

Disclosures as required under Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2021 –

S. No.	Particulars	Details
1	Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time.	Refer Note 41 of standalone financial statements for the year ended March 31, 2022 for details.
2	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.	Diluted EPS as per Indian Accounting Standards-33 is Rs. 16.65 (Refer Note 31 of Standalone financial statements for details)
3	Details related to 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 -	Presently the Company has only one Employee Stock Option Scheme, namely ESTER EMPLOYEES STOCK OPTION PLAN-2021 ,
(a)	Date of shareholders' approval	26 th March, 2021
(b)	Total number of options approved under ESOS	8,00,000 (Eight Lacs), which will be available for grant to eligible employees/Directors of the Company/Subsidiary(ies)
(c)	Vesting requirements	Vesting of the options shall take place over a maximum period of 6 (Six) years from the date of grant. The Nomination & Remuneration Committee at the time of grant may specify certain criteria linked to the individual and/or organisational performance or any other criteria as it may deem fit for all or a part of the Options, the fulfilment of which might be a requisite for the options to vest. The minimum vesting period will be 1 (One) year from the date of grant.
(d)	Exercise price or pricing formula	10% less than Fair Share Price i.e. Rs. 105/- per option
(e)	Maximum term of options granted	Vesting of the options shall take place over a maximum period of 6 (Six) years from the date of grant. The Exercise period shall be decided by the Nomination & Remuneration Committee subject to maximum period of 10 (Ten) years.
(f)	Source of shares (primary, secondary or combination)	Primary
(g)	Variation in terms of options	None
(ii)	Method used to account for ESOS - Intrinsic or fair value.	Fair Value method using option pricing model viz. Black Scholes Method
(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.	Not Applicable as Company has used Fair Value method
(iv)	Option movement during the year (For each ESOS):	
(a)	Number of options outstanding at the beginning of the period	800000

(b)	Number of options granted during the year	248179															
(c)	Number of options forfeited / lapsed during the year	Nil															
(d)	Number of options vested during the year	Nil															
(e)	Number of options exercised during the year	Nil															
(f)	Number of shares arising as a result of exercise of options	Nil															
(g)	Money realized by exercise of options (INR), if scheme is implemented directly by the company	Nil															
(h)	Loan repaid by the Trust during the year from exercise price received	NA															
(i)	Number of options outstanding at the end of the year	800000															
(j)	Number of options exercisable at the end of the year	Nil															
(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.	<p>Weighted Average Exercise price- Rs. 105/- per option. Weighted average fair values-</p> <table> <tr> <th>Date of Grant</th><th>Date of Vesting</th><th>Weighted average fair value of options (In INR)</th></tr> <tr> <td>1st April, 2021</td><td>1st April, 2022</td><td>57.97</td></tr> <tr> <td>1st April, 2021</td><td>1st April, 2023</td><td>60.08</td></tr> <tr> <td>1st April, 2021</td><td>1st April, 2024</td><td>64.91</td></tr> <tr> <td>1st April, 2021</td><td>1st April, 2025</td><td>67.29</td></tr> </table>	Date of Grant	Date of Vesting	Weighted average fair value of options (In INR)	1 st April, 2021	1 st April, 2022	57.97	1 st April, 2021	1 st April, 2023	60.08	1 st April, 2021	1 st April, 2024	64.91	1 st April, 2021	1 st April, 2025	67.29
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(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 as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	<p>Mr. Pradeep Kumar Rustagi - 101713 (Executive Director – Corporate Affairs)</p> <p>Mr. Girish Behal- 146466 (Business Head- Polyester Films & Specialty Polymer)</p> <p>Exercise Price per option is Rs. 105/-</p>															
(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	None															
(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															
(vii)	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information: Description of the method and assumption considered for valuation : Please refer “Annexure -I”																
(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;	Please refer “Annexure -II”															
(b)	the method used and the assumptions made to incorporate the effects of expected early exercise;	Not Applicable															
(c)	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	The expected price volatility is determined using annualized standard deviation (a measure of volatility used in Black-Scholes-Merton option pricing) and the historic volatility based on remaining life of the options															
(d)	whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.	There are no market conditions attached to the grant and vest															

The Company has adopted Black Scholes Merton Model for valuation of ESOPs. We have allotted 100% weight to Black Scholes Merton Model.

Black-Scholes option pricing model (also called Black-Scholes-Merton Model) values a European-style call or put option based on the current price of the underlying (asset), the option's exercise price, the underlying's volatility, the option's time to expiration and the annual risk-free rate of return. The Black-Scholes model values a call option by weighting the current price of the underlying asset with the probability that the stock price will be higher than the exercise price and subtracting the probability weighted present value of the exercise price. The value of a call option at expiration equals the spot price of the underlying asset minus its exercise price (also called the strike price) i.e. at which the option entitles you to purchase the underlying asset.

Current Stock Price (Underlying Price)

For the purpose of valuation, current stock price is considered to be INR 119.30/- per share the closing price as on 1st April, 2021 on the stock exchange where higher volume (National Stock Exchange of India Ltd) is traded i.e Rs. 119.30/-.

Annual Volatility of Stock Price (Standard Deviation)

For the purpose of valuation of ESOP, the annualised standard deviation of the stock price is considered to be 55.72%, 55.64%, 60.05% and 61.03% for Type I, II, III and IV of options respectively as referred in 'Annexure-II'.

Risk Free Rate

Risk Free return has been considered as Zero Coupon Bond Yield (continuously compounded) for a term equal to the expected option life of the ESOP's, available on The Clearing Corporation of India Limited's (CCIL) website:

(<https://www.ccilindia.com/RiskManagement/SecuritiesSegment/Pages/ZCYC.aspx>).

Time remaining till expiration

As per the ESOP policy of the company, the exercise period is 8 years, from the date of grant. The time period till expiration of option has been calculated separately for each class of option, by using [t = Remaining vesting period + Half of remaining Expiration period after the Vesting period].

Strike Price

The strike price of the options is considered as per the ESOP policy of the company i.e. Rs. 105 approved by Nomination and Remuneration Committee.

Grant Date	Vesting Date	No. of ESOPs	Risk Free Rate (Continuously compounded)	Volatility (Standard Deviation)	Dividend Yield	Expected option Life (In years)	Value of Option (In INR)
1 st April, 2021	1 st April, 2022	24817.90	5.49%	55.72%	1.79%	4.50	57.97
1 st April, 2021	1 st April, 2023	49635.80	5.64%	55.64%	1.79%	5.00	60.08
1 st April, 2021	1 st April, 2024	74453.70	5.77%	60.05%	1.79%	5.50	64.91
1 st April, 2021	1 st April, 2025	99271.60	5.90%	61.03%	1.79%	6.00	67.29