

## Annexure V

### DISCLOSURES IN COMPLIANCE WITH REGULATION 14 OF SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AND RULE 12 OF COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014

**1. Disclosure in terms of Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time**

Disclosed in the notes to financial statements - Refer to Note 46 of Standalone Financial Statements 2019-20 which forms the part of this Annual Report

**2. Material Changes in the Scheme**

No material change has been carried out during the Financial Year under review. The Scheme was primarily adopted as per the provisions of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, and the same was aligned as per the provisions and requirements under the SEBI (Share Based Employee Benefits) Regulations, 2015.

**3 Diluted EPS on issue of shares pursuant to ESOS: ₹ 4.28**

**4 (i) Details related to ESOS**

Sr. No.	Particulars	ESOS 2013						
1	Details of the Shareholders Approval	May 14, 2013, July 26, 2016, April 30, 2017 and December 09, 2017						
2	Total number of Options approved under the scheme	1,46,50,000 no. of options						
	Additional options granted on account of Corporate Action of Bonus Issue	33,66,710 no. of options						
3	Vesting requirements	Vesting period of options vested in respect of Grant 1 and 2 was three years and the same for options vested or to be vested in respect of Grant 3 to 13 is four years. In respect of the Grant (Grant 14) made during the Financial Year 2019-20, the options will vest over a period of 4 years on time and performance basis subject to fulfillment of terms and conditions attached to it						
4	Exercise Price / Pricing Formula	The Company has granted options both at Market price and at face value as detailed below: <table border="1" data-bbox="710 1426 1479 1535"> <thead> <tr> <th>No. of options</th> <th>Particulars</th> </tr> </thead> <tbody> <tr> <td>1,11,96,310</td> <td>At Market Price</td> </tr> <tr> <td>50,06,542</td> <td>At Face Value</td> </tr> </tbody> </table>	No. of options	Particulars	1,11,96,310	At Market Price	50,06,542	At Face Value
No. of options	Particulars							
1,11,96,310	At Market Price							
50,06,542	At Face Value							
5	Maximum Term of Options granted	As per the terms attached to each of the grants, the total term of the options for the grants 1 & 2 is 9 years and for the grants 3 to 14 is 10 years. (Exercise period will be for a period of 6 years from each year of vesting)						
6	Source of Shares	Primary						
7	Variation in terms of options	No Variation						
8	Method used for accounting of ESOS	Fair Value Method						
9	For Options granted during the year weighted average exercise prices and weighted average fair value of the options shall be disclosed separately for options whose exercise price either equals or is less than the market price of the stock.							

Sr. No.	Particulars	ESOS 2013
	<b>Weighted average exercise price of Options whose</b>	₹
	Exercise price equals market price	Nil
	Exercise price is greater than market price	Nil
	Exercise price is less than market price	1
	<b>Weighted average fair value of options whose</b>	₹
	Exercise price equals market price	Nil
	Exercise price is greater than market price	Nil
	Exercise price is less than market price	241.66

4. (ii) Employee-wise details of options granted during the Financial Year 2019-20 to:

(i)	<b>Senior Managerial Personnel</b>	
	<b>Name of employee &amp; Designation</b>	<b>Number of Options &amp; Exercise Price</b>
		Nil
(ii)	Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	
	<b>Name of employee &amp; Designation</b>	<b>Total number of Options &amp; Exercise Price</b>
a	Shabrish Divakaran Nair Deputy General Manager-Costing	31,444 number of options ₹ 1/- per option
(iii)	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.	
	<b>Name of employee and designation</b>	<b>Total number of Options</b>
a	Ramachandran V Director and Chief Operating Officer	56,00,000

4 (iii) A description of the method and significant assumption used during the year to estimate the fair values of options.

a)	The fair value has been calculated using the Binomial Method. The assumptions used in the model are as follows	Weighted Average Assumptions
	Price of the underlying shares in market at the time of Option granted (₹)	222.84
	Expected Volatility %	31.68% to 31.95%
	Riskfree Rate %	6.01% to 6.55%
	Exercise Price (₹)	1
	Expected Life (In Years)	4.01 to 7.01
	Expected Dividend %	0.32%
b)	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Volatility is based on historical prices for the period equivalent to the expected life of the option.
c)	The method used and the assumptions made to incorporate the effects of expected early exercise	It is assumed that the options will be exercised within the exercise period.
d)	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	No other features incorporated.

## 5. Options Movement During the year

Sr. No	Particulars	ESOS 2013 Grant I	ESOS 2013 Grant II	ESOS 2013 Grant III	ESOS 2013 Grant IV	ESOS 2013 Grant VA	ESOS 2013 Grant V B	ESOS 2013 Grant VI	ESOS 2013 Grant VII	ESOS 2013 Grant VIII	ESOS 2013 Grant IX	ESOS 2013 Grant X	ESOS 2013 Grant XI	ESOS 2013 Grant XII	ESOS 2013 Grant XIII	ESOS 2013 Grant XIV
1	Number of options outstanding at the beginning of the period	23,70,171 number of options of ₹34.64 each and 83,784 number of options of ₹1/- each	1,71,408 number of options of ₹71.36 each and 4,612 number of options of ₹1/- each	37,80,000 number of options of ₹68.75 each and 3,57,000 number of options of ₹1/- each	1,64,499 number of options of ₹1/- each	9,20,242 number of options of ₹1/- each	11,20,000 number of options of ₹121.8 each and 1,96,000 number of options of ₹1/- each	69,827 number of options of ₹1/- each	67,000 number of options of ₹1/- each	1,63,393 number of options of ₹1/- each	1,33,169 number of options of ₹1/- each	2,23,521 number of options of ₹1/- each	46,354 number of options of ₹1/- each	99,452 number of options of ₹1/- each	76,190 number of options of ₹1/- each	NA
2	Options exercisable at the beginning of the year	23,70,171 number of options of ₹34.64 each and 83,784 number of options of ₹1/- each	1,71,394 number of options of ₹71.36 and 4,612 number of options of ₹1/- each	11,34,000 number of options of ₹68.75 and 63,000 number of options of ₹1/- each	2,300 number of options of ₹1/- each	1,28,094 number of options of ₹1/- each	3,36,000 number of options of ₹121.8	11,839 number of options of ₹1/- each	15,462 number of options of ₹1/- each	Nil	1,895 number of options of ₹1/- each	19,760 number of options of ₹1/- each	Nil	Nil	Nil	NA
3	Number of options Granted during the year	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	31,444 number of options of ₹1/- each
4	Number of options vested during the year	NA	NA	5,67,000 number of options of ₹68.75 and 63,000 number of options of ₹1/- each	48,654 number of options of ₹1/- each	2,29,054 number of options of ₹1/- each	1,68,000 number of options of ₹121.8 and 42,000 number of options of ₹1/- each	28,994 number of options of ₹1/- each	15,462 number of options of ₹1/- each	37,706 number of options of ₹1/- each	23,584 number of options of ₹1/- each	47,023 number of options of ₹1/- each	8,691 number of options of ₹1/- each	18,644 number of options of ₹1/- each	14,286 number of options of ₹1/- each	NA
5	Number of options exercised during the year	5,17,132 number of options were exercised of ₹34.64 and 15,289 number of options were exercised of ₹1/- each	54,033 number of options were exercised of ₹71.36 and 4,612 number of options were exercised of ₹1/- each	1,26,000 number of options were exercised of ₹1/- each	35,816 number of options were exercised of ₹1/- each	2,12,058 number of options were exercised of ₹1/- each	42,000 number of options were exercised of ₹1/- each	28,176 number of options were exercised of ₹1/- each	30,924 number of options were exercised of ₹1/- each	37,706 number of options of ₹1/- each	25,479 number of options of ₹1/- each	39,563 number of options of ₹1/- each	4,500 number of options of ₹1/- each	18,644 number of options of ₹1/- each	14,286 number of options of ₹1/- each	NA
6	Number of shares arised as a result of exercise of options	5,32,421	58,645	1,26,000	35,816	2,12,058	42,000	28,176	30,924	37,706	25,479	39,563	4,500	18,644	14,286	NA
7	Number of options lapsed during the year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
8	Number of options cancelled during the year*	Nil	Nil	15,12,000 number of options granted at ₹68.75 and 1,68,000 number of options granted at ₹1/- each	64,890 number of options granted at ₹1/- each	3,34,040 number of options granted at ₹1/- each	4,48,000 number of options granted at ₹121.8 and 1,12,000 number of options granted at ₹1/- each	6,958 number of options granted at ₹1/- each	Nil	Nil	48,731 number of options granted at ₹1/- each	Nil	Nil	Nil	Nil	Nil
9	Money realised by exercise of options (INR)*	1,79,28,741.48	38,60,406.88	1,26,000	35,816	2,12,058	84,000	28,176	30,924	37,706	25,479	39,563	4,500	18,644	14,286	NA

## Statutory Reports

### Directors' Report

Sr. No	Particulars	ESOS 2013 Grant I	ESOS 2013 Grant II	ESOS 2013 Grant III	ESOS 2013 Grant IV	ESOS 2013 Grant VA	ESOS 2013 Grant V B	ESOS 2013 Grant VI	ESOS 2013 Grant VII	ESOS 2013 Grant VIII	ESOS 2013 Grant IX	ESOS 2013 Grant X	ESOS 2013 Grant XI	ESOS 2013 Grant XII	ESOS 2013 Grant XIII	ESOS 2013 Grant XIV
10	Number of options outstanding at the end of the year	18,53,039 number of options of ₹34.64 each and 68,495 number of options of ₹1/- each	1,17,375 number of options of ₹71.36 each.	22,68,000 number of options of ₹68.75 each and 63,000 number of options of ₹1/- each	63,793 number of options of ₹1/- each	3,74,144 number of options of ₹1/- each	6,72,000 number of options of ₹121.8 each and 42,000 number of options of ₹1/- each	34,693 number of options of ₹1/- each	36,076 number of options of ₹1/- each	1,25,687 number of options of ₹1/- each	58,959 number of options of ₹1/- each	1,83,958 number of options of ₹1/- each	41,854 number of options of ₹1/- each	80,808 number of options of ₹1/- each	61,904 number of options of ₹1/- each	31,444 number of options of ₹1/- each
11	Number of options exercisable at the end of the year	18,53,039 number of options of ₹34.64 each and 68,495 number of options of ₹1/- each	1,17,361 number of options of ₹71.36	17,01,000 number of options of ₹68.75	15,138 number of options of ₹1/- each	1,45,090 number of options of ₹1/- each	5,04,000 number of options of ₹121.8	12,657 number of options of ₹1/- each	Nil	Nil	Nil	27,220 number of options of ₹1/- each	4,191 number of options of ₹1/- each	Nil	Nil	NA
12	Loan repaid by the trust during the year from the exercise price received	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Note: \* Exercise amount in respect of 42000 no. of options exercised during February-March 2019 was received in April 2019. Options to the extent of 26,22,928 were cancelled due to non achievement of performance criteria.

The disclosures made above are available on the Company's website, [www.vguard.in](http://www.vguard.in) under the section "Investor Relations".

For and on behalf of the Board of Directors

Date: June 1, 2020  
Place: Ernakulam

Sd/-  
**Cherian N Punnoose**  
Chairman  
(DIN: 00061030)

Sd/-  
**Mithun K Chittilappilly**  
Managing Director  
(DIN: 00027610)