

Mahindra Logistics Limited

ESOP Disclosures

Disclosures in compliance with Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with SEBI CIRCULAR CIR/CFD/POLICY CELL/2/2015 Dated 16 June 2015 are set out as below:

Particulars	Disclosures
Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time	Details provided in Note no. 23 - Notes to the Standalone Financial Statements in the Annual Report 2017-18.
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 ICAI or any other relevant accounting standards as prescribed from time to time	Given in table below

Details related to MLL Key Executive Stock Option Scheme 2012 ("MLL ESOP or Scheme")

Sr. No.	Particulars	MLL ESOP
1	General Terms and Conditions	<p>Pursuant to the terms of the MLL ESOP, upto a maximum of 57,70,000 options can be granted. The ratio of number of equity shares vesting against each option granted will be determined depending upon the performance of the Company based on the vesting criteria determined by the Nomination and Remuneration Committee ("Committee") at the time of grant of options upon payment of the exercise price in terms with MLL ESOP.</p> <p>The vested options can be exercised either in full or in part for a minimum lot of 1,000 shares and / or balance thereof.</p> <p>The exercise period may commence from the date of vesting and will expire not later than three years from the date of vesting.</p> <p>The options will be exercisable by the Employees by a written or electronic notice to the Company. The options will lapse if not exercised within the specified exercise period. The options may also lapse under certain circumstances even before the expiry of the specified exercise period as per the terms of the Scheme.</p>
2	Date of Shareholder approvals	25 June 2012 2 November 2012 5 February 2014 27 October 2015 11 July 2017
3	Total number of options approved under ESOP	57,70,000
4	Vesting requirements	The vesting period shall be minimum of one year and maximum of eight years from the date of grant as decided by the Committee. The Vesting

		shall happen in one or more tranches as may be decided by the Committee.			
5	Exercise Price or Pricing formula	Fair market value as determined by Category 1 Merchant Banker registered under the SEBI Merchant Bankers Regulations, 1992			
6	Maximum term of options granted	Eight years from the date of grant as decided by the Committee.			
7	Source of shares (primary, secondary or combination)	Primary			
		2014-15	2015-16	2016-17	2017-18
8	Variation in terms of options	Nil	Change in vesting period*	Change in vesting period*	Nil
9	Method used to account for ESOP – Intrinsic or fair value	Intrinsic value	Intrinsic Value**	Fair Value	Fair Value
10	Where the Company opts for expensing of options using the intrinsic value of options, 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. The impact of this difference on profits and Earnings per share (EPS) of the Company shall also be disclosed	Nil	Nil	The Company follows the Fair Market Value (based on Black Scholes valuation model) of the stock options as on the date of grant for calculating employee compensation cost.	
11	Option movement during the financial years:				
a.	Number of options outstanding at the beginning of the year	21,21,788	15,44,163	19,29,889	1,79,73,81
b.	Number of options granted during the year	Nil	5,45,866	73,608	4,59,360
		Total options granted as on 31 March 2018: 57,24,000 (Net of options forfeited /cancelled)			
c.	Number of Options forfeited/ lapsed during the year	1,42,148	1,60,140	2,06,116	1,10,501
d.	Number of Options vested during the year	4,42,459	3,78,257	3,74,260	9,34,363
e.	Number of Options exercised during the year	4,35,477	Nil	Nil	16,86,880
f.	Number of Shares arising as a result of exercise of options	4,35,477	Nil	Nil	16,86,880
g.	Money realised by exercise of options (INR), if scheme is implemented directly by the Company	1,17,30,619.76	Nil	Nil	6,29,82,234.98* **
		Total money realised by exercise of options as on 31 March 2018 (on cumulative basis): Rs. 9,26,54,814.44			
h.	Loan repaid by the trust during the year from exercise price received	Not Applicable			

i.	Number of options outstanding at the end of the year	15,44,163	19,29,889	17,97,381	4,59,360
j.	Number of options exercisable at the end of the year	6982	3,85,239	7,59,499	NIL
12	Weighted average exercise prices and the weighted average fair values of options whose exercise price either equals or exceeds or is less than the market price of the stock	Not Applicable			
13	Employee wise details of options granted to				
a.	Senior Managerial Personnel	For details, refer Note 1 below			
b.	Any other employee who receives a grant in any one year of option amounting to 5% or more of options granted during that year.	For details, refer Note 2 below			
c.	Identified employees who were granted options, 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			
14	Diluted EPS pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 / IND AS 33 'Earnings Per Share'	6.77	5.45	6.51	8.78
15	A description of the method and significant assumptions used during the following years to estimate the fair values of options, including weighted average information:	Refer note 3			
a.	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	Refer Note 3			
b.	The method used and the assumptions made to	Black-Scholes Options Pricing Model. The assumptions are stated in note 3 below			

	incorporate the effects of expected early exercise	
c.	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	The expected volatility has been calculated entirely based on annual volatility of the stock prices of peer companies, prior to the date of grant, as the historical data of the Company is not available as the Company recently got listed on 10 November 2017
d.	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	Yes. The features are mentioned in note 3 below

**The terms of the vesting period were amended to enable accelerated vesting of stock options in July 2017, which were earlier eligible for vesting in June 2018*

***Figures for the year ended 31 March 2016 have been restated as per IND AS to make them comparable with the figures for the year ended 31 March 2017 and fair value method was used in the financial year 2016-17 to value the ESOP.*

****Money realised towards exercise of 16,86,880 options was Rs. 42,098,602.68. Further 16,22,047 equity shares were converted from partly paid-up to fully paid – up.*

Note 1:

Sr. No.	Name	Designation	Number of options granted in 2014-15	Number of options granted in 2015-16	Number of options granted in 2016-17	Number of options granted in 2017-18	Exercise Price per share
1	Pirojshaw Sarkari	Chief Executive Officer	NIL	NIL	NIL	26,851	87.28
2	Nikhil Nayak	Chief Financial Officer	NIL	NIL	NIL	18,533	87.28
3	Sushil Rathi	Chief Operating Officer	NIL	NIL	NIL	11,370	87.28
4	Ravi Begur	General Manager	NIL	NIL	NIL	18,606	87.28
5	Rama Malik	Vice President	NIL	NIL	31,436	27,142	2017-18: 87.28 2016-17: 52.76
6	R. Chandramouli	General Manager	NIL	23,799	NIL	NIL	44.30
7	Shantanu Roy	General Manager	NIL	NIL	20,892	28,102	2017-18: 87.28 2016-17: 52.76
8	Kamal Kapoor	Vice President	NIL	NIL	21,280	28,066	2017-18: 87.28 2016-17: 52.76
9	Mehernosh Mehta	Vice President	NIL	NIL	NIL	53,825	87.28
10	Neeraj Balani	Vice President	NIL	58,979	NIL	23,925	2017-18: 87.28

							2015-16: 44.30
--	--	--	--	--	--	--	-------------------

Note 2:

Sr. No.	Name	Designation	Number of options granted in 2014-15	Number of options granted in 2015-16	Number of options granted in 2016-17	Number of options granted in 2017-18	Exercise Price per share
1	Gulam Taha Khalid	Deputy General Manager	NIL	29,786	NIL	NIL	44.30
2	Jayant Chitnis	General Manager	NIL	32,919	NIL	NIL	44.30
3	Amit Kamat	General Manager	NIL	59,962	NIL	23,824	2017-18: 87.28 2015-16: 44.30
4	Nasarwanji Huafreed	General Manager	NIL	NIL	NIL	26,792	87.28
5	Shrikant Tukaram Nikam	General Manager	NIL	NIL	NIL	28170	87.28
6	Ankur Singhai	General Manager	NIL	27,191*	NIL	27,468	2017-18: 87.28 2015-16: 44.30

*ESOP's granted was less than 5% of total grant in the year.

Note 3:

A description of the method and significant assumptions used during the following years to estimate the fair values of options, including weighted average values of information, namely:

Grant Date	Grant 1 - (Date: June 25, 2012)				Grant 2 - (Date: November 2, 2012)				Grant 3 - (Date: October 14, 2013)				Grant 4 - (Date: 27 October 27 2015)		Grant 5 - (Date: 3 August 2016)		Grant 6 - (Date: 8 July 2017)
	2018	2017	2016	2015	2018	2017	2016	2015	2018	2017	2016	2015	2018	2017	2018	2017	2018
Particulars	2018	2017	2016	2015	2018	2017	2016	2015	2018	2017	2016	2015	2018	2017	2018	2017	2018
Share price	13.90	13.90	13.90	13.90	13.90	13.90	13.90	13.90	23.38	23.38	23.38	23.38	44.30	44.30	52.76	52.76	87.28
Exercise price	13.90	13.90	13.90	13.90	13.90	13.90	13.90	13.90	23.38	23.38	23.38	23.38	44.30	44.30	52.76	52.76	87.28
Expected volatility (weighted-average)	38.88%	38.88%	38.88%	35.35%	38.88%	38.88%	38.88%	35.35%	52.62%	52.62%	52.62%	52.62%	54.03%	54.03%	76.78%	76.78%	58.27%
Expected Option Life (weighted-average)	9.02	9.02	9.02	1.60 - 4.94	8.66	8.66	8.66	1.25 - 4.58	7.69	7.69	7.69	1.30 - 3.63	5.83	5.83	4.91	4.91	4.00
Expected dividends	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Risk-free interest rate (based on government bonds)	8.12%	8.12%	8.12%	8.12%	8.54%	8.54%	8.54%	7.95%-7.96%	9.14%	9.14%	9.14%	8.68%	8.19%	8.19%	7.26%	7.26%	6.72%
Any other inputs to model	NIL																

For relevant disclosures, please refer the notes to the statement of changes in equity and Note No. 23 of the Notes to Standalone Financial Statement for the year ended 31 March 2018 forming part of the Annual Report for financial year 2017-18