

## 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 47 of Standalone Financial Statements 2020-21 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: ₹ 4.61**

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

Sl. No.	Particulars	ESOS 2013						
1	Details of the Shareholders Approval	May 14, 2013, July 26, 2016, April 30, 2017, December 09, 2017 and August 12, 2020						
2	Total number of Options approved under the scheme	1,61,50,000 no. of options						
	Additional options granted on account of Corporate Action of Bonus Issue	33,66,710 no. of options						
3	Vesting requirements	Options are granted with a vesting period of 4 years and vesting shall be on time and performance basis subject to the fulfillment of terms and conditions attached to the Grant.						
4	Exercise Price / Pricing Formula	The Company has granted options both at Market price and face value, as detailed below: <table border="1" data-bbox="703 1351 1473 1453"> <thead> <tr> <th>No. of options</th> <th>Particulars</th> </tr> </thead> <tbody> <tr> <td>1,24,55,510</td> <td>At Market Price</td> </tr> <tr> <td>66,70,409</td> <td>At Face Value</td> </tr> </tbody> </table>	No. of options	Particulars	1,24,55,510	At Market Price	66,70,409	At Face Value
No. of options	Particulars							
1,24,55,510	At Market Price							
66,70,409	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 18 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.							

Sl No.	Particulars	ESOS 2013
	Weighted average exercise price of Options whose	₹
	Exercise price equals market price	172.05
	Exercise price is greater than market price	Nil
	Exercise price is less than market price	1/-
	Weighted average fair value of options whose	₹
	Exercise price equals market price	62.66
	Exercise price is greater than market price	Nil
	Exercise price is less than market price	183.57

4 (ii) Employee-wise details of options granted during the financial year 2020-21 to:

(i) Senior Managerial Personnel			
	Name of employee & designation	Total Number of Options	Exercise Price per Option (in ₹)
a	Ramachandran V, Director and Chief Operating Officer	12,59,200	172.05
		2,60,000	1/-
b	Sudharshan Kasturi, Senior Vice President & Chief Financial Officer	2,95,940	1/-
c	Deepak Augustine, Vice President - Marketing	38,865	1/-
d	Abie Abraham, Vice President - EMD	34,185	1/-
e	Sreekumar A, Vice President- WCD	35,059	1/-
f	Biju Pramod P, Vice President- MED	32,764	1/-
g	Suryaprasad V J, Vice President - Marketing	32,533	1/-
h	Nandagopal Nair, Vice President - Brand & Communications	31,633	1/-
i	Robin Joy Antony- Vice President & CIO	33,587	1/-
j	Narender Singh Negi - Vice President -R&D (Electronics)	33,607	1/-
k	Bijoy Panakkat - Vice President - Electronics	26,276	1/-
l	Jayasree K, General Manager and Company Secretary	26,402	1/-
(ii) Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year			
	Name of employee & designation	Total Number of Options	Exercise price per option (in ₹)
a	Ramachandran V Director and Chief Operating Officer	12,59,200	172.05
		2,60,000	1/-
b	Sudharshan Kasturi, Senior Vice President & Chief Financial Officer	2,95,940	1/-
(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.			
	Name of employee and designation	Total number of Options	
		NIL	

**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 (₹)	193.27
	Expected Volatility %	30.72% to 32.87%
	Risk free Rate %	4.84 % to 6.16%
	Exercise Price (₹)	74.68
	Expected Life (In Years)	4.01 to 7.01
	Expected Dividend %	0.1% to 0.24%
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

SI 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 VB	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	ESOS 2013 Grant XV	ESOS 2013 Grant XVI	ESOS 2013 Grant XVII	ESOS 2013 Grant XVIII	
1	Number of options outstanding at the beginning of the period	18,53,039	1,17,375	22,66,000	63,793	3,74,144	6,72,000	34,693	36,076	1,25,687	58,959	1,83,958	41,854	80,808	61,904	31,444	NA	NA	NA	NA	
	number of options of ₹34.64 each and 68,495 number of options of ₹1/- each			number of options of ₹121.8 each and 42,000 number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	
2	Options exercisable at the beginning of the year	18,53,039	1,17,361	17,01,000	15,138	1,45,090	5,04,000	12,657	Nil	Nil	Nil	27,220	4,191	Nil	Nil	NA	NA	NA	NA	NA	
	number of options of ₹34.64 each and 68,495 number of options of ₹1/- each	number of options of ₹68.75 each	number of options of ₹121.8 each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	
3	Number of options Granted during the year	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	2,60,000	10,62,635	3,16,325	24,907	
																	number of options of ₹1/- each and 12,59,200 number of options of ₹172.05 each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	
4	Number of options vested during the year	NA	NA	5,67,000	48,655	2,29,054	1,68,000	22,036	15,462	37,706	17,688	47,023	8,691	18,648	14,286	5,895	NA	NA	NA	NA	
				number of options of ₹68.75 each and 63,000 number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹121.8 each and 42,000 number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each	number of options of ₹1/- each
5	Number of options exercised during the year	13,10,458	3,650	63,000	44,048	2,16,734	42,000	26,573	15,462	37,706	17,688	53,326	7,791	18,648	14,286	Nil	NA	NA	NA	NA	
	options were exercised of ₹34.64 and 29,553 number of options were exercised of ₹1/- each	number of options were exercised of ₹121.8 each	number of options were exercised of ₹1/- each	number of options were exercised of ₹1/- each	number of options were exercised of ₹1/- each	number of options were exercised of ₹1/- each	number of options were exercised of ₹1/- each	number of options were exercised of ₹1/- each	number of options were exercised of ₹1/- each	number of options were exercised of ₹1/- each	number of options were exercised of ₹1/- each	number of options were exercised of ₹1/- each	number of options were exercised of ₹1/- each	number of options were exercised of ₹1/- each	number of options were exercised of ₹1/- each	number of options were exercised of ₹1/- each	number of options were exercised of ₹1/- each	number of options were exercised of ₹1/- each	number of options were exercised of ₹1/- each	number of options were exercised of ₹1/- each	
6	Number of shares arisen as a result of exercise of options	13,40,011	3,650	63,000	44,048	2,16,734	42,000	26,573	15,462	37,706	17,688	53,326	7,791	18,648	14,286	NA	NA	NA	NA	NA	
7	Number of options lapsed during the year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	

Sl No.	Particulars	E505 2013 Grant I	E505 2013 Grant II	E505 2013 Grant III	E505 2013 Grant IV	E505 2013 Grant VA	E505 2013 Grant V B	E505 2013 Grant VI	E505 2013 Grant VII	E505 2013 Grant VIII	E505 2013 Grant IX	E505 2013 Grant X	E505 2013 Grant XI	E505 2013 Grant XII	E505 2013 Grant XIII	E505 2013 Grant XIV	E505 2013 Grant XV	E505 2013 Grant XVI	E505 2013 Grant XVII	E505 2013 Grant XVIII
8	Number of options cancelled during the year	Nil	Nil	Nil	Nil	Nil	Nil	20,614 number of options granted at ₹1/- each	50,275 number of options granted at ₹1/- each	23,583 number of options granted at ₹1/- each	62,692 number of options granted at ₹1/- each	Nil	Nil	10,744 number of options granted at ₹1/- each	Nil	Nil	20,105 number of options granted at ₹1/- each	Nil	Nil	Nil
9	Money realised by exercise of options (INR)	4,54,23,818.12	2,60,464	63,000	44,048	2,16,734	42,000	26,573	15,462	37,706	17,688	53,326	7,791	18,648	14,286	NA	NA	NA	NA	NA
10	Number of options outstanding at the end of the year	5,42,581 number of options of ₹34.64 each and 38,942 number of options of ₹1/- each	1,13,725 number of options of ₹71.36 each.	22,68,000 number of options of ₹68.75 each	19,745 number of options of ₹1/- each	1,57,410 number of options of ₹1/- each	6,72,000 number of options of ₹121.8 each	8,120 number of options of ₹1/- each	Nil	37,706 number of options of ₹1/- each	17,688 number of options of ₹1/- each	67,940 number of options of ₹1/- each	34,063 number of options of ₹1/- each	51,416 number of options of ₹1/- each	47,618 number of options of ₹1/- each	31,444 number of options of ₹1/- each	2,60,000 number of options of ₹1/- each and 12,59,200 number of options of ₹172.05 each	10,42,530 number of options of ₹1/- each	3,16,325 number of options of ₹1/- each	24,907 number of options of ₹1/- each
11	Number of options exercisable at the end of the year	5,42,581 number of options of ₹34.64 each and 38,942 number of options of ₹1/- each	1,13,711 number of options of ₹71.36	22,68,000 number of options of ₹68.75 each	19,745 number of options of ₹1/- each	1,57,410 number of options of ₹1/- each	6,72,000 number of options of ₹121.8 each	8,120 number of options of ₹1/- each	Nil	Nil	Nil	20,917 number of options of ₹1/- each	5,091 number of options of ₹1/- each	Nil	Nil	5,895 number of options of ₹1/- each	NA	NA	NA	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	NA	NA	NA	NA

Note: 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

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

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

Date : May 26, 2021  
Place : Ernakulam