

**Disclosure pursuant to the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - For Financial Year 2020-21**

- A. Relevant disclosures in terms of the “Guidance Note on Accounting for Employee Share- based Payments” issued by ICAI has been made in Note no. 34 of the Notes to Accounts forming part of the Annual Report 2020-21 of the Company.
- B. Diluted earnings per share pursuant to the issue of share on exercise of options calculated in accordance with Indian Accounting Standards Ind-AS 33, “Earnings Per Share” is Rs. 22.65.

**C. Summary of Status of ESOP granted**

(i) The description of the existing scheme is summarized as under:-

Sno.	Particulars	DRL ESOP 2018
1 (a)	Date of Shareholder's approval	19 <sup>th</sup> September, 2018
2	Total number of options approved under ESOS	2,00,000
3	Vesting requirements	In terms of the DRL ESOP- 2018, Options granted under DRL ESOP 2018 would vest not less than one year and not more than five years from the date of grant of such options. Vesting of options would be subject to continued employment with the Company and thus the options would vest on passage of time. In addition to this, the Nomination & Remuneration Committee may also specify certain performance parameters subject to which the options would vest. The specific vesting schedule and conditions subject to which vesting would take place would be outlined in the document given to the option grantee at the time of grant of options.
4	Exercise Price or Pricing Formula	Rs. 150/- per option
5	Maximum Term of options granted	Options granted under DRL ESOP 2018 would vest subject to maximum period of 5 years from the date of grant of such options.
6	Sources of Shares (primary, secondary or combination)	Primary
7	Variation in terms of Options	No variation during the financial year 2020-21.

(ii) The movement of options during the year are as follows:-

Sno.	Particulars	DRL ESOP 2018
1	Number of options outstanding at the beginning of the year	1,65,000
2	Number of options granted during the year	Nil
3	Number of options forfeited / lapsed during the year	Nil
4	Number of Options vested during the year	33,000
5	Number of options exercised during the year	Nil
6	Number of shares arising as a result of exercise of options	Nil
7	Money realized by exercise of options (INR), if scheme is implemented directly by the company	-
8	Loan repaid by the Trust during the year from exercise price received	NA
9	Number of options outstanding at the end of the year	165,000
10	No. of options exercisable at the end of the year	49,500

(iii) Employee-wise details of options granted during the financial year 2020-21 under DRL ESOP 2018:-

1	Senior Managerial Personnel				
	Name of Employees	Designation	Scheme	No. of options granted during the year	Exercise Price
	-	-	-	-	-
2	Other Employees who were granted, during the year, options amounting to 5% or more of the options granted during the year				
	Name of Employees	Designation	Scheme	No. of options granted during the year	Exercise Price
	-	-	-	-	-

3	Identified employees who were granted option, during one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant.				
	Name of Employees	Designation	Scheme	No. of options granted during the year	Exercise Price
	-	-	-	-	-

(iv) 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. – **Not Applicable since Market Price is not available.**

(v) Method used to account for ESOP - The compensation cost of stock options granted to employees is calculated based on fair value method.

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. The impact of this difference on profits and on EPS of the company shall also be disclosed. – **Not Applicable**

(vi) A description of the method and significant assumptions used during the year to estimate the fair value of options at the time of grant including the following information:-

a)

Particular	31 <sup>st</sup> March, 2021 ESOP 2018
Dividend yield (%)	0.18%
Expected volatility (%)	45.91% - 49.34%
Risk-free interest rate (%)	7.59%- 7.75%
Expected life of share options (years)	1.25 – 4.25 years
Weighted average share price (INR)	281
Exercise Price	150
Model used	Black Scholes European Call Option Pricing Model

b) the method used and the assumptions made to incorporate the effects of expected early exercise:

- **Black Scholes Model has been used to arrive at fair value of options granted.**

c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility:

-**Median of comparable peers (to the extent data available) 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

-Nil

For more details, please refer Note 34 of Notes to Standalone Financial Statements forming part of Annual Report for FY 2021.