

Disclosure pursuant to the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

The details of stock options as on 31st March 2021 under Greaves Cotton - Employees Stock Option Plan 2020 ("ESOP 2020") are given below:

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:

Members may please refer to the audited financial statement for the year 2020-21.

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time:

NA

C. Summary of Status of ESOPs Granted

The description of the existing scheme is summarized as under –

Sr. No.	Particulars	ESOP 2020
1	Date of Shareholders approval	11 th July 2020 (Through Postal Ballot notice dated 11 th June 2020).
2	Total number of options approved	46,24,135
3	Vesting Requirement	The options would vest not earlier than 1 year and not later than 7 years from the date of individual grant of Options
4	Exercise Price (Rs.)	Rs. 2.00 per option
5	Maximum term of Options Granted	8 years
6	Sources of Shares	Primary
7	Variation in terms of options	Not Applicable
8	Method used for Accounting of ESOP	Fair Value Method
9	Where the Company opts for expensing of the options using the intrinsic value of the stock, the difference between the employee compensation cost so calculated and the employee compensation cost that shall have been recognised if it had used the Fair Value of the option, shall be disclosed. The impact of this difference on the profits and EPS of the company shall also be disclosed	Not Applicable

The movement of options during the year are as follows:

Sr. No.	Particulars	ESOP 2020
1	No. of Options outstanding at the beginning of the year	-
2	No. of Options Granted during the year	21,28,694
3	No. of Options forfeited / lapsed during the year	-
4	No. of Options Vested during the year	-
5	No. of Options Exercised during the year	-
6	No. of Shares arising as a result of exercise of options	-
7	Money realised by exercise of options during the year 2020-21 (Rs.)	-
8	Loan repaid by the trust during the year from the exercise price received	NA
9	No. of Options outstanding at the end of the year	24,95,441
10	No. of Options exercisable at the end of the year	NIL

D. Employee-wise details of options granted during the financial year 2020-21 to:

(i) Senior Managerial Personnel

Name	Designation	No. of Options granted
Mr. Nagesh Basavanhalli	Managing Director & Group CEO	12,16,397
Mr. Ajit Venkataraman	Executive Director	2,43,279
Mr. Dalpat Jain	Group Chief Financial Officer	2,43,279
Mr. Sunil Shahi	President – Non-Automotive	2,43,279
Ms. Shefali B Suri	Chief Human Resource Officer	1,82,460

(ii) Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year

Name of employee	No. of Options granted
Mr. Nagesh Basavanhalli	12,16,397
Mr. Ajit Venkataraman	2,43,279
Mr. Dalpat Jain	2,43,279
Mr. Sunil Shahi	2,43,279
Ms. Shefali B Suri	1,82,460

(iii) Identified employees who were granted option, 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.

NIL

E. Weighted average Fair Value of Options granted during the year whose –

Particulars	ESOP 2020
Exercise price equals market price	Nil
Exercise price is greater than market price	Nil
Exercise price is less than market price	Rs. 82.21 per option

Weighted average Exercise price of options granted during the year whose –

Particulars	ESOP 2020
Exercise price equals market price	Nil
Exercise price is greater than market price	Nil
Exercise price is less than market price	Rs. 2.00 per share

F. Method and Assumptions used to estimate the fair value of options granted during the year:

The fair value has been calculated using the binomial option pricing model.

The Assumptions used in the model are as follows:

Variables	ESOP 2020
1. Risk Free Interest Rate	5.94%
2. Expected Life(in years)	6.5 years
3. Expected Volatility	71.68%
4. Expected Dividend Yield	Rs 4 per option
5. Price of the underlying share in market at the time of the option grant.(Rs.)	Rs 83.74 per share
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 binomial option pricing model is the annualised 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 a period prior to the date of grant, corresponding with the expected life of the options has been considered. The expected life is considered as average of the minimum & maximum life of the options.	
There are no market conditions attached to the grant and vest.	