

**ANNEXURE – 4**
**STATEMENT PURSUANT TO REGULATION 14 (DISCLOSURE IN THE BOARD'S REPORT) OF SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014**

The Employees Stock Option Schemes approved by the Company are in compliance with SEBI Regulations. There is no variation in the Schemes which are valid as on date.

- A. Relevant 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 are provided on the link <https://everestind.com/disclosures-under-statutory-enactments>
- B. Diluted EPS on issue of shares in accordance with "Indian Accounting Standard (Ind AS) 33 - Earnings per Share" issued by ICAI: ₹ 36.83 (Standalone) and ₹ 36.06 (Consolidated).
- C. Details related to Employees Stock Option Schemes are given below

Name of the Scheme	ESOS – 2015	ESOS – 2017	ESOS – 2018	ESOS – 2019
Date of shareholders approval	26th August, 2015	26th July, 2017	25th July, 2018	24th July, 2019
Total number of options approved under ESOS	1,80,000	1,80,000	1,80,000	1,80,000
Total number of options granted under ESOS	1,70,000 options were granted on 13th January, 2016	1,60,000 options were granted on 24th January, 2018	1,70,000 options were granted on 23rd January, 2019	16,450 options were granted on 24th March, 2020
Vesting requirements	The vesting period shall be 1 (one) year from the date of grant of options			
Exercise price or pricing formula	₹ 262 per option	₹ 571 per option	₹ 477 per option	₹ 127 per option
	Being the average closing price of the shares during the two weeks preceding the date of grant of options or closing price of the Company's shares on the Exchange on the date prior to the date of grant of options, whichever is less.			
Maximum term of options granted	The Exercise Period shall commence from the date of expiry of Vesting Period and will continue upto four (4) years thereafter.			
Source of shares	Fresh issue of shares			
Variation in terms of options	None			
Method used for accounting of ESOPs	Fair Value of options			
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.	NA			
The impact of this difference on profits and on EPS of the company shall also be disclosed.	Nil			

- D. Details of options granted to senior managerial personnel or identified employees during the year ended 31st March, 2021 : No options have been granted by the Company during the financial year 2020-21.

E. The activity in the Employees Stock Option Schemes during the year ended 31st March, 2021 is as under:

Name of the Scheme	ESOS - 2015	ESOS - 2017	ESOS - 2018	ESOS - 2019
Number of options outstanding at the beginning of the period	51,225	1,29,500	1,59,395	16,300
Number of options granted during the year	-	-	-	-
Number of options forfeited / lapsed during the year	51,225	36,910	47,150	1,950
Number of options vested during the year	-	-	-	14,350
Number of options exercised during the year	-	-	-	-
Number of shares arising as a result of exercise of options	-	-	-	-
Money realized by exercise of options (INR), if scheme is implemented directly by the company	-	-	-	-
Loan repaid by the Trust during the year from exercise price received	NA	NA	NA	NA
Number of options outstanding at the end of the year	NIL	92,590	1,12,245	14,350
Number of options exercisable at the end of the year	NIL	92,590	1,12,245	14,350
Weighted average exercise price and weighted average fair value of Options granted during the year for Options whose exercise price either equals or exceeds or is less than the market price of the stock. Options whose exercise price is equal to the market price:				
- Weighted average exercise price of options	NA	NA	NA	127.00
- Weighted average fair value of options	NA	NA	NA	37.67
A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information: Weighted average share price				
- Exercise price	₹ 250.00	₹ 571.00	₹ 477.00	₹ 127.00
- Expected volatility	42.16%	47.51%	38.82%	44.14%
- Option life (comprising vesting period and exercise period)	5 years	5 years	5 years	5 years
- Expected dividends	2.00%	0.18%	1.41%	5.82%
- Risk free rate of return	7.88%	7.26%	7.35%	6.35%
The method used and the assumptions made to incorporate the effects of expected early exercise	Historical data and pattern for early exercise of Options is not uniform, hence not considered in expected life calculations.			

<p>How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility</p>	<p>Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes options pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange, over twelve months period prior to the date of grant has been considered.</p>
<p>Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition</p>	<p>No other feature has been considered for fair valuation of options except as mentioned in the points above.</p>

The Company in its Annual General Meeting held on 29th June, 2016 and 27th August, 2020 had passed Special Resolution approving Employees' Stock Option Scheme 2016 and Employees' Stock Option Scheme 2020 respectively however, no options have been granted by the Company in the financial year 2016-17 and 2020-21.

**For and on behalf of the Board**

Place: Mumbai  
Date: May 27, 2021

**Anant Talaulicar**  
Chairman

**Rajesh Joshi**  
Managing Director & CEO