

Disclosure with respect to Employees Stock Option Scheme pursuant to Regulation 14 of the Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as on March 31, 2020:

Sr. No	Particulars	Status of Compliance
A	Relevant disclosure 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.	Members may refer to the audited financial statement prepared for the financial year 2019-20.
B	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with Indian Accounting Standard (Ind AS) 33- Earnings Per Share issued by ICAI or any other relevant accounting standards as prescribed from time to time.	Diluted EPS before and after extraordinary items for the year ended March 31, 2020 is ₹ 74.99
C	Details related to ESOP Scheme - 2016 i. A description of ESOP Scheme - 2016 that existed at any time during the year, including the general terms and conditions of ESOP Scheme - 2016, including:	Details are provided in Annexure-1
	Date of shareholders' approval	
	Total number of options approved under ESOP Scheme - 2016	
	Vesting requirements	
	Exercise price or pricing formula	
	Maximum term of options granted	
	Source of shares (primary, secondary or combination)	
	Variation in terms of options	
	ii. Method used to account for ESOP Scheme - 2016 (Intrinsic or fair value).	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	N.A

	the employee compensation cost that shall have been recognised 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.	
	iii. Option Movement during the year (For ESOP Scheme - 2016):	Details are provided in Annexure 2
	iv. Weighted average exercise prices ₹ 2 and weighted average fair values ₹ 1,588.88 & ₹ 1,527.59 of options shall be disclosed separately for options whose exercise price either equals/exceeds/is less than the market price of the stock.	
	v. Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to-	
	a) Senior managerial personnel;	Details are provided in Annexure 3
	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	Details are provided in Annexure 4
	c) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital of the company (excluding outstanding warrants and conversions) at the time of grant.	None of the Employees granted more than 1% of the issued capital
	vi. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	
	a) Weighted average values of share price, exercise price, expected volatility, expected option life, expected dividends, risk-free interest rate and any other inputs to the model;	Details provided in Annexure 5



	b) Method used & assumptions made to incorporate effects of expected early exercise	Black-Sholes Options Pricing Model
	c) How expected volatility was determined, including explanation of the extent to which expected volatility was based on historical volatility; and	The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.
	d) Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as market condition.	NA

Annexure-1

Particulars	Employee Stock Option Scheme 2016
Date of shareholders' approval	January 21, 2016 Ratified on December 15, 2016
Total number of options approved under ESOP Scheme – 2016	60,00,000 Equity Shares
Vesting requirements	One year from date of grant and every year thereafter (4 vesting)
Exercise price or pricing formula	₹ 2
Maximum term of options granted	7 Years
Source of shares (primary, secondary or combination)	Primary
Variation in terms of options	NA

Annexure-2

Particulars	Employee Stock Option Scheme 2016
Number of options outstanding at the beginning of the period	17,38,667
Number of options granted during the year	1,66,000
Number of options forfeited / lapsed during the year	84,000
Number of options vested during the year	5,29,120
Number of options exercised during the year	4,98,233
Number of shares arising as a result of exercise of options	4,98,233
Money realized by exercise of options (INR), if scheme is implemented directly by the Company	₹ 9,96,466/-
Loan repaid by the Trust during the year from exercise price received	N.A.
Number of options outstanding at the end of the year	13,22,434
Number of options exercisable at the end of the year	1,05,074

Annexure - 3

Name	Designation	No. of Options Granted during the year	Exercise price
Abhishek	Chief Operating Officer & Whole-Time Director	25000	₹ 2
M T Lakshmanan	Chief Human Resources Officer	10000	₹ 2

Annexure - 4

Name	Designation	No. of Options Granted during the year	Exercise price
Abhishek	Chief Operating Officer & Whole-Time Director	25000	₹ 2
M T Lakshmanan	Chief Human Resources Officer	10000	₹ 2
Jagyan Prakash Mishra	Global Head, Aerospace & Rail Common	10000	₹ 2
Muralidhara H L	Global Head, Medical & Life Science Common	10000	₹ 2

Annexure – 5

Sr. no.	Particulars	2019-2020
i	Weighted average risk-free interest rate	6.22% & 6.03%
ii	Weighted average expected life of options	2.99 Years
iii	Weighted average expected volatility	24.01% & 23.21%
iv	Weighted average expected dividends over the life of the option	5.30% & 5.08%
v	Weighted average share price at grant date	₹ 1660.45 per option & Rs. 1593.30 per option
vi	Weighted average exercise price	₹ 2