

DETAILS OF IRIS EMPLOYEES STOCK OPTION SCHEME

Disclosures pursuant to SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 for the financial year ended March 31, 2024.

Sr. No.	Particulars	ESOP 2017	ESOP 2023
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 Note 32 of the Standalone Financial Statements of the Company and Note 31 of the Consolidated Financial Statements for the financial year ended March 31, 2024.	Members may refer to Note 32 of the Standalone Financial Statements of the Company and Note 31 of the Consolidated Financial Statements for the financial year ended March 31, 2024.
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 on Consolidated basis for the year ended March 31, 2024, is ₹ 4.46 and on Standalone basis is ₹ 4.25.	Diluted EPS on Consolidated basis for the year ended March 31, 2024, is ₹ 4.46 and on Standalone basis is ₹ 4.25.
C.	Details related to ESOP		
	i. A description of each ESOP that existed at any time during the year, including the general terms and conditions of each ESOP, including -		
	a. Date of shareholders' approval	September 13, 2017	February 16, 2024
	b. Total number of options approved under ESOP	7,00,000	9,75,000
	c. Vesting requirements	Employee Stock Options granted under Scheme shall vest not earlier than 1 (one) year and not later than maximum Vesting Period of 4 (four) years from the date of Grant and that different vesting period may be decided by the Nomination and Remuneration Committee (NRC) for employees at discretion of the NRC.	Employee Stock Options granted under Scheme shall vest not earlier than 1 (one) year and not later than maximum Vesting Period of 4 (four) years from the date of Grant and that different vesting period may be decided by the Nomination and Remuneration Committee (NRC) for employees at discretion of the NRC.
	d. Exercise price or pricing formula	The Exercise Price per Option shall be determined by the Nomination and Remuneration Committee being not lesser than the face value of the Share underlying such Option as on date of Grant.	The Exercise Price per Option shall be determined by the Nomination and Remuneration Committee as allowed under the SBEB Regulations as and when applicable to the Company which shall in no case be lesser than the face value of the Equity Shares.

Sr. No.	Particulars	ESOP 2017	ESOP 2023
	e. Maximum term of options granted	All the Options granted on any date shall vest not later than the maximum period of 4 (Four) years from the date of grant. Further, Exercise period would commence from the date of vesting and will expire on completion of 5 (Five) years from the date of respective vesting.	All the Options granted on any date shall vest not later than the maximum period of 4 (Four) years from the date of grant. Further, Exercise period would commence from the date of vesting and will expire on completion of 5 (Five) years from the date of respective vesting.
	f. Source of shares (primary, secondary or combination)	Primary - Fresh Equity Shares shall be issued by the Company on exercise of the options by the Grantee.	Primary - Fresh Equity Shares shall be issued by the Company on exercise of the options by the Grantee.
	g. Variation in terms of options	During financial year 2023-24, there was no amendment/ modification/ variation in the Scheme.	During financial year 2023-24, there was no amendment/ modification/ variation in the Scheme.
	ii. Method used to account for ESOP - Intrinsic or fair value	The Company uses the Fair Value-based method of accounting for stock options granted.	The Company uses the Fair Value-based method of accounting for stock options granted.
	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.	Members may refer to Note 32 of the Standalone Financial Statements of the Company and Note 31 of the Consolidated Financial Statements for the financial year ended March 31, 2024.	Members may refer to Note 32 of the Standalone Financial Statements of the Company and Note 31 of the Consolidated Financial Statements for the financial year ended March 31, 2024.
	iv. Option movement during the year (for each ESOP).	Annexure - A	Annexure - A
	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.	Members may refer to Note 32 of the Standalone Financial Statements of the Company and Note 31 of the Consolidated Financial Statements for the financial year ended March 31, 2024.	Members may refer to Note 32 of the Standalone Financial Statements of the Company and Note 31 of the Consolidated Financial Statements for the financial year ended March 31, 2024.
	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 Regulations 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;	None	Not Applicable

Sr. No.	Particulars	ESOP 2017	ESOP 2023
	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	None	Not Applicable
	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.	None	Not Applicable
	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;	Members may refer to Note 32 of the Standalone Financial Statements of the Company and Note 31 of the Consolidated Financial Statements for the financial year ended March 31, 2024.	The Company is in process of making an application to the Stock Exchanges where the Equity Shares of the Company are listed for obtaining their in-principle approval for ESOP Scheme 2023. Hence, no grants have been made by NRC under the said Scheme during the financial year ended 2023-24.
	b. the method used and the assumptions made to incorporate the effects of expected early exercise;	Members may refer to Note 32 of the Standalone Financial Statements of the Company and Note 31 of the Consolidated Financial Statements for the financial year ended March 31, 2024.	Not Applicable
	c. how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	Since shares of the Company got listed only on the Grant Date therefore no history of share price trading, expected volatility had been derived from historic values NSE index as on the Grant date.	Not Applicable
	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	Not Applicable
D.	Disclosures in respect of grants made in three years prior to IPO under each ESOP.	Not Applicable	Not Applicable
E.	Details related to ESPS	Not Applicable	Not Applicable
F.	Details related to SAR	Not Applicable	Not Applicable
G.	Details related to GEBS / RBS	Not Applicable	Not Applicable
H.	Details related to Trust	Not Applicable	Not Applicable

Annexure – A

Option movement during the year (For each ESOS)

Particulars	ESOP 2017	ESOP 2023
Number of options outstanding at the beginning of the period	2,14,000	*NIL
Number of options granted during the year	NIL	NIL
Number of options forfeited / lapsed during the year	NIL	NIL
Number of options vested during the year (excluding lapsed options which were vested, due to resignation of employee)	2,14,000	NIL
Number of options exercised during the year	NIL	NIL
Number of shares arising as a result of exercise of options	NIL	NIL
Money realized by exercise of options (RS), if scheme is implemented directly by the company	NIL	NIL
Loan repaid by the Trust during the year from exercise price received	Not Applicable	Not Applicable
Number of options outstanding at the end of the year	2,14,000	9,75,000
Number of options exercisable at the end of the year	2,14,000	NIL

* The Company is in process of making an application to the Stock Exchanges where the Equity Shares of the Company are listed for obtaining their in-principle approval for ESOP Scheme 2023. Hence, no grants have been made by NRC under the said Scheme during financial year 2023-24.

A copy of the above two schemes are available on Company's web-site at <https://www.irisbusiness.com/investors/policies/>.

Extract of the Standalone Financial Statements

for the year ended March 31, 2024

Note 32: Employee Stock Option Scheme

The Company provides share-based payment schemes to its employees in order to reward the employees for their past association and performance as well as to motivate them to contribute to the growth and profitability of the Company with an intent to attract and retain talent in the organisation. The company currently has two ESOP schemes, the relevant details of which are as follows:

IRIS Business Services Limited – Employee Stock Option Scheme 2017

On September 11, 2017, the Board of Directors approved the “IRIS Business Services Limited – Employee Stock Option Scheme 2017”

(“Scheme”) The aforesaid Scheme was duly approved by shareholders in its Extra-Ordinary General Meeting held on September 13, 2017. The Nomination and Remuneration committee of the Board has granted options under the said Scheme to certain category of employees as per criteria laid down by Nomination and Remuneration committee of the Board. The shareholders of the Company approved the ratification of the Scheme and extension of the benefits of the Scheme to the employees of Subsidiary Company(ies) by Special Resolutions through Postal Ballot on March 29, 2019.

Key terms of the scheme:

Date of Shareholder’s Approval	September 13, 2017
Total Number of Options approved	7,00,000
Vesting Schedule	Option shall vest not earlier than 1 (One) year and not later than maximum Vesting Period of 4 (Four) years from the date of grant
Maximum term of Options granted	All the Options granted on any date shall vest not later than the maximum period of 4 (Four) years from the date of grant. Further, Exercise period would commence from the date of vesting and will expire on completion of 5 (Five) years from the date of respective vesting.
Method of Settlement	Shares
Source of shares	Primary-Fresh equity allotment by the company

A summary of the activity in the Company’s ESOP Scheme (“IRIS Business Services Limited – Employee Stock Option Scheme 2017”) is as follows:

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
	Shares arising from options	Weighted Average Exercise price	Shares arising from options	Weighted Average Exercise price
Outstanding at the beginning of the year	2,14,000	42.18	1,55,000	32.00
Options Granted during the year*	-	-	2,10,000	42.37
Options exercised during the year	-	-	1,43,000	-
Options Forfeited during the year	-	-	8,000	-
No. of Options Outstanding at the end of the year	2,14,000	-	2,14,000	-
Vested Options	2,14,000	-	4,000	-
Unvested Options	-	-	2,10,000	-
No. of Options exercisable at the end of the year	2,14,000	-	4,000	-

Extract of the Standalone Financial Statements

for the year ended March 31, 2024

Fair value determination method

The Black-Scholes model requires consideration of certain variables such as implied volatility, risk free rate of interest, expected dividend yield, expected life of option, market price of the underlying stock and exercise price for the calculation of Fair Value of the option. Variability of these parameters could significantly affect the estimated Fair value of the option.

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Grant Date	November 11, 2022	November 11, 2022
Risk Free interest rate	6.61% to 7.24%	6.61% to 7.24%
Expected Life (in Years)	3.5 Years to 6.5 Years	3.5 Years to 6.5 Years
Expected Volatility	74.81%	74.81%
Dividend Yield	0%	0%
Stock price* (amount in ₹)	75.55	75.55
Exercise price (amount in ₹)	32 & 75.55	32 & 75.55
Weighted Average remaining Contractual life	2.96	3.43
Fair Value as on Grant date	57.09 & 43.55 & 7.92	57.09 & 43.55 & 7.92

* The stock price of the Company is the listing market price of the Company's equity share on Stock Exchanges on the date of grant.

The expected life of the ESOP is estimated based on the vesting term and contractual term of the ESOP, as well as expected exercise behaviour of the employee who receives the ESOP.

To understand the effect of share based payment transactions on the entity's profit and loss for the year refer Note no.22

IRIS Business Services Limited – Employee Stock Option Scheme 2023

During the year ended March 31, 2024, the Company implemented a new employee stock option scheme, namely the 'IRIS Business Services Limited Employee Stock Option Scheme 2023'

On December 01, 2023, the Board of Directors approved the "IRIS Business Services Limited – Employee Stock Option Scheme 2023". The aforesaid Scheme was duly approved by shareholders in its Extra-Ordinary General Meeting held on February 16, 2024. The Company is in process of making an application to the Stock Exchanges where the Equity shares of the Company are listed for obtaining their in-principle approval for the said scheme and hence the Nomination and Remuneration committee of the Board is yet to grant options under the said Scheme.

Key terms of the scheme:

Date of Shareholder's Approval	February 16, 2024
Total Number of Options approved	9,75,000
Vesting Schedule	Option shall vest not earlier than 1 (One) year and not later than maximum Vesting Period of 4 (Four) years from the date of grant
Maximum term of Options granted	All the Options granted on any date shall vest not later than the maximum period of 4 (Four) years from the date of grant. Further, Exercise period would commence from the date of vesting and will expire on completion of 5 (Five) years from the date of respective vesting.
Method of Settlement	Shares
Source of shares	Primary-Fresh equity allotment by the company

Extract of the Consolidated Financial Statements

for the year ended March 31, 2024

Note 31: Employee Stock Option Scheme

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(“Scheme”) The aforesaid Scheme was duly approved by shareholders in its Extra-Ordinary General Meeting held on September 13, 2017. The Nomination and Remuneration committee of the Board has granted options under the said Scheme to certain category of employees as per criteria laid down by Nomination and Remuneration committee of the Board. The shareholders of the Company approved the ratification of the Scheme and extension of the benefits of the Scheme to the employees of Subsidiary Company(ies) by Special Resolutions through Postal Ballot on March 29, 2019.

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Options Granted during the year*	-	-	2,10,000	42.37
Options exercised during the year	-	-	1,43,000	-
Options Forfeited during the year	-	-	8,000	-
No. of Options Outstanding at the end of the year	2,14,000	-	2,14,000	-
Vested Options	2,14,000	-	4,000	-
Unvested Options	-	-	2,10,000	-
No. of Options exercisable at the end of the year	2,14,000	-	4,000	-

Extract of the Consolidated Financial Statements

for the year ended March 31, 2024

Fair value determination method

The Black-Scholes model requires consideration of certain variables such as implied volatility, risk free rate of interest, expected dividend yield, expected life of option, market price of the underlying stock and exercise price for the calculation of Fair Value of the option. Variability of these parameters could significantly affect the estimated Fair value of the option.

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
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Stock price* (amount in ₹)	75.55	75.55
Exercise price (amount in ₹)	32 & 75.55	32 & 75.55
Weighted Average remaining Contractual life	2.96	3.43
Fair Value as on Grant date	57.09 & 43.55 & 7.92	57.09 & 43.55 & 7.92

* The stock price of the Company is the listing market price of the Company's equity share on Stock Exchanges on the date of grant.

The expected life of the ESOP is estimated based on the vesting term and contractual term of the ESOP, as well as expected exercise behaviour of the employee who receives the ESOP.

To understand the effect of share based payment transactions on the entity's profit and loss for the year refer Note no.21

IRIS Business Services Limited – Employee Stock Option Scheme 2023

During the year ended March 31, 2024, the Company implemented a new employee stock option scheme, namely the 'IRIS Business Services Limited Employee Stock Option Scheme 2023'

On December 01, 2023, the Board of Directors approved the "IRIS Business Services Limited – Employee Stock Option Scheme 2023". The aforesaid Scheme was duly approved by shareholders in its Extra-Ordinary General Meeting held on February 16, 2024. The Company is in process of making an application to the Stock Exchanges where the Equity shares of the Company are listed for obtaining their in-principle approval for the said scheme and hence the Nomination and Remuneration committee of the Board is yet to grant options under the said Scheme.

Key terms of the scheme:

Date of Shareholder's Approval	February 16, 2024
Total Number of Options approved	9,75,000
Vesting Schedule	Option shall vest not earlier than 1 (One) year and not later than maximum Vesting Period of 4 (Four) years from the date of grant
Maximum term of Options granted	All the Options granted on any date shall vest not later than the maximum period of 4 (Four) years from the date of grant. Further, Exercise period would commence from the date of vesting and will expire on completion of 5 (Five) years from the date of respective vesting.
Method of Settlement	Shares
Source of shares	Primary-Fresh equity allotment by the company