

EPL LIMITED

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Disclosure pursuant to Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021, for the financial year ended 31 March 2023

Employee Stock Options Scheme 2020 (ESOS 2020)

A 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 to Notes forming part of the Standalone Financial Statement for the year 2022-23. Disclosures are provided in accordance with Ind AS-102- Share based Payment.

B 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 INR 6.47 and INR 7.15 for Standalone and Consolidated levels respectively.

C Details related to ESOS (Employees Stock Options Scheme 2020 / 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.

a)	Date of shareholders' approval	1 July 2020
b)	Total number of options approved under ESOS	65,00,000
c)	Vesting requirements	Options will vest in a phased manner every year during the next five years from the date of Grant, subject to provisions of ESOS2020 and Grant Letter.
d)	Exercise price or pricing formula	50,12,088 Options Granted at a price of Rs. 161 per Option. 4,58,955 options have been granted at a price of Rs 268 per option to the employees of the Subsidiaries in the Americas region, in compliance with applicable regulations of USA.
e)	Maximum term of options granted	Vesting shall be as per the ESOS 2020 or Vesting schedule after the Grant. Exercise period is 36 months from the date of each Vesting.

f)	Source of shares (primary, secondary or combination)	The Company will allot fresh equity shares upon exercise of the Vested Options, as per the ESOS 2020.
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ii) Method used to account for ESOS - Intrinsic or fair value: Fair value.

iii) Where the company opts for expensing of the options using the intrinsic value of the options,

- a) 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: N.A.
- b) The impact of this difference on profits and on EPS of the company shall also be disclosed: N.A.

iv) Option movement during the year (For each ESOS)

a)	Number of options outstanding at the beginning of the period (Vested and Outstanding)	462,138
b)	Number of options granted during the year	1,08,226
c)	Number of options forfeited / lapsed during the year	321,930
d)	Number of options vested during the year	890,649
e)	Number of options exercised during the year	-
f)	Number of shares arising as a result of exercise of options.	-
g)	Money realized by exercise of options (INR), if scheme is implemented directly by the company.	-
h)	Loan repaid by the Trust during the year from exercise price received.	N.A.
i)	Number of options outstanding at the end of the year. (Granted but not Vested)	22,01,399
i)	Number of options exercisable at the end of the year (Vested and outstanding)	12,62,488

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.

a) Exercise price: Same as mentioned in (i) (d) above.

b) Weighted average fair value of Options:

FV of options granted at INR 161 – INR 131.8

FV of options granted at INR 268 – INR 96.4

- vi) **Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to following.**

a)	Senior managerial personnel	As per Annexure A attached
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.	Nil / N.A.
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.	Nil / N.A.

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

- 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.

1	Grant on 10 May 2022 (at price of Rs. 161)	
1.1	weighted-average values of share price (on date of Grant)	Rs. 159
1.2	Exercise price (per option)	Rs. 161
1.3	Expected volatility	35.3% - 44.3%
1.4	Expected option life	2.5 – 6.5 years
1.5	Expected dividend yield	1.2% - 1.7%
1.6	Risk free interest rate	6.5% - 7.5%
1.7	Any other inputs to the model.	Nil

- b) **The method used and the assumptions made to incorporate the effects of expected early exercise.**

Black Scholes Option Pricing Model

- c) **How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility**

Expected volatility was derived through historical analysis as per option life estimates.

- d) **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

Annexure A

Details of Senior Managerial Personnel to whom options granted during the FY 23

Name of the Employee	Designation	Number of options Granted	Exercise Price In Rs.
Amit Jain	Chief Financial Officer	1,08,226	161/-