

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 <http://www.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: ₹ 41.08 (Standalone) and ₹ 39.29 (Consolidated).
- C. Details related to Employees Stock Option Schemes are given below:

Name of the Scheme	ESOS - 2014	ESOS - 2015	ESOS - 2017	ESOS - 2018
Date of shareholders approval	July 30, 2014	August 26, 2015	July 26, 2017	July 25, 2018
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	1,40,000 options were granted on January 21, 2015.	1,70,000 options were granted on January 13, 2016.	1,60,000 options were granted on January 24, 2018.	1,70,000 options were granted on January 23, 2019
Vesting requirements	The vesting period shall be 1 (one) year from the date of grant of options			
Exercise price or pricing formula	₹ 336 per option	₹ 262 per option	₹ 571 per option	₹ 477 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.			

- D. Details of options granted to senior managerial personnel or identified employees during the year ended 31st March, 2019 is as under

Particulars	Options
Senior managerial personnel	
a. Mr. Manish Sanghi (Managing Director)	25,000
b. Mr. Y. Srinivasa Rao (Executive Director)	20,000
c. Mr. Rahul Chopra (Sr. Vice President & Business Head Boards & Panel)	7,500
d. Mr. Neelabh Kumar Singh (Vice President & Head Roofing Business)	3,000
e. Mr. Neeraj Kohli (Company Secretary)	1,750
Any other employees who received a grant in any one year of Options amounting to 5% or more of the Options granted during that year.	NA
Identified 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.	NA

E. The activity in the Employees Stock Option Schemes during the year ended March 31, 2019 is as under:

Name of the Scheme	ESOS - 2014	ESOS - 2015	ESOS - 2017	ESOS - 2018
Number of options outstanding at the beginning of the period	49,520	56,955	1,60,000	NIL
Number of options granted during the year	-	-	-	1,70,000
Number of options forfeited / lapsed during the year	910	2,210	23,380	-
Number of options vested during the year	-	-	1,36,620	-
Number of options exercised during the year	7,080	3,100	-	-
Number of shares arising as a result of exercise of options	7,080	3,100	-	-
Money realized by exercise of options (INR), if scheme is implemented directly by the company (including 681 shares for which allotment is pending)	₹ 23,78,880/-	₹ 8,12,200/-	-	-
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	41,530	51,645	1,36,620	1,70,000
Number of options exercisable at the end of the year	41,530	51,645	1,36,620	1,70,000
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	NA
- Weighted average fair value of options	NA	NA	NA	NA
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	₹ 333.40	₹ 250.00	₹ 571.00	₹ 477.00
- Expected volatility	41.72%	42.16%	47.51%	38.82%
- Option life (comprising of vesting period and exercise period)	5 years	5 years	5 years	5 years
- Expected dividends	0.75%	2.00%	0.18%	1.41%
- Risk free rate of return	7.72%	7.88%	7.26%	7.35%
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.			
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	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.			
Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	No other feature has been considered for fair valuation of options except as mentioned in the points above.			

The Company in its Annual General Meeting held on July 26, 2013 and June 29, 2016 had passed Special Resolutions approving Employees' Stock Option Scheme 2013 and Employees' Stock Option Scheme 2016, however, no options have been granted by the Company in the financial year 2013-14 and 2016-17.

For and on behalf of the Board

Place : Mumbai
Date : 1st May, 2019

Manish Sanghi
Managing Director

M L Gupta
Director