15
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 ended on March 31, 2022**I. Senior Managerial Personnel**

S. No.	Name of the Eligible Employees	Designation	Grant of ESOPs	% of the Total ESOPs Granted
1.	Mahesh Shah*	Managing Director	5,00,000	41.49
2.	Samir Kedia*	Chief Financial Officer	2,25,000	18.67
3.	Ketan Gandhalikar*	Head – Furniture	1,00,000	8.30
4.	Chinmay Bhatt*	Chief – Homeware	1,00,000	8.30
5.	Medha Tawde	Head – Marketing, Digital Strategy & Convergence (Physical & Digital)	50,000	4.15
6.	Kunal Choksi	DGM – Ecommerce	50,000	4.15
7.	Soumyajit Banerjee	General Manager – East Zone	50,000	4.15
8.	Varun Kant	General Manager – South Zone	50,000	4.15
9.	Vinod Kumar Samar Singh	Regional Head – Gujarat	50,000	4.15
10.	Smita Chowdhury	Company Secretary & Compliance Officer	30,000	2.49
	Total		12,05,000	100.00

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

***The above-mentioned employees of the Company were granted ESOPs amounting to 5% or more of the total Options granted during the year.**

- 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 of the employees were granted option, equal to or exceeding 1% of the issued Capital of the Company during any one year

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

12,05,000 Employee Stock Options were granted during the year under review. The details pertaining to the options granted during the FY 2021-22 are as follows:

Black Scholes Method has been used to calculate the value. The Assumptions used in the model are as follows:

Date	Grant - I*
	Grant on January 27, 2022
Risk Free Interest Rate	5.72 %
Expected Life	3.40 years
Expected Volatility	55.94 %
Dividend	0
Price of underlying shares in the market at the time of Option grant (₹)	65.15
Stock Price	The valuation has been done using the share price of ₹ 69.25, Based on NSE published information immediately prior to the Date of Grant.
Volatility	Volatility was calculated using standard deviation of daily change in stock price
Risk-free rate of return	This is the continuously compounded risk-free rate and should be based on the yields available on the bonds issued by Government of India at the date of valuation with a remaining term equal to the expected lifetime of the awards. Source - www.fimmda.org
Exercise Price (₹)	5/-
Expected Option Life	The expected Option life is assumed to be approximately halfway 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 $\text{Year to Vesting} + (\text{Contractual Option Term}) / 2 = 3.40 \text{ years}$
Expected Dividend Yield	0

(*) **Grant - I** refers to Options Granted under ESOP 2021 which would vest not less than 1 year and not more than 3 years from the Date of Grant of such options.

I. Movement in stocks during the year ended on March 31, 2022:

Sl. No.	Particulars	Details
I.	Number of options outstanding at the beginning of the year	20,00,000
II.	Number of options granted during the year	12,05,000
III.	Number of options forfeited / Cancelled /lapsed during the year	Nil
IV.	Number of options vested during the year	NA
V.	Number of options exercised / settled during the year	NA
VI.	Number of options outstanding at the end of the year	7,95,000
VII.	Number of options exercisable at the end of the year	NA

J. Details of Company's Employees' Welfare Trust: Not Applicable

For and on behalf of the Board of Directors
Praxis Home Retail Limited

Mahesh Shah
 Managing Director
 DIN: 01488017

Place: Mumbai
Date: May 14, 2022