



## THEJO ENGINEERING LIMITED

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### Thejo Employee Stock Option Plan 2015

*Information in respect of Options granted under Thejo Employee Stock Option Plan 2015*

Name of the Plan	Thejo Employee Stock Option Plan 2015 (“ESOP 2015”)
Date of Shareholders’ Approval	August 26, 2015
Number of options approved under the Scheme	3,00,000 options equivalent to 3,00,000 Equity shares of ₹ 10/- each.
Vesting Schedule	1/6 <sup>th</sup> of Options granted on completion of one year of grant; balance in 6 equal instalments on completion of 18, 24, 30, 36, 42 and 48 months of grant.
Pricing Formula	The Members have approved the Board to decide the Pricing in line with SEBI guidelines. The Board has decided that the pricing will be not less than 75% of the prevailing market value of the Shares on the date of grant of Options as fixed by Compensation Committee based on the closing market price one day prior to date of grant.
Maximum Term of Options granted	60 Months from the date of granting of the Options.
Source of Shares	Primary
Method of Settlement	Equity Shares
Variation in terms of Options	None
Method used for accounting	Intrinsic Value Method
Impact of Fair Value Method	Had the Company used Fair Value Method (under Black Scholes Method) to expense the employee compensation cost, the Employee Stock Option Expense would have been ₹ 51.44 lakhs, which is ₹ 21.16 lakhs higher than the expense under Intrinsic Value Method of ₹ 30.28 lakhs. Had fair value been considered for expensing ESOP cost, the profit for the year and EPS (Basic and Diluted. FV of Rs. 10/- each fully paid) would have been ₹ 539.73 lakhs and ₹ 15.72/- respectively (as against ₹ 560.89 lakhs and ₹ 16.34/- under intrinsic value method).
Option Movement during the year	Number of Options at the beginning of the period – Nil Number of Options Granted during the year – 1,50,007 Number of Options forfeited/lapsed during the year – 10,451 Number of Options vested during the year – Nil Number of Options exercised during the year – Nil Number of Shares arising as a result of exercise of options – Nil Money Realized by exercise of Option – Nil Loan Repaid by the Trust from exercise price received – NA Number of Options outstanding at the end of the year – 1,39,556 Number of Options exercisable at the end of the year – Nil
Weighted Average Exercise Price	₹ 153.75/- per share
Weighted Average Fair Value/Option	₹ 88.87/-
Details of Options Granted to	(A) Senior Managerial Personnel:

specified employees	<p>Employee-Designation-Options granted-Exercise Price  Mr. M.D. Ravikanth – CFO &amp; Secretary - 12,295 - ₹ 153.75/-  Mr. S. Premjit – VP (Services) - 7,377 - ₹ 153.75/-  Mr. Thomas K Abraham – VP (HR &amp; Admin) - 8,607 - ₹ 153.75/-  Mr. S. Satish – VP (Commercials) - 7,377 - ₹ 153.75/-  Mr. Dinesh Bennet Fernandez (AVP - Materials)-6,148 - ₹ 153.75/-  Mr. S. Suryanarayanan –Sr. Manager (Accounts)- 3,689-₹ 153.75/-</p> <p>(B) Any other employee granted options amounting to 5% or more of option granted during the year  Employee-Designation-Options granted-Exercise Price  Mr. Shine James – MD, TAPL – 9,221 – ₹ 153.75/-</p> <p>(C) There is no identified employee who was granted option during the year equal to or exceeding 1% of issued capital.</p>																																							
Method and Significant Assumptions to estimate fair value	<p>Method Used: Black Scholes Method  Significant Assumptions Used:  Weighted Average Value of Share Price: ₹ 205/-  Weighted Average Price of Exercise Price: ₹ 153.75/-  Expected Volatility: 35.40%-38.50%  Expected Option Life:3-4.5 years  Expected Dividends: 1.81%  Risk-free interest rate:6.93%-7.07%  Method to determine Expected Volatility: Standard deviation of the continuously compounded rate of return of the stock during the expected option life based on historic value.</p>																																							
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Diluted EPS as per AS 20	Diluted EPS (Per Equity Share of face value of Rs. 10/- each fully paid) – ₹ 16.34/-																																							
Price of underlying shares in Market at the time of grant of option	₹ 205/- per Equity Share																																							