

**MAHINDRA LIFESPACE DEVELOPERS LIMITED - EMPLOYEE STOCK OPTION SCHEME DISCLOSURE UNDER REGULATION 14 OF SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 FOR THE FINANCIAL YEAR 2017-18**

<b>Particulars</b>	<b>Disclosures</b>
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 26 - Notes to Accounts of the Standalone financial statements and note 27 - Notes to Accounts of the Consolidated 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.	Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Indian Accounting Standard (IND AS) 33 'Earnings Per Share' for FY 2017-18 is Rs. 10.46 (Standalone) and Rs. 19.88 (Consolidated).

**Details related to Employee Stock Option Scheme 2006 and 2012 of the Company**

1. A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including –

<b>Particulars</b>	<b>MLDL ESOS 2006</b>	<b>MLDL ESOS 2012</b>
<b>Date of shareholders' approval</b>	21 <sup>st</sup> July, 2006	24 <sup>th</sup> July, 2012
<b>Total number of options approved under ESOS</b>	12,00,000	8,17,610
<b>Vesting requirements</b>	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.	In four tranches of 20%, 20%, 30% and 30% on expiry of 12 months, 24 months 36 months and 48 months respectively from the date of grant.
<b>Exercise Price</b>	Based on below pricing formula, for options granted on 25 <sup>th</sup> April, 2008 exercise price is Rs. 428 per stock options and for options granted on 4 <sup>th</sup> August, 2012 exercise price is Rs. 325.00 per stock options.	Rs. 10 per stock options.

<b>Pricing Formula</b>	Average price preceding the specified date	Face Value – Rs.10
	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 15 days preceding the specified date	
	Specified date — Date on which the Nomination and Remuneration Committee decided to recommend granting of Stock Options to the employees and Directors of the Company and its holding / subsidiary companies under an Employees' Stock Option Scheme.	
<b>Maximum term of options granted</b>	<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>The exercise period for each tranche of the options vested is the last date of exercise period for the last tranche of the granted Options i.e. 5 years from the date of vesting of the last tranche or such other extended period or periods as may be decided by the Nomination and Remuneration Committee from time to time.</p> <p>The Options remaining unexercised at the end of the Exercise Period (or such extended period/s as may have been decided by the Remuneration Committee), shall lapse.</p>	<p>The options granted in four tranches of 20%, 20%, 30% and 30% on expiry of 12 months, 24 months 36 months and 48 months respectively from the date of grant.</p> <p>The options vested shall be exercised within such period as may be determined by the Remuneration Committee while recommending the grant of options; provided that such period shall not exceed five (5) years from the respective date of vesting of options.</p> <p>The options remaining unexercised at the end of the Exercise Period or such extended period as may be determined by the Remuneration Committee shall lapse.</p>
<b>Source of shares (primary, secondary or combination)</b>	Primary	Primary
<b>Variation in terms of options</b>	Pursuant to the authority granted to the Nomination and Remuneration Committee the following administrative changes were made: (i) to provide for exercise of vested Stock Option by eligible employees at any time during a period of five years from the respective date of vesting instead of earlier option of exercising only on the anniversary of their vesting (ii) subject to other terms in this regard, retired / resigned employees	Not Applicable

	<p>are allowed to exercise the vested Stock Options at any time during the period of five years from respective date of vesting as against exercise of Options within 3 months from the date of retirement/ resignation. On 22<sup>nd</sup> April, 2014, the last date for exercise of vested options granted on 25<sup>th</sup> April, 2008 and on 4<sup>th</sup> August, 2012, was changed to 24<sup>th</sup> April, 2017 and 3<sup>rd</sup> August, 2021, respectively.</p>	
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2. Method used to account for ESOS - Intrinsic or fair value: **Fair value method**
3. Where the Company opts for expensing of the options using the intrinsic value of the 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 on EPS of the company shall also be disclosed: **Not Applicable**
4. Option movement during the year (For each ESOS):

Particulars	MLDL ESOS - 2006	MLDL ESOS - 2012	TOTAL
Number of options outstanding at the beginning of the period	4,37,730	1,15,700	5,53,430
Number of options granted during the year	Nil	21,000	21,000
Number of options forfeited / lapsed during the year	4,32,730	13,500	4,46,230
Number of options vested during the year	Nil	10,500	10,500
Number of options exercised during the year	Nil	11,200	11,200
Number of shares arising exercise of options	Nil	11,200	11,200
*Money realized by exercise of options (INR), if scheme is implemented directly by the company	Rs. 7,44,92,000	Rs. 7,58,500	Rs. 7,52,50,500
Number of options outstanding at the end of the year	5,000	1,12,000	1,17,000
Number of options exercisable at the end of the year	5,000	57,500	62,500

*\*The details provided are for total options exercised under ESOS 2006 and 2012.*

5. 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:

**ESOS 2006:**

2006		
Options Grant Date	Weighted average Exercise Price (Rs.)	Weighted average Fair Value (Rs.)
25 <sup>th</sup> April, 2008	Rs. 428.00	Rs. 443.79
4 <sup>th</sup> August, 2012	Rs. 325.00	Rs. 294.06

**ESOS 2012**

Options Grant Date	Weighted average Exercise Price	Weighted average Fair Value
4 <sup>th</sup> August, 2012	Rs. 10.00	Rs. 294.06
24 <sup>th</sup> July, 2013	Rs. 10.00	Rs. 409.27
17 <sup>th</sup> October, 2014	Rs. 10.00	Rs. 461.87
30 <sup>th</sup> April 2015	Rs. 10.00	Rs. 402.60
28 <sup>th</sup> January 2016	Rs. 10.00	Rs. 417.10
28 <sup>th</sup> July 2016	Rs. 10.00	Rs. 420.53
25 <sup>th</sup> July 2017	Rs. 10.00	Rs. 393.45
30 <sup>th</sup> Jan 2018	Rs. 10.00	Rs. 453.81

6. Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to:

- a. Senior Managerial Personnel (During the FY 2017-18):

Names	Designation	ESOS - 2012	
		Number of options granted	Exercise Price
<b>18,500 Options were granted on 25<sup>th</sup> July, 2017</b>			
Sunil Sharma	VP - Marketing & CRM	4,000	Rs. 10
Vaibhav Jambhekar	Sr. GM - Strategy & Business Excellence	3,000	Rs. 10

**Note: No stock options were granted under ESOS - 2006**

- b. Employees (Including Director) who receives grant in any one year of option amounting to 5% or more of option granted during that year:

**ESOS 2006:**

Names	Designation	ESOS -2006	
		Number of options granted	Exercise Price
<b>6,78,359 Options were granted on 25<sup>th</sup> April, 2008</b>			
Mr. Arun Nanda	Chairman, Non-Executive Director	2,00,000	Rs. 428
Ms. Anita Arjundas	Managing Director and Chief Executive Officer	50,000	Rs. 428
Mr. Pawan Malhotra*	----	50,000	Rs. 428
<b>10,000 Options were granted on 4<sup>th</sup> August, 2012</b>			
Dr. Prakash Hebalkar	Independent Director	10,000	Rs. 325

*\*Resigned as Managing Director with effect from 23<sup>rd</sup> June, 2009*

**ESOS 2012:**

Names	Designation	ESOS - 2012	
		Number of options granted	Exercise Price
<b>101,000 Options were granted on 4<sup>th</sup> August, 2012</b>			
Ms. Anita Arjundas	Managing Director & Chief Executive Officer	10,000	Rs. 10
Ms. Sangeeta Prasad	CEO - Integrated cities and Industrial Clusters	6,000	Rs. 10
<b>26,500 Options were granted on 24<sup>th</sup> July, 2013</b>			
Mr. Deepak Ahluwalia	General Manager - Human Resources	1,500	Rs. 10
Mr. Kamal Sharma	Deputy General Manager – Facility Management	1,500	Rs. 10
Mr. Sanjay Bhagat	Deputy General Manager - Business Development	1,500	Rs. 10
Mr. Sundaresan Vaidyanathan	Sr. General Manager - Business Development	2,500	Rs. 10

Ms. Smeeta Neogi	Vice President – Marketing	4,000	Rs. 10
Mr. Riyaz Bhada	General Manager – Design	2,500	Rs. 10
Mr. Tirthankar Chatterjee	Vice President - Projects (West)	4,000	Rs. 10
Mr. Rajesh Sriramshetty	General Manager- Projects	1,500	Rs. 10
Mr. Parcha Radha Kishan	Deputy General Manager – Projects	1,500	Rs. 10
Mr. Akhilesh Ayyappan	Deputy General Manager - Business Development	1,500	Rs. 10
Ms. Arti Shinde	Deputy General Manager - Secretarial & Legal	1,500	Rs. 10
Mr. R. Guru Shankar	General Manager - Quality & Innovation	1,500	Rs. 10
Mr. Rajendra Gadekar	Deputy General Manager – Liasoning & BD	1,500	Rs. 10
<b>27,000 Options were granted on 17<sup>th</sup> October, 2014</b>			
Mr. Jasmin Suchak	Deputy General Manager - Accounts & Finance	1,500	Rs. 10
Ms. Bharathy Shivakumar	Deputy General Manager - Accounts & Finance (South)	1,500	Rs. 10
Mr. Meraj Choudhari	Deputy General Manager – Business Development & Marketing (Delhi North)	1,500	Rs. 10
Mr. Vimal Mishra	Deputy General Manager - Compliance & Liasoning	1,500	Rs. 10
Mr. Ajay Saklani	Deputy General Manager – Sales	1,500	Rs. 10
Mr. Lokesh Gupta	Vice President - Operations (North)	4,000	Rs. 10
Mr. Sanjay Srivastava	Chief Operating Officer, Subsidiary Company	6,000	Rs. 10
Mr. Girish Menon	Deputy General Manager – Liasoning	1,500	Rs. 10
Mr. Ashish Singhal	General Manager – Projects	2,500	Rs. 10
Mr. Ajay Shah	General Manager – CRM	1,500	Rs. 10
Mr. Deepak Porayath	Business Head - Residential South	4,000	Rs. 10
<b>34,000 Options were granted (3,000 Options were granted on 30<sup>th</sup> April, 2015 &amp; 31,000 Options were granted on 28<sup>th</sup> January, 2016)</b>			
Mr. Bharat Gothoskar	General Manager – Marketing	2,500	Rs. 10
Mr. Anuj Bindal	General Manager - BD & Marketing	2,500	Rs. 10
Mr. Satish Deshpande	General Manager – Projects	2,500	Rs. 10
Mr. Amitabh Byapari	General Manager - Strategic Sourcing & Contracting	2,500	Rs. 10
Mr. Ankit Agarwal	General Manager – Sales	2,500	Rs. 10

<b>30,000 Options were granted on 28<sup>th</sup> July, 2016</b>			
Mr. Rajasekar P	Deputy General Manager – Projects	1,500	Rs. 10
Mr. Vivek Patil	Deputy General Manager – Projects	1,500	Rs. 10
Vijayasarithi S	Deputy General Manager – Projects	1,500	Rs. 10
Ms. Kamban Kavi	Deputy General Manager - O & M	1,500	Rs. 10
Mr. Sudheendra Satyanarayana	Deputy General Manager - Accounts & Finance	1,500	Rs. 10
Mr. Rajan Somvanshi	Deputy General Manager - Business Excellence	1,500	Rs. 10
Mr. Subhorov Roy	General Manager - Sales (West)	2,500	Rs. 10
Mr. Jaimin Desai	Head – Design	2,500	Rs. 10
Mr. Rahul Gupta	VP – Sales	4,000	Rs. 10
Mr. Abhishek Badkul	General Manager – Sales	2,500	Rs. 10
Mr. Rahul Pote	Deputy General Manager – MEP	1,500	Rs. 10
Mr. Gurushankar R	General Manager - Quality & Innovation	2,500	Rs. 10
Ms. Rhea Jeswani	Deputy General Manager - Finance & Accounts	1,500	Rs. 10
Mr. Madhusudan Pattanaik	General Manager - Projects	2,500	Rs. 10
Mr. Guhan Raj Kandaswamy	Deputy General Manager - Facilities Management	1,500	Rs. 10
<b>21,000 Options were granted (18,500 Options were granted on 25<sup>th</sup> July, 2017 &amp; 2,500 Options were granted on 30<sup>th</sup> January, 2018)</b>			
Mr. Sunil Sharma	VP - Marketing & CRM	4,000	Rs. 10
Mr. Vijay R	General Manager - Sales & Marketing	2,500	Rs. 10
Mr. Vaibhav Jambhekar	Sr. GM - Strategy & Business Excellence	3,000	Rs. 10
Mr. Deepak Gokhale	DGM - Legal	1,500	Rs. 10
Mr. Girish Agrawal	DGM - Accounts & Finance	1,500	Rs. 10
Mr. S. Madurai Veeran	DGM - Contracts	1,500	Rs. 10
Mr. Siddhartha Agarwal	DGM - Channel Sales	1,500	Rs. 10
Ms. Nimisha Kumar	DGM - BD & Marketing	1,500	Rs. 10
Mr. Rajesh Iyer	DGM - Accounts & Finance	1,500	Rs. 10
Mr. Gulshan Soni	General Manager - Sales & Strategy	2,500	Rs. 10

**Note:**

1. Above details includes employees of the Company and its subsidiaries
2. Includes details relating to employees who have resigned from the Company and its subsidiaries.

- c. Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding warrants and conversions) of the Company at the time of grant: **NIL**
3. 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:

Grant Date	ESOS 2006		ESOS 2012							
	25 <sup>th</sup> April 2008	4 <sup>th</sup> August 2012	4 <sup>th</sup> August 2012	24 <sup>th</sup> July 2013	17 <sup>th</sup> October 2014	30 <sup>th</sup> April 2015	28 <sup>th</sup> January 2016	28 <sup>th</sup> July 2016	25 <sup>th</sup> July 2017	30 <sup>th</sup> January 2018
Risk-free interest rate	7.79% - 8.15%	8.06% - 8.20%	8.06% - 8.20%	8.31% - 8.39%	8.49% - 8.52%	7.69% - 7.74%	7.43% - 7.73%	6.88% - 7.14%	6.37% - 6.66%	7.11% - 7.56%
Expected life	3.5 – 6.5 Years	3.5 – 6.5 Years	3.5 – 6.5 Years	6 – 9 Years	3.5 – 6.5 Years	3.5 - 6.5 Years	3.5 – 6.5 Years	3.5 – 6.5 Years	3.5 – 6.5 Years	3.5 – 6.5 Years
Expected volatility	66.76% - 70.65%	44.15% - 59.61%	44.15% - 59.61%	47.63%	26.68% - 43.74%	26.11%- 37.68%	27.17% - 30.20%	26.98% - 28.17%	27.24% - 28.90%	27.77% - 28.98%
Expected dividends	0.33%	1.38%	1.38%	1.31%	2.28%	2.57%	2.49%	1.31%	1.39%	1.22%
Exercise Price (Rs.)	428	325	10	10	10	10	10	10	10	10
Stock Price (Rs.)	443.79	324.14	324.14	454.09	516.08	467.60	482.25	450.60	393.45	453.81

- b. How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility: **The measure of volatility used in the Black-Scholes option-pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. In respect of options granted during the year, we have considered the volatility for periods, corresponding to the respective expected lives of the different vests, prior to the grant date. We have considered the daily volatility of the Company's stock price on NSE over these years.**

**Besides key assumptions stated above, no other features of the options grant were considered relevant while measuring the fair value.**