

ESOP Annexure

Disclosure pursuant to Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as on March 31, 2023

The shareholders of the Company had approved Employee Stock Options Scheme, 2017 through Postal Ballot on February 10, 2017, in compliance with the ESOP Regulations. The disclosures in pursuance of ESOP Regulations are as under:

- A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share based payments' issued by Institute of Chartered Accountants of India ("ICAI") or any other relevant accounting standards as prescribed from time to time.**

The disclosures are provided in Note 2.41 of the Standalone Financial Statements of the Company for the year ended March 31, 2023.

The members of the Company had approved 'Employee Stock Option Scheme, 2017' through Postal Ballot on February 10, 2017. The plan envisaged grant of stock options to eligible employees at an exercise price equal to the latest available closing price discounted by 50% or such other percentage as may be decided by the Nomination and Remuneration Committee.

Under the Plan, upto 5,341,840 stock options can be issued to eligible employees of the Company and its subsidiaries, whether working in India or out of India, including any Director of the Company and its subsidiaries, whether whole time or otherwise excluding the Independent Directors. Under the Plan, each option, upon vesting, shall entitle the holder to acquire one equity share of Rs. 2 each. The options granted will vest gradually over a period not earlier than one year and not later than five years from the date of Grant of such Options. Vesting of Options is a function of achievement of performance criteria or any other criteria, as specified by the Committee and communicated in the grant letter.

- 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 Central Government or any other relevant accounting standards as issued from time to time.**

Rs. 10.06

- C. Details related to Employees Stock Option Scheme (ESOS):**

i.	A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including -	
a)	Date of shareholders' approval	February 10, 2017
b)	Total number of options approved under ESOS	53,41,840

c)	Vesting requirements																									
	Vesting of Options would be subject to continued employment with the Company and thus the Options would vest on passage of time.																									
	Summary of vesting and lock-in provisions are given below:																									
	Grant -1																									
	<table border="1"> <thead> <tr> <th rowspan="2">Sr. No</th> <th colspan="3">Vesting Schedule</th> </tr> <tr> <th>% of options scheduled to vest</th> <th>Vesting date</th> <th>Lock-in period</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>20%</td> <td>1 year from grant date</td> <td>NIL</td> </tr> <tr> <td>2</td> <td>20%</td> <td>2 year from grant date</td> <td>NIL</td> </tr> <tr> <td>3</td> <td>20%</td> <td>3 year from grant date</td> <td>NIL</td> </tr> <tr> <td>4</td> <td>40%</td> <td>4 year from grant date</td> <td>NIL</td> </tr> </tbody> </table>			Sr. No	Vesting Schedule			% of options scheduled to vest	Vesting date	Lock-in period	1	20%	1 year from grant date	NIL	2	20%	2 year from grant date	NIL	3	20%	3 year from grant date	NIL	4	40%	4 year from grant date	NIL
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1	60%	1 year from grant date	NIL																							
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Grant -4 (pertains to grants given to the employee of one of the subsidiary)																										
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d)	Exercise price or Pricing formula	<p>Exercise Price means the price payable by an Employee in order to Exercise the Options granted to him in pursuance of the ESOP 2017.</p> <p>The options will be granted at an exercise price equal to the latest available closing price discounted by 50% or such other percentage as may be decided by the Nomination and Remuneration Committee and approved by the Board of Directors, prior to the date of the meeting of the Nomination and Remuneration Committee, in which options are granted, on the stock exchange on which the Company's shares are listed.</p>
e)	Maximum term of options granted	The options granted will vest gradually over a period not earlier than 1 (one) year and not later than 5 (five) years from the date of grant of such options.
f)	Source of shares (primary, secondary or combination)	Primary
g)	Variation in terms of options	None
ii	Method used to account for ESOP - Intrinsic Value Method or Fair Value	
	Stock compensation expense under the Fair Value Method has been determined based on fair value of the stock options. The fair value of stock options was determined using the Black Scholes option pricing model	
iii	Where the Company opts for expensing of the options using the intrinsic value of the options -	
a)	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	N.A
b)	Impact of this difference on profits and on EPS of the Company Reported Proforma (Adjusted)	N.A

iv.	Option movement during the year:	
	Particulars	Details (ESOP 2017)
	Number of options outstanding at the beginning of the period	1,172,000
	Number of options granted during the year	2,27,646
	Number of options forfeited / lapsed during the year	(256,000)
	Number of options vested during the year	NIL
	Number of options exercised during the year	(176,000)
	Number of shares arising as a result of exercise of options	NIL
	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	NIL
	Loan repaid by the Trust during the year from exercise price received	NIL
	Number of options outstanding at the end of the year	9,67,646
	Number of options exercisable at the end of the year	44,000
v.	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock: -	Rs. 50 per share Rs. 28.5- Rs.196.5

vi.	<p>Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to-</p> <ol style="list-style-type: none"> 1. "Senior Management" as defined under regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015: <table border="1" data-bbox="350 464 1398 772"> <thead> <tr> <th data-bbox="350 464 610 569">Name of employee</th> <th data-bbox="610 464 914 569">Designation</th> <th data-bbox="914 464 1177 569">Number of options granted during the year</th> <th data-bbox="1177 464 1398 569">Exercise price</th> </tr> </thead> <tbody> <tr> <td data-bbox="350 569 610 772">Mr. Sanjay Gupta</td> <td data-bbox="610 569 914 772">President and CEO - MIL, EME & SMGM (Employee of Minda Instrument Limited, WOS)</td> <td data-bbox="914 569 1177 772">2,27,646</td> <td data-bbox="1177 569 1398 772">Options granted at 100% discounted price</td> </tr> </tbody> </table> <ol style="list-style-type: none"> 2. Any other employee who received a grant in any one year of option amounting to 5% or more of options granted during the year: - None 3. 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: - None 	Name of employee	Designation	Number of options granted during the year	Exercise price	Mr. Sanjay Gupta	President and CEO - MIL, EME & SMGM (Employee of Minda Instrument Limited, WOS)	2,27,646	Options granted at 100% discounted price						
Name of employee	Designation	Number of options granted during the year	Exercise price												
Mr. Sanjay Gupta	President and CEO - MIL, EME & SMGM (Employee of Minda Instrument Limited, WOS)	2,27,646	Options granted at 100% discounted price												
(vii)	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:														
a	The weighted average values:														
	<table border="1" data-bbox="350 1199 1409 1734"> <tbody> <tr> <td data-bbox="350 1199 751 1268">Share Price (Rs.)</td> <td data-bbox="751 1199 1409 1268">Rs. 28.5 - 196.5 per share</td> </tr> <tr> <td data-bbox="350 1268 751 1337">Exercise Price (Rs.)</td> <td data-bbox="751 1268 1409 1337">Rs. 50 per share</td> </tr> <tr> <td data-bbox="350 1337 751 1407">Expected volatility</td> <td data-bbox="751 1337 1409 1407">42.2% - 68.3%</td> </tr> <tr> <td data-bbox="350 1407 751 1535">Expected option life (In Years)</td> <td data-bbox="751 1407 1409 1535">2 - 4 years</td> </tr> <tr> <td data-bbox="350 1535 751 1604">Expected dividend yield</td> <td data-bbox="751 1535 1409 1604">0.4% - 0.6%</td> </tr> <tr> <td data-bbox="350 1604 751 1673">Risk-free interest rate</td> <td data-bbox="751 1604 1409 1673">4.2%-7.5%</td> </tr> <tr> <td data-bbox="350 1673 751 1734">Any other input to the made</td> <td data-bbox="751 1673 1409 1734">NIL</td> </tr> </tbody> </table>	Share Price (Rs.)	Rs. 28.5 - 196.5 per share	Exercise Price (Rs.)	Rs. 50 per share	Expected volatility	42.2% - 68.3%	Expected option life (In Years)	2 - 4 years	Expected dividend yield	0.4% - 0.6%	Risk-free interest rate	4.2%-7.5%	Any other input to the made	NIL
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Risk-free interest rate	4.2%-7.5%														
Any other input to the made	NIL														
b	<p>the method used and the assumptions made to incorporate the effects of expected early exercise</p> <p>Black Scholes Method</p>														

c	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	The expected volatility was determined based on historical volatility data. Volatility has been considered for periods, corresponding to the respective expected lives of the different vests, prior to the grant date. Daily volatility of the Company's stock price on NSE over these years has been considered.
d)	whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	Not applicable
vii	Until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made.	
	Not Applicable	

D. Details related to ESPS

i. General information

Sl. No.	Particulars	Details
1	Name of the Trust	Minda Corporation Limited Employee Stock Options Scheme Trust
2	Details of the Trustee	1. Mr. Pramode Parasramka 2. Mr. Maharaj Kishan Pajan
3	Amount of loan disbursed by Company / any Company in the group, during the year	Nil
4.	Amount of loan outstanding (repayable to Company / any Company in the group) as at the end of the year	The Company had outstanding loan with the Trust as on March 31, 2023: - Loan Amount: - Rs. 10,19,55,000 Interest Amount: - Rs. 4,01,94,420
5	Amount of loan, if any, taken from any other source for which Company / any Company in the group has provided any security or guarantee	NIL

6	Any other contribution made to the Trust during the year	NIL
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ii. Brief details of transactions in shares by the Trust

a)	Number of shares held at the beginning of the year	42,03,640 Equity Shares
b)	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	1,76,000 Equity Shares
c)	Number of shares transferred to the employees / sold along with the purpose thereof	
d)	Number of shares held at the end of the year	40,27,640 Equity Shares

iii. In case of secondary acquisition of shares by the Trust

Number of shares	NIL
Held at the beginning of the year	NIL
Acquired during the year	NIL
Sold during the year	NIL
Transferred to the employees during the year	NIL
Held at the end of the year	NIL

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