

MAHINDRA LOGISTICS LIMITED

Registered Office: Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400 018.

Website: www.mahindralogistics.com E-mail: cs.mll@mahindra.com

Phone: +91 22 2490 1441 Fax: +91 22 2490 0833

CIN: L63000MH2007PLC173466 ISIN: INE766P01016

Disclosures with respect to Employee Stock Option Scheme of Mahindra Logistics Limited (“the Company”) 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. 24 - Notes to the Standalone Financial Statements in the Annual Report 2019-20.

Sr. No.	Particulars	MLL Key Executive Stock Option Scheme 2012 (“KESOS”)	Mahindra Logistics Restricted Stock Unit Plan 2018 (“RSU 2018”)
1	General Terms and Conditions	Pursuant to the terms of the KESOS, up to a maximum of 5,770,000 options can be granted to eligible employees of the Company. The Nomination and Remuneration Committee (“Committee”) may determine their exercise price subject to conforming to the accounting policies specified in regulation 15 of SEBI (Share Based Employee Benefits) Regulations, 2014; provided however, that the exercise price shall not be less than the face value/ par value of the Equity Shares.	Pursuant to the terms of the RSU 2018, up to a maximum of 10,50,000 options can be granted in one or more tranches to the eligible employees and Directors of the Company and eligible employees of its Holding Company. The Nomination and Remuneration Committee (“Committee”) may determine their exercise price subject to conforming to the accounting policies specified in regulation 15 of SEBI (Share Based Employee Benefits) Regulations, 2014; provided however, that the exercise price shall not be less than the face value/ par value of the Equity Shares.
2	Date of Shareholders approval	25 June 2012, 2 November 2012, 5 February 2014, 27 October 2015 and 11 July 2017	1 August 2019 and 2 August 2018
3	Total number of options approved under the Scheme	5,770,000	10,50,000
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.	The vesting period shall be minimum of one year and maximum of five 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.

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Sr. No.	Particulars	MLL Key Executive Stock Option Scheme 2012 ("KESOS")						Mahindra Logistics Restricted Stock Unit Plan 2018 ("RSU 2018")
		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	
5	Exercise Price or Pricing formula	Fair market value as determined by Category 1 Merchant Banker registered under the SEBI Merchant Bankers Regulations, 1992						Face value of the equity shares of the Company i.e. Rs. 10/-
6	Maximum term of options granted	Eight years from the date of grant as decided by the Committee.						Five years from the date of grant as decided by the Committee.
7	Source of shares (primary, secondary or combination)	Primary						Primary
8	Variation in terms of options	Nil	Change in vesting period*	Change in vesting period*	Nil	Nil	Nil	2019-20
								Change in vesting conditions
9	Method used to account for ESOP – Intrinsic or fair value	Intrinsic value	Intrinsic Value**	Fair Value	Fair Value	Fair 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			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	

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		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2019-20
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	17,97,381	4,59,360	76,164	613,484
b.	Number of options granted during the year	Nil	5,45,866	73,608	4,59,360	Nil ^{\$}	Nil ^{\$}	180,313
		Total options granted as on 31 March 2019: 56,46,564 (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	77,436	Nil	71,151
d.	Number of Options vested during the year	4,42,459	3,78,257	3,74,260	9,34,363	381,924	Nil	123,349
e.	Number of Options exercised during the year	4,35,477	Nil	Nil	16,86,880	305,760	36,720	52,852
f.	Number of Shares arising as a result of exercise of options	4,35,477	Nil	Nil	16,86,880	305,760	36,720	52,852
g.	Money realised by exercise of options (INR), if scheme is implemented directly by the Company	11,730,619.76	Nil	Nil	62,982,234.98 [#]	26,686,732.80	32,04,921.6	528,520.00
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	76,164	39,444	6,69,794

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Sr. No.	Particulars	MLL Key Executive Stock Option Scheme 2012 ("KESOS")						Mahindra Logistics Restricted Stock Unit Plan 2018 ("RSU 2018")
j.	Number of options exercisable at the end of the year	6,982	3,85,239	7,59,499	NIL	76,164	39,444	70,497
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						For details, refer Note. 4
13	Employee wise details of options granted to							
a.	Senior Managerial Personnel (including Key Managerial Personnel)	For details, refer Note 1 below						For details, refer Note 5 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						Nil

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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						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	11.80	7.68	7.68
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:							
a.	Share Price	Refer Note 3						Refer Note 3
b.	Exercise Price	Refer Note 3						Refer Note 3
c.	Expected volatility	Refer note 3						Refer note 3
d.	Expected Option Life	Refer note 3						Refer note 3
e.	Expected dividend	Refer note 3						Refer note 3
f.	Risk free interest rate	Refer note 3						Refer note 3

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Sr. No.	Particulars	MLL Key Executive Stock Option Scheme 2012 ("KESOS")	Mahindra Logistics Restricted Stock Unit Plan 2018 ("RSU 2018")
g.	Any other inputs to model	Refer note 3	Nil
h.	The method used and the assumptions made to incorporate the effects of expected early exercise	Black-Scholes Options Pricing Model. The assumptions are stated in note 3 below.	Black-Scholes Options Pricing Model. The assumptions are stated in note 3 below.
i.	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	Refer Note 3
j.	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 feature has been considered for fair valuation of options except as mentioned in Note 3 below.	No other feature has been considered for fair valuation of options except as mentioned in this table at point (a) above.

* 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.

\$ KESOS is a pre-IPO ESOP Scheme of the Company shall be operational only to the extent of vesting. No fresh stock options have been granted under the said scheme post Initial Public Offer ("IPO") and no stock options shall be granted hereafter under the said scheme.

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

On behalf of the Board of Directors

Mr. V. S. Parthasarathy

Chairman

DIN: 00125299

Mumbai, 20 May 2020

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Note 1:

Grant to Senior Managerial Personnel (including Key Managerial Personnel) under KESOS:

Sr. No.	Name	Designation	Number of options granted under KESOS					
			2014-15	2015-16*	2016-17**	2017-18***	2018-19	2019-20
1.	Pirojshaw Sarkari	Chief Executive Officer (upto 30 September 2019)	NIL	NIL	NIL	26,851	NIL	Nil
2.	Sushil Rathi	Chief Operating Officer – Transportation and Procurement	NIL	NIL	NIL	11,370	NIL	NIL
3.	Vibhu Many	Sr. Vice President – Electric Mobility	NIL	NIL	NIL	NIL	NIL	NIL
4.	Rama Malik	Vice President – Consumer Business	NIL	NIL	31,436	27,142	NIL	NIL
5.	Huafreed Nasarwanji	Vice President – Sales & Marketing	NIL	NIL	NIL	26,792	NIL	NIL
6.	Prasanna Pahade	Vice President – M&M Auto & Engineering Business	NIL	NIL	NIL	NIL	NIL	NIL
7.	Rajesh Shetty	Vice President – Operational Excellence	NIL	NIL	NIL	NIL	NIL	NIL
8.	Kamal Kapoor	Vice President – Transportation	NIL	21,280	NIL	28,066	NIL	NIL
9.	Mehernosh Mehta	Vice President – HR	NIL	NIL	NIL	53,825	NIL	NIL
10	Yogesh Patel	Chief Financial Officer	NIL	NIL	NIL	NIL	NIL	NIL
11.	Nikhil Nayak#	Chief Financial Officer (upto 30 August 2018)	NIL	NIL	NIL	18,533	NIL	NIL

* Exercise price per share Rs. 44.30

** Exercise price per share Rs. 52.76

*** Exercise price per share Rs. 87.28

Ceased to be employee effective 30 August 2018

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Note 2:

Grant to employees who receives a grant in any one year of option amounting to 5% or more of options granted during that year under KESOS:

Sr. No.	Name	Designation	Numb 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	Number of options granted in 2018-19	Number of options granted in 2019-20	Exercise Price per share
1	Gulam Taha Khalid [^]	Deputy General Manager	NIL	29,786	NIL	NIL	NIL	NIL	44.30
2	Jayant Chitnis	General Manager	NIL	32,919	NIL	NIL	NIL	NIL	44.30
3	Amit Kamat	General Manager	NIL	59,962	NIL	23,824	NIL	NIL	2017-18: 87.28 2015-16: 44.30
4	Shrikant Tukaram Nikam	General Manager	NIL	NIL	NIL	28,170	NIL	NIL	87.28
5	Ankur Singhai	General Manager	NIL	27,191*	NIL	27,468	NIL	NIL	2017-18: 87.28 2015-16: 44.30
6	Neeraj Balani [^]	Vice President -Business Development	NIL	58,979	Nil	23,925	NIL	NIL	2017-18: 87.28 2015-16: 44.30

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

[^] no longer employee of the Company

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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 **under KESOS**, 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 life / 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																

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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 **under RSU 2018**, namely:

Particulars/Grant Date	Grant-1 1 November 2018			Grant-2 4 November 2019			Grant-3 1 February 2020	Grant-4 4 February 2020	
	Share price at grant date	378.25	378.25	378.25	378.25	378.25	378.25	378.25	404.15
Exercise price	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Expected volatility (weighted-average)	29.09%	29.09%	29.09%	29.09%	29.09%	29.09%	29.09%	31.49%	
Expected life / Option Life (weighted-average)	2.00	2.65	3.65	2.00	2.70	3.70	2.25	2.00	
Expected dividends yield	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	0.44%	
Risk-free interest rate (based on government bonds)	5.83%	5.95%	6.24%	5.83%	5.96%	6.25%	5.88%	5.85%	
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 the stock price on NSE for the period from 1 November 2018 – 4 November 2019							The expected volatility has been calculated entirely based on the stock price on NSE for the period from 4 February 2019 - 4 February 2020	
Any other inputs to model	NIL								

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Note 4:

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 for RSUs:

RSUs Grant Date	Number of RSUs	Exercise price/weighted average exercise price (Rs.)	Weighted-average Fair value (Rs.)
04th November, 2019	36,105	10.00	366.06
04th November, 2019	36,104	10.00	365.36
04th November, 2019	36,104	10.00	364.31
04th November, 2019	6,667	10.00	366.06
04th November, 2019	6,667	10.00	365.31
04th November, 2019	6,666	10.00	364.26
01st February, 2020	40,000	10.00	365.80
04th February, 2020	12,000	10.00	391.74

Note 5:

Grant to Senior Managerial Personnel (including Key Managerial Personnel) under RSU 2018:

Sr. No.	Name	Designation	Number of options granted under RSU 2018 at an exercise price of Rs. 10/-	
			during FY 2018-19	during FY 2019-20
1	Rampraveen Swaminathan	Managing Director & CEO	-	72,375
2	Pirojshaw Sarkari	Chief Executive Officer (upto 30 September 2019 [^])	76,182 [^]	-
3	Vibhu Manya	Sr. Vice President – Electric Mobility Services	50,384	-
4	Yogesh Patel	Chief Financial Officer	49,484	-
5	Sushil Rathi	Chief Operating Officer – Transportation and Procurement & Chief Executive – Lords Freight	40,481	-
6	Rajesh Shetty	Vice President – Operational Excellence	18,264	10,323
7	Mehernosh Mehta	Vice President – Human Resources	27,966	-
8	Rama Malik	Vice President – Consumer Business	27,926	-
9	Kamal Kapoor	Vice President – Transportation & Procurement	18,894	-
10	Huafreed Nasarwanji	Vice President – Sales & Marketing	8,017	-
11	Prasanna Pahade	Vice President – M&M Auto & Engineering Business	7,962	-
		Total	3,25,560	82,698

[^] Ceased to be employee of Company and transferred to Mahindra & Mahindra Limited, Holding Company. Hence partial RSUs lapsed.