

Annexure II

DISCLOSURES WITH RESPECT TO EMPLOYEES STOCK OPTION PLAN/SCHEME PURSUANT TO REGULATION 14 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AS ON 31ST MARCH, 2021:

There was no material change in the ESOP Scheme. The ESOP Scheme is in compliance with the Regulations.

A) Relevant disclosures in terms of Indian Accounting Standard (Ind AS -102) under Section 133 of the Companies Act, 2013 read with The Companies (Indian Accounting Standards) Rules, 2015.

Members may refer to Note no 43 contained in the Notes to Financial Statements forming part of Annual Financial Statements for the Financial Year ended on 31st March, 2021.

B) Diluted EPS on issue of shares pursuant to all the schemes covered under the Regulations shall be disclosed in accordance with 'Ind AS-33' – Earnings per Share under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.

Diluted EPS before and after exceptional/extraordinary items for the year ended 31st March, 2021 is ₹7.01.

C) Details related to Employee Stock Option Plan/Scheme (ESOP/ESOS) of the Company:

i) Description of each ESOP that existed at any time during the year, including the general terms and conditions of each ESOP, including:

Particulars	Employee Stock Option Plan, 2016
a) Date of shareholders' approval	3rd August, 2016
b) Total number of options approved under ESOP	3,46,78,470
c) Vesting Requirements	Options shall vest over a period of 3 years from the date of grant of options as under: a) 33% on first anniversary of Grant Date b) 33% on second anniversary of Grant Date and c) 34% on third anniversary of Grant Date rounded up to whole numbers.
d) Exercise price/Pricing formula	₹ 1/-
e) Maximum term of options granted	10 years
f) Source of shares (primary, secondary or combination)	Primary
g) Variation in terms of options	None during the year

ii) Method used to account for ESOP (Intrinsic or Fair value) - Fair value

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 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.

Since the Company opts for expensing of the options using fair value, so the Company is not required to disclose impact of any difference arising due to intrinsic value and the fair value on profits and on EPS of the Company.

iv) Option Movement during the year (For each ESOP/ESOS):

Particulars	Employee Stock Option Plan, 2016		
	Grant II	Grant III	Grant IV
No. of options outstanding at the beginning of the period	47,968	92,138	-
No. of options granted during the year	-	-	80,648
No. of options forfeited/lapsed during the year	2,640	3,478	1,620

Particulars	Employee Stock Option Plan, 2016		
	Grant II	Grant III	Grant IV
No. of options vested during the year	45,328	30,059*	-
No. of options exercised during the year	45,328	29,929	-
No. of shares arising as a result of exercise of options	45,328	29,929	-
Money realised by exercise of options (INR), if scheme is implemented directly by the Company	45,328	29,929	-
Loan repaid by the Trust during the year from exercise price received	N.A.	N.A.	N.A.
No. of options outstanding at the end of the year	-	58,729#	79,028
No. of options exercisable at the end of the year	-	130	-
v) a) Weighted average exercise prices	₹ 1	₹ 1	₹ 1
b) Weighted average fair values	₹762.90	₹759.31	₹757.05

* excluding 45 options of total 135 employees, each having fraction as 0.33 of an option in Tranche I which will be carry forwarded in subsequent tranches [i.e. Tranches (ii) and (iii)] of Grant III.

also includes 130 options of Tranche I, pending to be exercised in next financial year.

vi) Employee wise details of options granted to:-

a) Senior managerial personnel- During the financial year 2020-21 following Options were granted to Senior Management Personnel.

Name	Designation	No. of options granted in F.Y 2020-21	Exercise price per option (₹)
Mr Abhijit Roy	Managing Director & CEO	1,486	1

b) Any other employee who receives a grant in any one year of option amounting to 5% or more of options granted during that year

None

c) Employees who were granted options, 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

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) 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;

Serial no.	Particulars	2020-2021
i.	Weighted average risk-free interest rate	6.18%
ii.	Weighted average expected life of options	2.91 years
iii.	Weighted average expected volatility	21.75%
iv.	Weighted average expected dividends over the life of the option	₹8.14 per option
v.	Weighted average share price	₹765.00
vi.	Weighted average exercise price	₹1 per share

b) Method used and assumptions made to incorporate effects of expected early exercise: Black-Scholes Options Pricing Model.

c) How expected volatility was determined, including explanation of the extent to which expected volatility was based on historical volatility;

Expected volatility is based on the historical volatility of the Company's share price applicable to the total expected life of each option.

d) Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as market condition: None.