Crayons Advertising Limited
Regd. & Corporate Office:
NSIC Complex, Maa Anandmayee Marg,
Okhla Ind. Estate-III, New Delhi-110 020
Tel: +91 11 4163 0000
E-mail: del@crayonad.com
www.thecrayonsnetwork.com
CIN: L52109DL1986PLC024711

EMPLOYEE STOCK OPTION SCHEME DISCLOSURE

Pursuant to Section 62(1)(b) of the Companies Act, 2013, Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 read with Part F of Schedule I of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the following disclosures are made in respect of the Employee Stock Option Scheme of the Company for the financial year ended 31st March 2026.

A. Details of Employee Stock Option Scheme:

Particulars	**Details**
Name of the Scheme	Crayons Advertising Limited Employee Stock Option Plan 2025
Date of shareholders' approval	27th February, 2025
Total number of options approved under the Scheme	200,000
Options granted during FY 2025-26	1,20,000
Date of grant	12 June 2025
Exercise price	Rs. 20 per option
Vesting requirements	As per the terms and conditions of the Scheme
Maximum term of options granted	4
Source of shares	Primary
Variation in terms of options during FY 2025-26	N/A

The Employee Stock Option Scheme has been implemented in accordance with the applicable provisions of the Companies Act, 2013, the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and other applicable laws.

B. Movement of Employee Stock Options during FY 2025-26:

Particulars	**Number of Options**
Options outstanding at the beginning of the year	Nil
Options granted during the year	1,20,000
Options forfeited/lapsed/cancelled during the year	Nil
Options vested during the year	Nil
Options exercised during the year	Nil
Shares arising as a result of exercise of options	Nil
Money realised by exercise of options	Nil
Options outstanding at the end of the year	1,20,000
Options exercisable at the end of the year	Nil

Note: 28,800 options vested on 29th June 2026. Since the vesting occurred after 31 March 2026, such options have not been considered as options vested during FY 2025-26 and will be reflected in the disclosures for FY 2026-27.

C. Employee-wise details of options granted
During FY 2025-26, the Company granted 120,000 options to four employees at an exercise price of ₹20 per option.

Name of Grantee	Designation / Category	Options Granted	% of Total Options Granted
Mr. Mukesh Singhal	Chief Financial Officer	30,000	25.00%
Mr. Samir Datar	Chief Strategy Officer	45,000	37.50%
Mr. Sunil Daftary	Branch Director	30,000	25.00%
Ms. Madhumita Singh	Business Director	15,000	12.50%
Total		**1,20,000**	**100.00%**

**The above employee-wise disclosure is applicable since each of the four employees received options exceeding 5% of the total options granted during the financial year.*

D. Key Managerial Personnel

Mr. Mukesh Singhal, Chief Financial Officer of the Company, being a Key Managerial Personnel, was granted 30,000 options, representing 25% of the total options granted during FY 2025-26.

Accordingly, the grant to the CFO is disclosed separately in accordance with the applicable provisions.

E. Employees receiving 5% or more of the options granted

The total number of options granted during FY 2025-26 was 120,000. Accordingly, 5% of the annual grant is 6,000 options.

Name of Grantee	Designation / Category	Options Granted	% of Total Options Granted
Mr. Mukesh Singhal	Chief Financial Officer	30,000	25.00%
Mr. Samir Datar	Chief Strategy Officer	45,000	37.50%
Mr. Sunil Daftary	Branch Director	30,000	25.00%
Ms. Madhumita Singh	Business Director	15,000	12.50%
Total		**1,20,000**	**100.00%**

**All employees received options in excess of this threshold and are therefore covered by the employee-wise disclosure requirement.*

F. Employees receiving options equal to or exceeding 1% of issued capital

The issued equity share capital of the Company as on 12 June 2025 comprised **24,430,000 equity shares**.

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Accordingly:

1% of issued equity shares = 244,300 equity shares.

The maximum number of options granted to any individual employee during FY 2025-26 was 45,000 options, which is below the threshold of 2,44,300 options.

Accordingly, no employee was granted options equal to or exceeding 1% of the issued capital of the Company at the time of grant, and therefore no employee falls under this specific category.

G. Accounting treatment

The Company does not follow Indian Accounting Standards (Ind AS). Accordingly, the accounting and disclosure of the Employee Stock Option Scheme have been made in accordance with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013, together with the applicable provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The Company has followed the accounting method as specified in its approved Employee Stock Option Scheme and applicable accounting framework.

Method of accounting for ESOP: Where the Company has accounted for the options using the intrinsic value method, the difference between the employee compensation cost computed under the intrinsic value method and the employee compensation cost that would have been recognised had the fair value method been used, together with the impact of such difference on profit and earnings per share, shall be disclosed as required under the applicable SEBI SBEB Regulations.

H. Diluted Earnings Per Share

The diluted Earnings Per Share arising pursuant to the issue of equity shares on exercise of employee stock options shall be disclosed in accordance with Accounting Standard (AS) 20 – Earnings Per Share, as applicable to the Company.

Since no options were exercised and no equity shares were issued pursuant to exercise of options during FY 2025-26, no shares arose from exercise during the year.

The potential dilution arising from outstanding employee stock options has been considered for diluted EPS in accordance with the applicable requirements of AS 20, wherever applicable.

I. Valuation Methodology and Fair Value of Employee Stock Options

The Company follows the Accounting Standards framework and is not mandatorily required to comply with Indian Accounting Standards (Ind AS).

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Accordingly, the accounting treatment for share-based payments is governed by the applicable Accounting Standards together with the ICAI Guidance Note on Accounting for Share-based Payments (Revised 2020).

For determining the fair value of the Employee Stock Options granted during the financial year, the Company has adopted the Black-Scholes Option Pricing Model, which is an accepted methodology for determining the fair value of stock options and is consistent with the principles prescribed under the aforesaid Guidance Note.

The valuation of the Employee Stock Options was carried out as at the grant date, i.e. 12 June 2025, by an independent registered valuer. The valuation report was subsequently supplemented by an addendum dated 21st May 2026, clarifying the applicable accounting framework. The addendum forms an integral part of the original valuation report and confirms that the valuation methodology, key assumptions and valuation conclusions remain unchanged.

The significant assumptions used for determining the fair value of the Employee Stock Options are as follows:

Particulars	**Details**
Grant date	12th June 2025
Number of options granted	1,20,000
Exercise price per option	₹20.00
Valuation methodology	Black-Scholes Option Pricing Model
Underlying equity share price at grant date	₹52.15
Historical volatility	5.73%
Risk-free interest rate	3.08%
Expected dividend yield	Nil
Fair value per option – Tranche I	₹34.32
Fair value per option – Tranche II	₹35.35
Fair value per option – Tranche III	₹36.37
Weighted average fair value / compensation cost per option	₹35.45

The fair value determined under the Black-Scholes Option Pricing Model has been considered for accounting purposes in accordance with the applicable Accounting Standards and the ICAI Guidance Note on Accounting for Share-based Payments (Revised 2020), as applicable to the Company.

Employee Compensation Cost
Based on the valuation, the weighted-average compensation cost per option is ₹35.45, resulting in an aggregate estimated compensation cost of approximately **₹**42.54 lakh for the grant of 1,20,000 Employee Stock Options, subject to recognition over the applicable vesting period and the actual vesting conditions of the Scheme.

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Diluted Earnings per Share
The Company follows **Accounting Standard (AS) 20 – Earnings per Share**.

The potential equity shares arising from outstanding Employee Stock Options have been considered, wherever applicable, for determining diluted Earnings per Share in accordance with the requirements of AS 20.

No Employee Stock Options were exercised during FY 2025-26 and, consequently, no equity shares were issued pursuant to exercise of options during the financial year.

J. Material Changes in the Scheme

There was no material change in the terms and conditions of the Employee Stock Option Scheme during FY 2025-26.

The options were granted on 12th June 2025 in accordance with the terms of the Scheme approved by the shareholders of the Company.

K. Compliance with SEBI Regulations

The Employee Stock Option Scheme has been implemented in accordance with the applicable provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Companies Act, 2013 and the applicable rules and regulations thereunder.

The Company confirms that the Scheme is in compliance with the applicable provisions of the said Regulations.

L. Website Disclosure

The disclosures required under Regulation 14 read with Part F of Schedule I of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are made available on the website of the Company.

The web-link to such disclosures is: **https://admin.thecrayonsnetwork.com/downloads/134-CAL_ESOP-Disclosure_FY-2025-26.pdf**

M. Summary of Compliance

Particular	**FY 2025-26**
Total options granted	1,20,000
Grant date	12th June 2025
Exercise price	Rs. 20
Options vested during FY 2025-26	Nil
Options exercised	Nil
Shares issued pursuant to exercise	Nil
Options lapsed/forfeited	Nil
Options outstanding at 31st March 2026	1,20,000*

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Particular	**FY 2025-26**
Options granted to KMP	30,000
Employees receiving ≥5% of annual grant	4 employees
Employees receiving ≥1% of issued capital	Nil
Issued equity shares at grant date	2,44,30,000
1% threshold	2,44,300
Highest individual grant	45,000
Options vested after year-end	28,800 on 29th June 2026

Important Note:

The 28,800 options which vested on 29th June 2026 are not included in the “options vested during FY 2025-26” figure because the vesting occurred after the financial year-end of 31 March 2026. Such vesting will be reflected in the movement of options for FY 2026-27.