

ELPRO INTERNATIONAL LIMITED EMPLOYEES STOCK OPTION SCHEME 2019
("ELPRO ESOP SCHEME 2019" OR "THE SCHEME")

[Disclosures pursuant to Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with SEBI circular no. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 for the financial year ended March 31, 2020]

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.

Please refer Note No. 44 of the Notes Forming Part of the Financial Statements of the Annual Report 2019-20.

B. Diluted EPS on issue of shares pursuant to the Scheme disclosed in accordance with 'Ind AS 33 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

Potential ordinary shares to be issued on conversion of ESOPs are anti-dilutive in nature and hence are not considered for calculation of Diluted EPS

C. Details related to the Scheme:

i) Description of the Scheme (including the general terms and conditions):

(a)	Date of shareholders' approval	November 25, 2019
(b)	Total number of options approved under the Scheme	84,73,956
(c)	Vesting requirements	Options granted under the Plan shall vest not earlier than One year but not later than a maximum of four years from the date of grant of such Options. Vesting of Option would be subject to continued employment with the Company. In addition to this, the Committee may also specify certain performance criteria subject to satisfaction of which the Options would vest.
(d)	Exercise price or pricing formula	Rs 43.62 per Ordinary share The Exercise Price may be adjusted for any Corporate Action (s) announced by the Company prior to the Exercise Period pertaining to the relevant Options, as may be decided by the Board/NRC.
(e)	Maximum term of options granted	Options granted under the Scheme would Vest within a maximum period of 4 (four) years from the date of Grant of such Options.
(f)	Source of shares (primary, secondary or combination)	Primary
(g)	Variation in terms of options	Not Applicable
(ii)	Method used to account for ESOS	Fair value method*
(iii)	(a) Difference between the employee compensation cost computed as per intrinsic value method and the employee compensation cost as per the fair value of the options	Not Applicable
	(b) The impact of this difference on profits and on EPS of the Company	Not Applicable

* Under IND AS , Fair value method is used to account ESOS.

iv) Option movement during the year:

Number of options outstanding at the beginning of the period	-
Number of options granted during the year	34,56,216
Number of options forfeited / lapsed during the year	4,91,380
Number of options vested during the year	Nil
Number of options exercised during the year	Nil
Number of shares arising as a result of exercise of options	Nil
Money realized by exercise of options (INR), if the Scheme is implemented directly by the Company	Nil
Loan repaid by the Trust during the year from exercise price received	Not Applicable
Number of options outstanding at the end of the year	34,56,216
Number of options exercisable at the end of the year	Nil

v) Weighted-average exercise prices and weighted-average fair values of options for options whose exercise price either equals or exceeds or is less than the market price of the stock.

The Exercise Price of Rs.43.62/- does not exceed the market price of the Ordinary Shares of the Company as on March 31, 2020.

vi) Employee wise details of options granted to -

a) Senior Managerial Personnel (including Key Managerial Personnel):

Sr. No.	Name	Designation	No. of options granted	Exercise Price per Option (in Rs')
1	Mr. Deepak Kumar	Managing Director	11,09,601	43.62
2	Mr. Sambhaw Kumar Jain	CFO	15,82,139	43.62

b) Any other employees who receive a grant in any one year of options amounting to 5% or more of options granted during that year: NIL

c) 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: NIL

vii) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

The Company has estimated fair value of options granted during the year using Black Scholes model. The following assumptions were used for calculation of fair value of options granted during the year ended March 31, 2020:

Assumption factor	Estimates
Risk free rate	5.73% to 5.95%
Expected life of option	3 to 4 years
Expected volatility	52% to 56%