

GRUH FINANCE LIMITED

Disclosure pursuant to Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 as on March 31, 2019

The stock options granted operate under the existing scheme Employees Stock Option Scheme 2015 (ESOS-2015 Tranche-I and Tranche-II). The said scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014.

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 refer Note no. 23 of audited financial statement prepared as per Indian Accounting Standard (Ind AS) for the financial year 2018-19.

B. Diluted EPS on issue of shares to all the schemes covered under the regulations shall be disclosed in accordance with 'Indian Accounting Standard 33 - Earnings Per Share' notified by the Ministry of corporate Affairs.

Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Indian Accounting Standard 33 (Ind AS 33) :	₹ 6.09
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C. Details related to Employee Stock Option Scheme, 2015 ("ESOS-2015") of the Company:

Sr No.	Particulars	ESOS-2015
(i)	A description of each ESOS that existed at any time during the year, including the general terms and condition of each ESOS, including -	
a)	Date of shareholders' approval	May 28, 2014
b)	Total number of options approved under ESOS	45,00,000
c)	Vesting requirement	Options granted will vest over a period of three years in three tranches of 30%, 35% and 35% respectively.
d)	Exercise price per option	ESOS-2015 (Tranche-I) : ₹ 268.20 ESOS-2015 (Tranche-II) : ₹ 612.55
	Pricing formula	The exercise price is the previous day's closing price on the date on which the Compensation Committee finalized the specific number of options to be granted to the employee/directors.
e)	Maximum term of options granted	Each vested options shall be exercised within 3 years from the date of respective vesting and subject to fulfilling eligibility conditions. An eligible employee can exercise his vested options only if he has completed three years of continuous service in the Company.
f)	Source of shares	Primary
g)	Variation in terms of options	Nil
(ii)	Method used to account for ESOS- Intrinsic or fair value	The stock options granted pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight line basis. The amount recognised as

		expense in each year is arrived at based on the number of grants expected to vest.			
(iii)	Option movement during the year (For each ESOS) :				
	Particulars	ESOS-2015 (Tranche-I)	ESOS-2015 (Tranche-II)		
	Number of options outstanding at the beginning of the year	16,63,449	-		
	Number of options granted during the year	Nil	6,26,000*		
	Number of options lapsed during the year	83,630	70,300		
	Number of options vested during the year	-	-		
	Number of options exercised during the year	11,23,745	-		
	Number of shares arising as a result of exercise of options	22,47,490	-		
	Money raised by exercise of options (INR) if, Scheme is implemented directly by the Company	The Company received ₹ 30.14 crore on account of stock options exercised during the year.			
	Loan repaid by the Trust during the year from exercise price received	NA	NA		
	Number of options outstanding at the end of the year	4,56,074	5,55,700		
	Number of options exercisable at the end of the year	4,56,074	-		
	<i>* Out of Lapsed Options of ESOS-2015 (Tranche I), 6,26,000 options were granted on April 14, 2018.</i>				
(iv)	Weighted-average exercise prices and weighted-average fair values of options is disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock:				
	<p>ESOS 2015 (Tranche-I) :</p> <p>All options were granted at an exercise price of ₹ 268.20 per option and hence the weighted average price is ₹ 268.20 per option. The weighted average fair value of the option (using the Black-Scholes Option Pricing Model) works out to ₹ 79, ₹ 88 and ₹ 98 for the options vesting on January 30, 2016, January 30, 2017 and January 30, 2018 respectively.</p> <p>ESOS 2015 (Tranche-II) :</p> <p>All options were granted at an exercise price of ₹ 612.55 per option and hence the weighted average price is ₹ 612.55 per option. The weighted average fair value of the option (using the Black-Scholes Option Pricing Model) works out to ₹ 140, ₹ 196 and ₹ 227 for the options vesting on April 14, 2019, April 14, 2020 and January 14, 2021 respectively.</p>				
(v)	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to –				
	<p>Details of options granted to:</p> <p>i. Directors & Senior managerial personnel;</p> <p>ii. Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year;</p> <p>iii. Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant,</p>	Nil			
(vi)	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:				
(vii)	(a) risk-free interest rate, (b) expected life, (c) expected volatility of share price (d) dividend yield rate (e) the price of underlying share in the market at the time of option grant :	ESOS – 2015 (Tranche-I)			
		Assumption Parameters	January 30, 2016	January 30, 2017	January 30, 2018
		Risk free interest rate (%)	7.89	7.84	7.78
		Expected Life (days)	455	821	1186

		Expected Volatility (%)	37	33	32
		Dividend Yield Rate (%)	0.80	1.00	1.10
		Market price of equity shares on the date of grant ranged from	₹ 266 to ₹ 277	₹ 266 to ₹ 277	₹ 266 to ₹ 277
		ESOS – 2015 (Tranche-II)			
		Assumption Parameters	April 14, 2019	April 14, 2020	January 14, 2021
		Risk free interest rate (%)	7.14	7.38	7.47
		Expected Life (days)	455	821	1186
		Expected Volatility (%)	25	32	33
		Dividend Yield Rate (%)	0.60	0.80	0.90
		Market price of equity shares on the date of grant ranged from	₹ 605 to ₹ 629	₹ 605 to ₹ 629	₹ 605 to ₹ 629
(viii)	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.	Nil			
(ix)	The Board of Directors at its meeting held on March 14, 2019, upon the recommendation of the Nomination and Remuneration Committee of Directors of the Company, approved the issue of additional 90,00,000 equity shares of ₹ 2 each of the Company to eligible employees under existing Employee Stock Option Scheme 2015, in terms of SEBI (Share Based Employee Benefits) Regulations, 2014 and amendment of the Employee Stock Option Scheme 2015 by increasing the number of stock options to be granted. Subsequently, members of the Company with requisite majority have, on April 22, 2019, passed the said special resolution through postal ballot/e-voting.				

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	Not Applicable