

ANNEXURE-4

DISCLOSURE PURSUANT TO REGULATION 14 OF SEBI (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021, FOR THE FINANCIAL YEAR 2021-22.

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 accounting standards prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 including 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 disclosed in Notes to Accounts No. 2.48 to Standalone Financials Statements for the year ended March 31, 2022
- B. Diluted EPS on issue of shares in accordance with "Indian Accounting Standard (Ind AS) 33 - Earnings per Share" issued by ICAI: ₹ 28.20/- (Standalone) and ₹ 28.18/- (Consolidated).
- C. Details related to Employees Stock Option Schemes are given below:

Name of the Scheme	ESOS - 2017	ESOS - 2018	ESOS - 2019	ESOS-2021
Date of shareholders approval	26th July, 2017	25th July, 2018	24th July, 2019	25th August, 2021
Total number of options approved under ESOS	1,80,000	1,80,000	1,80,000	10,00,000
Total number of options granted under ESOS	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	1,31,992 Options were granted on 9th February, 2022
Vesting requirements	The vesting period shall be 1 (one) year from the date of grant of options			Note 2
Exercise price or pricing formula	₹ 571 per option	₹ 477 per option	₹ 127 per option	₹ 635 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. If the shares of the Company are listed on more than one Stock Exchange the price of the Company on the Stock Exchange where there is highest trading volume on the date prior to the date of grant of options shall be considered.			Note 3
Maximum term of options granted	The Exercise Period shall commence from the date of expiry of Vesting Period and will continue up to four (4) years thereafter.			
Source of shares (Primary, Secondary or combination)	Primary 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 Options movement during the year for each ESOS Schemes of the Company (FY 2022):

Name of the Scheme	ESOS - 2017	ESOS - 2018	ESOS - 2019	ESOS-2021
Number of options outstanding at the beginning of the period	92,590	1,12,245	14,350	-
Number of options granted during the year	-	-	-	1,31,992
Number of options forfeited / lapsed during the year	29,575	40,675	2,150	-
Number of options vested during the year	-	-	-	-
Number of options exercised during the year	5,240	27,505	8,992	-
Number of shares arising as a result of exercise of options	5,240	27,505	8,992	-
Money realized by exercise of options (INR), if scheme is implemented directly by the company	29,92,040	1,31,19,885	11,41,984	-
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	57,775	44,065	3,208	1,31,992
Number of options exercisable at the end of the year	57,775	44,065	3,208	1,31,992
Weighted average exercise prices and weighted average fair values of options shall be disclose separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.				
- Weighted average exercise price of options	N.A	N.A	N.A	₹ 635.00
- Weighted average fair value of options	N.A	N.A	N.A	₹ 273.08
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	₹ 571.00	₹ 477.00	₹ 127.00	₹ 635.00
- Expected volatility	47.51%	38.82%	44.14%	49.65%
- Option life (comprising vesting period and exercise period)	5 years	5 years	5 years	5 years
- Expected dividends	0.18%	1.41%	5.82%	1.18%
- Risk free rate of return	7.26%	7.35%	6.35%	5.84%
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 BSE Limited, 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.			

E. Details of options granted to senior managerial personnel or identified employees during the year ended March 31, 2022:

Particulars	Options Granted
Rajesh Joshi (Managing Director & CEO)	48,717
Rahul Chopra (Senior Vice President & Business Head - Boards & Panel)	13,137
Ashish Choudhary (Vice President-Operations & Supply Chain)	13,102
Niranjan Gokhale (Head – Strategy)	9,217
Sulaksha Shetty (Chief Human Resources Officer)	7,861
Neeraj Kohli (Company Secretary & Head Legal)	3,876
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; and	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

Notes:

1. 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.
2. Options granted under ESOS-2021 shall vest with the grantee as per the following schedule: (i) The first tranche comprising 20% of the number of options granted shall vest upon completion of one year from the date of grant. (ii) The second tranche comprising 30% of the number of options granted shall vest upon completion of two years from the date of grant (iii) The third tranche comprising 50% of the number of options granted shall vest upon completion of three years from the date of grant.
3. The exercise price per option shall be not less than the previous two weeks average closing price or closing price of the Company’s shares on the Stock Exchange on the date prior to the date of grant of the options, whichever is less. If the shares of the Company are listed on more than one Stock Exchange, then the price shall be determined as regards each Stock Exchange by applying the abovementioned formula and the lowest of the price so determined shall be the exercise price for the purposes of the ESOS-2021.

For and on behalf of the Board

Place: Mumbai
May 27, 2022

Anant Talaulicar
Chairman

Rajesh Joshi
Managing Director & CEO