

FOR THE YEAR ENDED 31ST DECEMBER, 2018

Disclosures pursuant to the SEBI (Share Based Employee Benefits) Regulations, 2014

| | | Employees Stock Option Scheme 2007 | | | | | | | | | | | Employees Stock Option Scheme 2015 | | |
|----|---|---|---|--|--|--|--|---|--|---|---|--|--|---|----------------------------|
| a) | Date of shareholders' approval | 25 th July, 2007 29 th July, 2008 and 2 nd August 2011 | | | | | | | | | | | 15 th September, 2015 | | |
| b) | Total number of options approved under ESOS | 4,393,489 | | | | | | | | | | | 3,231,147 | | |
| c) | Vesting requirements | The Options granted would vest within such time from the date of Grant and in such number of installments and subject to such terms as the Remuneration /Compensation Committee/Nomination and Remuneration Committee may decide, in its absolute discretion from time to time, of the Grant of the Options, subject to a minimum vesting period of one year. | | | | | | | | | | | | | |
| d) | The Exercise Price or pricing formula | 1 st Tranche | 2 nd Tranche | | 3 rd Tranche | 4 th Tranche | 5 th Tranche | 6 th Tranche | 7 th Tranche | 8 th Tranche | Stock options Granted pursuant to the Composites Scheme & Integrated Scheme of Amalgamation | | | 1 st Tranche | 2 nd Tranche |
| | No. of Options granted | 3,84,000 | 3,91,000 | 12,000 | 2,50,000 | 2,45,000 | 5,00,000 | 93,000 | 20,00,000 | 5,89,883 | 20,697 | 1,51,940 | 54,670 | 1,241,280 | 350,000 |
| | price per share | Rs. 197/- at a fixed price as per the Scheme | Rs. 83/- at a fixed price as per the scheme | Rs. 197/- at a fixed price as per the scheme | at a Discount of 15% on the average price preceding the specified date – 9 th May, 2008 | at a Discount of 15% on the average price preceding the specified date – 29 th July, 2008 | at a Discount of 15% on the average price preceding the specified date – 26 th August, 2008 | at a Discount of 15% on the average price preceding the specified date – 12 th May, 2010 | at a Discount of 15% on the average price preceding the specified date - 1 st April, 2011 | at a Discount of 15% on the average price preceding the specified date – 20 th January, 2012 | at Rs. 52.67/- to eligible stock option holders of MCL (Amalgamated Co.) | at Rs. 34.86/- to eligible stock option holders of MUSCO (Amalgamated Co.) | at Rs. 25.70/- to eligible stock option holders of MUSCO (Amalgamated Co.) | Rs. 150/- at a fixed price | Rs. 150/- at a fixed price |
| | | Average price – Average of the daily high and low of the prices for the Company's Equity Shares quoted on Bombay Stock Exchange Limited during the 15 days preceding the specified date. | | | | | | | | | In terms of the Composites Scheme & Integrated scheme the exercise price of the options granted was adjusted so | | | The Exercise Price for the purpose for Grant of Options was decided by the Board on | |

| | | Employees Stock Option Scheme 2007 | Employees Stock Option Scheme 2015 |
|----|-----------------------------------|--|---|
| | | | that the total exercise price payable by an Eligible Employees under the erstwhile Stock Option Scheme of Amalgamated Companies is equivalent to the exercise payable for the options granted by the Company. |
| | | Specified date - Date on which the Remuneration/Compensation Committee granted the Options. | ----- |
| e) | \$Maximum term of Options granted | <p>The options granted vest in four equal tranches of 25% each on expiry of 12 months, 24 months 36 months and 48 months respectively from the date of grant.</p> <p>Options vested shall be exercised over a period of Five (5) years from the date of vesting of Options or such other extended period as may be decided by the Remuneration/Compensation.</p> <p>The Options remaining unexercised at the end of five (5) years from the date of each vesting (or such extended period/s as may have been decided by the Remuneration/Compensation Committee), shall lapse.</p> | <p>The options granted vest in three equal tranches of 33.33% each on expiry of 12 months, 24 months and 36 months respectively from the date of grant.</p> <p>Options vested shall be exercised over a period of four (4) years from the date of vesting of Options or such other extended period as may be decided by the Nomination and Remuneration Committee.</p> <p>The Options remaining unexercised at the end of four (4) years from the date of each vesting (or such extended period/s as may have been decided by the Nomination and Remuneration Committee), shall lapse</p> |

| | | Employees Stock Option Scheme 2007 | Employees Stock Option Scheme 2015 |
|----|--|--|---|
| f) | Source of shares | Primary | Primary |
| g) | Variation of terms of options | During the year under no variations made under ESOS-2007. | During the year under no variations made under ESOS-2015. |
| h) | Method used to account for ESOS - Intrinsic or fair value. | Intrinsic value | Fair Value |
| i) | Where the Company has calculated the employee compensation cost using the intrinsic value of the stock Options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised 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. | * | The Company has adopted IND AS (Indian Accounting Standard) w.e.f. 1 st January, 2016. According to Para 10 and 11 of the IND AS 102 Share Based Payment, for ESOS- 2015 the Company has adopted the Fair Value Method to value its options. |
| j) | Number of Options outstanding at the beginning of the period | 161,969 | 1,311,828 |
| k) | Number of Options granted during the year | Nil | Nil |
| l) | Number of Options forfeited/lapsed during the year | 12,571 | 364,723 |
| m) | Number of Options vested during the year | Nil | Nil |
| n) | Number of Options exercised during the year | 53,018 | 360,672 |
| o) | Number of shares arising as a result of exercise of option | 53,018 | 360,672 |
| p) | Money realised by exercise of options | Rs. 3.01 Million | Rs. 54.10 Million |
| q) | Loan repaid by the Trust during the year from exercise price received | Not applicable, since the scheme is directly implemented by the Company. | Not applicable, since the scheme is directly implemented by the Company. |
| r) | @Total number of options outstanding at the end of the year | 96,380 | 586,433 |
| s) | @ Total number of options exercisable at the end of the year | 96,380 | 390,955 |
| t) | Employee-wise details of Options granted to: | | |
| | i) Senior managerial personnel | As per statement attached | As per statement attached |
| | 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, | None | None |
| | 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. | None | None |

| | | Employees Stock Option Scheme 2007 | Employees Stock Option Scheme 2015 |
|-----|---|--|--|
| | | | Not Applicable |
| u) | A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information: | Not applicable since no fresh grant was made during the year | Not applicable since no fresh grant was made during the year |
| | i) values of share price | | |
| | ii) exercise price | | |
| | i) risk-free interest rate, | | |
| | ii) expected option life | | |
| | iii) expected volatility | | |
| | iv) expected dividends and | | |
| | v) The price of the underlying share in market at the time of option grant. | | |
| 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. | Not applicable since no fresh grant was made during the year | Not applicable since no fresh grant was made during the year |
| w) | the method used and the assumptions made to incorporate the effects of expected early exercise; | Not Applicable | Not Applicable |
| x) | how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; | Not Applicable | Not Applicable |
| y) | whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition | Not Applicable | Not Applicable |
| z) | Disclosures in respect of grants made in three years prior to IPO under each ESOS | Not applicable | Not applicable |
| aa) | Diluted Earnings Per Share (EPS) pursuant to issue of share on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings per Share'. | Rs. 0.94/- | |

* denotes amount less than Rs. 50,000/- towards difference between the employee compensation cost computed using the intrinsic value of the Options and the fair value of the Options.

@ All the options granted under Employees Stock Option Scheme 2007 has been vested and the figures reported above are of outstanding exercisable vested options as on 31st December, 2018.

\$ The Stock Options granted pursuant to the Composites Scheme & Integrated Scheme of Amalgamation remain vested for the remaining tenure pursuant to erstwhile Stock Option Scheme of Amalgamated Companies.

FOR THE YEAR ENDED 31ST DECEMBER, 2018

STATEMENT ATTACHED TO DISCLOSURE PURSUANT TO THE SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014

| Name of the Senior Managerial Persons of the Company to whom Stock Options have been granted | Employees Stock Option Scheme 2007 | | | | Employees Stock Option Scheme 2015 |
|--|--|----------------------------|----------------------------|---|------------------------------------|
| | Options granted in 2007-08 ^{##} | Options granted in 2008-09 | Options granted in 2011-12 | Options Granted Against ESOPs held in MCL ! | Options Granted in FY Dec 2016 |
| Exercise price of each option granted | Rs. 197/- & Rs. 83/- | Rs. 109/- | Rs. 57/- & Rs. 44/- | Rs. 52.67/- | Rs. 150/- |
| Mr. Hemant Luthra – Chairman and Executive Director | 2,00,000 | Nil | Nil | 5,220 | 416,700 |
| @ Mr. K. Ramaswami – Managing Director | Nil | Nil | 3,00,000 | Nil | 133,330 |
| @ Mr. Deepak Dheer | Nil | 75,000 | 1,25,000 | Nil | Nil |
| \$ Mr. Zhooben Bhiwandiwala | 10,000 | 10,000 | #15,000 | Nil | Nil |
| @ Mr. Nikhilesh Panchal | 10,000 | 10,000 | #15,000 | Nil | Nil |
| @ Mr. V. K. Chanana | 10,000 | 10,000 | #15,000 | Nil | Nil |
| @ Mr. Fali Mama | 10,000 | 10,000 | #15,000 | Nil | Nil |
| @ Mr. Mohit Burman | 10,000 | 10,000 | #15,000 | Nil | Nil |
| @ Mr. Harald Korte | 10,000 | Nil | #15,000 | Nil | Nil |
| @ Mr. Piyush Mankad | Nil | 10,000 | 15,000 | Nil | Nil |
| ^ Mr. Daljit Mirchandani – Independent Director | Nil | 10,000 | 15,000 | Nil | Nil |
| @ Mr. Oliver Scholz | Nil | 10,000 | #15,000 | Nil | Nil |
| @ Mr. S. Ravindran | *40,000 | Nil | Nil | Nil | Nil |
| @ Mr. R.R.Krishnan | *10,000 | Nil | Nil | 2,250 | Nil |
| @@Mr. Romesh Kaul - Chief Executive – Composites, Stamping and Forgings Division | N.A. | N.A. | N.A. | N.A. | 133,330 |
| @@Mr. K. Jayaprakash - Chief Financial Officer | N.A. | N.A. | N.A. | N.A. | 25,830 |
| @@Mr. Pedro Echegaray | N.A. | N.A. | N.A. | N.A. | 187,500 |
| @@Mr. Vikas Chandra Sinha - Sr. Vice President – Strategy | N.A. | N.A. | N.A. | N.A. | 52,100 |

@ Ceased to be director of the Company.

* The Options have lapsed since the concerned Directors have resigned before vesting of the same.

7,500 Options each have lapsed since the concerned Directors have resigned before vesting of the same.

\$ He ceased to be Director of the Company w.e.f. 4th October, 2013 and was re-appointed as Director w.e.f. 29th July, 2014.

Unexercised portion of first two tranch vested have lapsed due to non-exercise of options by the Directors.

! These Options were granted in lieu of the Options held in Mahindra Composites Limited which was amalgamated with the Company as per the Scheme of Amalgamation. These options were vested in three equal installments on July, 2010, July 2011 and July, 2012 respectively. These Options can be exercised within five years from the date of vesting of the Options at an Exercise Price Rs. 52.67/-per share.

^ The options were granted to before the Companies Act 2013 and Listing Regulations came into force. The Independent Directors not entitled to any stock options w.e.f. 1st April, 2014.

@@ The options were granted to them as employee of Mahindra & Mahindra Limited (M&M) which was the holding company of Mahindra CIE when the options were granted. The Company has not granted any options under Employees Stock Option Scheme 2007, during their employment with the Company.