

THE DISCLOSURES PURSUANT TO REGULATION 14 OF THE SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 READ WITH SEBI CIRCULAR DATED JUNE 16, 2015 ON ESOP DISCLOSURES

Sl. No.	Particulars	Status of compliance
A	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 to Note No. 47 of the Annual report – 2017-18.
B	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Indian Accounting Standard 33 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time	Rs.40.53
C	Details related to ESOS / RSU/Trust	
	(i) A description of each ESOS that existed as any time during the year including general terms and conditions of each ESOS, including –	Details are provided in Annexure -1
	(a) Date of shareholders' approval	
	(b) Total number of options approved under ESOS	
	(c) Vesting requirements	
	(d) Exercise price or pricing formula	
	(e) Maximum term of options granted	
	(f) Source of shares (primary, secondary or combination)	
	(g) Variation in terms of options	
	(ii) Method used to account for ESOS – Intrinsic or Fair Value	The Company uses the Fair value based method of accounting for stock options granted after 1st April 2005.
	(iii) 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.	N.A
	(iv) Option movement during the year (for each ESOS)	Details are provided in Annexure - 2
	(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.	Details provided in Annexure – 3

	(vi)	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -		
		a) Senior Managerial personnel;	Details provided in Annexure-4	
		b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and	Name	No. of Options
			C.P Gurnani	18,48,000
		c) 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.	None of the employees granted more than 1% of issued capital	
	(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 of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	Details provided in annexure – 3	
		b) the method used and the assumptions made to incorporate the effects of expected early exercise;		
		c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and		
		d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.		
D.		Details related to ESPS -	Not Applicable	
E.		Details related to SAR -	Not Applicable	
F.		Details related to GEBS / RBS -	Not Applicable	

G. Details related to Trust		
I.	ESOP-A:	
(i)	General information on ESOP-A	
Sl. No.	Particulars	
1	Name of the Trust	Satyam Associates Trust
2	Details of the Trustee(s)	Mr. Vinay Agarwal Mr. S. Raji Reddy Mr. Viswanath Kini Mr. Phanindra Kuriganty
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	Nil
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
(ii)	Brief details of transactions in shares by the Trust	
(a)	Number of shares held at the beginning of the year	: 5,31,184
(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	: Nil
(c)	Number of shares transferred to the employees	: 1,39,788 based on exercise of warrants
(d)	Number of shares held at the end of the year (a +b-c)	: 3,91,396
(iii)	In case of secondary acquisition of shares by the Trust	
	Number of shares	: Not Applicable
	Held at the beginning of the year	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was Obtained Not Applicable
	Acquired during the year	
	Sold during the year	
	Transferred to the employees during the year	
	Held at the end of the year	

II.	ESOS:	
(i)	General information on the Scheme	
Sl. No.	Particulars	
1	Name of the Trust	Mahindra Engineering Services Employees Stock Option Trust
2	Details of the Trustee(s)	Mr. Vinay Agarwal Mr. Viswanath Kini Mr. S. Raji Reddy
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	Nil
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
(ii)	Brief details of transactions in shares by the Trust	
(a)	Number of shares held at the beginning of the year	: 25,596
(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	Nil
(c)	Number of shares transferred to the employees / sold along with the purpose thereof	: 1,812
(d)	Number of shares held at the end of the year $-(a + b - c)$: 23,784
(iii)	In case of secondary acquisition of shares by the Trust	
	Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
	Held at the beginning of the year	Not Applicable
	Acquired during the year	
	Sold during the year	
	Transferred to the employees during the year	
	Held at the end of the year	

Annexure -1

Particulars	ESOP-2000	ESOP-2006	ESOP-2010	ESOP-2014	ESOP-B-2013	TML-RSU	ESOP-A	TML-ESOS
(a) Date of shareholders' approval	July 26, 2000	January 16, 2006	December 18, 2010	August 1, 2014	August 12, 2013	August 12, 2013	November 7, 2013	January 30, 2013
(b) Total number of options approved under ESOS	14,98,800	49,61,270	23,00,000	40,00,000	34,03,013	12,82,721	2,42,802	30,144
(c) Vesting Requirements	Vesting under these scheme will commence after a period of 12 months from the date of grant, subject to fulfilling the performance conditions as decided by the Board/ Nomination and Remuneration committee from time to time							
(d) Exercise price or pricing formula	Options granted prior to the listing of the Company's shares were based on the annual valuation done by an independent Chartered Accountant. Post listing, Options were granted at an exercise price not less than the face value of the shares	Options granted prior to the listing of the Company's shares were based on the annual valuation done by an independent Chartered Accountant. The grants made post listing of the Company's shares on Stock Exchange have been made as per the latest available closing price on the Stock Exchange with the highest trading volume, prior to the date of the meeting of the Compensation Committee in which options were granted	Options were granted at the face value of the shares.	The price determined by the Nominations & Remuneration Committee of Directors from time to time in accordance with the notifications, Guidelines and clarifications issued by SEBI or any other statutory authority from time to time as applicable.	Up to 26th September 2013, options were priced at higher of 1) The closing price of the shares on the date of the meeting of the compensation committee convened to grant the stock options on the stock exchange where highest volumes are traded OR 2) The average of two weeks high and low price of the share preceding the date of grant of option on the stock exchange on which the shares of the company are listed; whichever is higher Post 26th September 2013: The options are priced as per the latest available closing price on the Stock Exchange with the highest trading volume, prior to the date of the meeting of the Compensation Committee in which options were granted.	Options were granted at the face value of the shares.	The price determined by the Board of Directors from time to time in accordance with the notifications, guidelines and clarifications issued by SEBI or any other statutory authority from time to time as applicable.	The price determined by the Nomination & Remuneration Committee of Directors from time to time
(e) Maximum term of options granted	No further grants are made under these scheme's pursuant shareholder approval dated August 1, 2014	7 years from the date of initial grant under the plan	5 years from the date of initial grant under the plan	5 years from the date of each vesting	5 years from the date of each vesting	5 years from the date of each vesting	180 days from the date of each vesting	7 years from the date of each vesting
(f) Source of shares (primary, secondary or combination)	Primary shares							
(g) Variation in terms of options	No variation							

Option movement during the year (for each ESOS)

	ESOP-2000	ESOP-2006	ESOP-2010	ESOP-2014	TML ESOP-B-2013	TML-RSU	ESOP-A	TML-ESOS
Number of options outstanding at the beginning of the period	4,70,000	12,05,275	23,336	1,06,55,452	73,60,115	9,10,686	3,04,698	20,196
Number of options granted during the year	-	-	-	48,90,500	-	-	2,48,000	-
Number of options forfeited / lapsed during the year	-	1,27,500	-	15,78,836	1,44,012	10,078	32,102	13,132
Number of options vested during the year	-	2,56,250	-	30,65,921	3,48,876	1,86,958	2,24,648	-
Number of options exercised during the year	4,70,000	4,53,875	16,668	4,45,038	37,93,639	4,58,508	1,39,788	1,812
Number of shares arising as a result of exercise of options	4,70,000	4,53,875	16,668	4,45,038	37,93,639	4,58,508	1,39,788	1,812
Money realised by exercise of options (INR)	57,55,000.00	8,32,82,888.00	83,340.00	4,26,48,279.00	11,32,23,664.00	22,92,540.00	41,93,640.00	1,26,115.00
Loan repaid by the Trust during the year from exercise price received	-	-	-	-	-	-	-	-
Number of options outstanding at the end of the year	-	6,23,900	6,668	1,35,22,078	34,22,464	4,42,100	3,80,808	5,252
Number of options exercisable at the end of the year	-	5,04,700	6,668	38,80,902	33,92,464	4,11,100	1,32,808	5,252

Annexure -3

Particulars	ESOP 2000	ESOP 2006	ESOP 2010	ESOP 2014	ESOP-A	TML ESOP B 2013	TML RSU	TML ESOS
F. Weighted average exercise price of Options granted during the year whose Exercise price equals market price	Nil	Nil	Nil	Nil	1st April 2017-31st Mar 2018	Nil	Nil	Nil
(a) Exercise price is greater than market price	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Exercise price is less than market price	Nil	Nil	Nil	77.63	5	Nil	Nil	Nil
(c) Weighted average fair value of Options granted during the year whose Exercise price equals market price	Nil	Nil	Nil	Nil	1st April 2017-31st Mar 2018	Nil	Nil	Nil
(a) Exercise price is greater than market price	Nil	Nil	Nil	354.1	412.26	Nil	Nil	Nil
(b) Exercise price is less than market price	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c) Weighted average exercise price of Options granted during the year whose Exercise price equals market price	Nil	Nil	Nil	Nil	1st April 2016-31st Mar 2017	Nil	Nil	Nil
(a) Exercise price is greater than market price	Nil	Nil	Nil	110.93	Nil	Nil	Nil	Nil
(b) Exercise price is less than market price	Nil	Nil	Nil	Nil	1st April 2016-31st Mar 2017	Nil	Nil	Nil
(c) Weighted average fair value of Options granted during the year whose Exercise price equals market price	Nil	Nil	Nil	385.63	Nil	Nil	Nil	Nil
(a) Exercise price is greater than market price	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Exercise price is less than market price	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c) Exercise price is less than market price	Nil	Nil	Nil	385.63	Nil	Nil	Nil	Nil
G. Method and Assumptions used to estimate the fair value of options granted during the year								
The fair value has been calculated using the Black Scholes Option Pricing model. The assumptions used in the model are as follows					1st April 2017-31st Mar 2018			
	Weighted Average Assumptions	Weighted Average Assumptions	Weighted Average Assumptions	Weighted Average Assumptions	Weighted Average Assumptions	Weighted Average Assumptions	Weighted Average Assumptions	Weighted Average Assumptions
1. Risk Free Interest Rate	Nil	Nil	Nil	6.52	6.24	Nil	Nil	Nil
2. Expected Life (in years)	Nil	Nil	Nil	4.55	2.7	Nil	Nil	Nil
3. Expected Volatility	Nil	Nil	Nil	28.24	29.03	Nil	Nil	Nil
4. Dividend Yield	Nil	Nil	Nil	1.19	1.2	Nil	Nil	Nil
5. Price of the underlying share in market at the time of the option grant (Rs.)	Nil	Nil	Nil	428.75	485.55	Nil	Nil	Nil
					1st April 2016-31st Mar 2017			
	Weighted Average Assumptions	Weighted Average Assumptions	Weighted Average Assumptions	Weighted Average Assumptions	Weighted Average Assumptions	Weighted Average Assumptions	Weighted Average Assumptions	Weighted Average Assumptions
1. Risk Free Interest Rate	Nil	Nil	Nil	Nil	7.06%	Nil	Nil	Nil
2. Expected Life (in years)	Nil	Nil	Nil	Nil	4.55	Nil	Nil	Nil
3. Expected Volatility	Nil	Nil	Nil	Nil	28.95%	Nil	Nil	Nil
4. Dividend Yield	Nil	Nil	Nil	Nil	0.95%	Nil	Nil	Nil
5. Price of the underlying share in market at the time of the option grant (Rs.)	Nil	Nil	Nil	Nil	478.38	Nil	Nil	Nil
ESOP 2014 Grant date wise assumptions used in the model are as follows:								
Variables	26-May-17	26-May-17	29-Jan-18	31-Jul-17	8-Sep-2017	23-Aug-17	31-Oct-17	
Number of Options	45000	70000	165000	1035000	1810500	1600000	165000	
Price of the underlying share in market at the time of the option grant (Rs.)	426	426	598.45	381.3	426.05	439.35	485.55	
Expected Volatility	27.919	27.919	28.090	28.211	28.246	28.29	28.126	
Riskfree Interest Rate	6.755	6.755	7.2	6.502	6.467	6.487	6.668	
Expected Life (in years)	4.55	4.55	4.55	4.55	4.55	4.55	4.55	
Dividend yield	1.2	1.2	1.05	1.2	1.2	1.2	1.2	
Fair Value	399.71	163.36	566.96	145.04	399.71	412.31	456.09	

Annexure – 4

Employee Name	Designation	Grant Date	Exercise Price	Options Granted	Scheme Name
Manoj Chugh	President – Enterprise Business	31-Jul-2017	324	60000	ESOP2014
Ritesh M Idnani	President-BSG	31-Jul-2017	324	60000	ESOP2014
Manoj Chugh	President – Enterprise Business	08-Sep-2017	5	25000	ESOP2014
Vivek Agarwal	VBU Head (BFSI)	08-Sep-2017	5	25000	ESOP2014
Vivek Agarwal	VBU Head (BFSI)	31-Oct-2017	5	25000	ESOP2014