

## **FOR DIRECTORS REPORT 2018-19**

### **PARTICULARS OF EMPLOYEES STOCK OPTION SCHEME (ESOS)**

The Stock Options have been granted to the employees under ESOP -2017. The said schemes are in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time (SEBI Regulations). The details and disclosures with respect to ESOS/ ESPS as required under SEBI Regulations are provided on the website of the Company and web link for the same is <http://www.timetechnoplast.com>.

**Disclosure pursuant to Regulation 14 of SEBI (Share Based Employee Benefits Regulations), 2014, as amended for the financial year ended on March 31, 2019.**

**A.** General Disclosures in terms of Guidance Notes on accounting for employee share based payments or any other relevant accounting standards. Member may refer to the audited financial statement prepared as per Indian Accounting Standards (Ind -AS) for the year 2018-19.

**B. Summary**

| Sr. No. | Description                                       |  |
|---------|---|--|
| 1       | Date of Shareholders Approval                     | 29.09.2017   |
| 2       | Total number of options approved under the scheme | 45,00,000 Equity Shares of Rs. 1/- each  |
| 3       | Date of Grant                                     | 25.11.2017   |
| 4       | Options granted                                   | 29,88,375  |
| 5       | Vesting Schedule                                  | The options granted shall vest so long as an employee continues to be in the employment of the Company or the Holding and / or Subsidiary Company as the case may be. The Compensation Committee may, at its discretion, lay down certain performance metrics on the achievement of which such options would vest, the detailed terms and conditions relating to such vesting, and the proportion in which options granted would vest subject to the minimum vesting period of 1 (one) year. |
| 6       | Pricing Formula                                   | The Exercise Price shall be equal to Rs 93.58/- (Rupees Ninety Three and Paise Fifty Eight only) per option or any other price as may be decided by the Committee. In any case, the Exercise Price per Option shall not be less than the face value of shares and it may be different for different class/ classes of Employees falling in the same tranche of grant of Options issued under ESOP 2017.  |

|    |  |   |
|----|--|---|
| 7  | Maximum term of options granted  | Options granted under ESOP 2017 would vest subject to maximum period of 6 (Six) years from the date of grant of such options. |
| 8  | Source of shares   | new Issue of Shares by the Company.   |
| 9  | Variation in terms of options  | None  |
| 10 | Method used for accounting of ESOP   | Fair Value  |
| 11 | Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with (IND-AS) Earnings Per Share   | -   |
| 12 | Weighted Average exercise price and weighted average fair value shall be disclosed separately for options whose exercise price either equals or is less than the market price of the stock | Weighted Average exercise price is Rs 93.58 per share and weighted average fair value is Rs 123.63 per option                 |

### C. Options movement during the year

| Sr. No. | Description  |           |
|---------|--|-----------|
| 1       | Options outstanding at the beginning of the year                         | 29,88,375 |
| 2       | Options granted during the year  | -         |
| 3       | Options vested during the year   | 2,79,012  |
| 4       | Options exercised during the year  | -         |
| 5       | No. of shares arising as a result of exercise of options during the year | -         |
| 6       | Options cancelled and lapsed during the year                             | 3,26,375  |
| 7       | Options outstanding at the end of the year                               | 26,62,000 |
| 8       | Options exercisable at the end of the year                               | 2,79,012  |
| 9       | Money realized by exercise of options                                    | -         |

#### D. Options granted to Senior Managerial Personnel

| Sr. No. | Name                   | Designation                         | No. of options granted |
|---------|------------------------|-------------------------------------|------------------------|
| 1       | Prashant Joshi         | Chief Operating Officer             | 40,000                 |
| 2       | Sanjeev Sharma         | President – Operation               | 40,000                 |
| 3       | Sandip Modi            | Sr. VP Accounts and Finance         | 40,000                 |
| 4       | C. P. Hubert           | Head of International Business      | 30,000                 |
| 5       | Haresh Raghavan Pillay | President – Infrastructure Business | 15,000                 |
| 6       | Rajendra Badve         | Chief Technology Officer            | 15,000                 |

**E.** Options granted to any employee during the year amounting to 5% or more of options granted during the year : Nil

**F.** Options granted to any employee equal to or exceeding 1% of the issued capital of the company at the time of grant : Nil

**G.** A description of the method and significant assumptions used during the year to estimate fair value of options including the following information:

The Securities and Exchange Board of India (“SEBI”) has prescribed two methods to account for stock grants: namely (i) the intrinsic value method; (ii) the fair value method. The company has adopted fair value method to account for the stock options it grants to the employee by using Black – Scholes pricing model with the following assumptions:

|   |   |              |
|---|---|--------------|
| 1 | The closing price of the company share on NSE on the date previous to the grant dated 25 <sup>th</sup> November 2017        | Rs 186.70    |
| 2 | Expected volatility based on historical price movement of the closing price which includes change in price due to dividend* | 41.37%       |
| 3 | The yield of Government of India 10 year bond as on date of grant   | 6.988%       |
| 4 | Expected life of options fair value of the option granted   | 2 to 6 years |
| 5 | Weighted average fair value   | Rs 123.63    |

\* Volatility of the company share price is worked out on the basis of movement of stock price on NSE