

## WELSPUN ENTERPRISES LIMITED

Disclosure pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 read with SEBI circular CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015.

Sr. No.	Particulars	<b>Welspun Enterprises Limited – Employee Stock Option Plan 2017 ("WEL ESOP Scheme 2017")</b>
A.	<b>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.</b>	For details please refer to Note no. 46 to the Standalone Financial Statements of the Company forming part of the Annual Report for the financial year 2019-20.
B.	<b>Diluted EPS on issue of shares pursuant to the scheme (in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time).*</b>	<p>Diluted EPS : Rs. 10.61 (Standalone) (For details refer to Note No. 46 to the Standalone Financial Statements mentioned in the Annual Report 2019-20)</p> <p>Diluted EPS : Rs. 9.91 (Consolidated) (For details refer to Note no. 47 to the Consolidated Financial Statements mentioned in the Annual Report for the financial year 2019-20). This is computed as per Ind AS 33 'Earnings Per Share'.</p>
C.	<b>Details related to ESOP:</b>	
(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)	<b>Date of shareholders' approval</b>	September 28, 2017
(b)	<b>Total number of options approved under the Scheme.</b>	30,00,000

<b>(c)</b>	<b>Vesting requirements</b>	<p>In view of modification of the WEL ESOP Scheme 2017 by the shareholders at the 24<sup>th</sup> Annual General Meeting held on August 14, 2018, the vesting of ESOPs shall happen at the rate of 20% of the total ESOPs granted at each anniversary from 1<sup>st</sup> to 4<sup>th</sup> anniversary of the date of grant in quantum of 20% of the total ESOPs granted, and the vesting of remaining 20% of the total ESOPs granted shall happen on July 14, 2022. However, in case of vesting period may be extended by the entire duration of the leave period for Employees on the Long Leave. The Vesting Schedule is as follows:</p> <table border="1" data-bbox="842 440 1879 646"> <thead> <tr> <th data-bbox="842 440 995 500">No. of ESOP</th> <th data-bbox="995 440 1136 500">Date of Grant</th> <th data-bbox="1136 440 1879 500">Date of Vesting</th> </tr> </thead> <tbody> <tr> <td data-bbox="842 500 995 646">30,00,000</td> <td data-bbox="995 500 1136 646">10.10.2017</td> <td data-bbox="1136 500 1879 646">The vesting of ESOPs shall happen at the rate of 20% of the total ESOPs granted at each anniversary from 1<sup>st</sup> to 4<sup>th</sup> anniversary of the date of grant in quantum of 20% of the total ESOPs granted, and the vesting of remaining 20% of the total ESOPs granted shall happen on July 14, 2022.</td> </tr> </tbody> </table>	No. of ESOP	Date of Grant	Date of Vesting	30,00,000	10.10.2017	The vesting of ESOPs shall happen at the rate of 20% of the total ESOPs granted at each anniversary from 1 <sup>st</sup> to 4 <sup>th</sup> anniversary of the date of grant in quantum of 20% of the total ESOPs granted, and the vesting of remaining 20% of the total ESOPs granted shall happen on July 14, 2022.
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<b>(d)</b>	<b>Exercise price or pricing formula</b>	Nil						
<b>(e)</b>	<b>Maximum term of options granted</b>	The Employee Stock Options granted shall be capable of being exercised in one or more tranches in multiples of 5000 shares, upto the third anniversary from the date of Vesting of the Employee Stock Options.						
<b>(f)</b>	<b>Source of shares (primary, secondary or combination)</b>	Primary						
<b>(g)</b>	<b>Variation in terms of options</b>	Date of vesting of last tranche was changed from October 10, 2022 to July 14, 2022						
<b>(ii)</b>	<b>Method used to account for the ESOP Scheme (Intrinsic or fair value)</b>	Fair Value						
<b>(iii)</b>	<b>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 using the intrinsic value method and the employee compensation cost that shall have been recognized if it had used the fair value of the options and impact of this difference on profits of the Company and on EPS of the Company.</b>	N.A.						
<b>iv)</b>	<b>Option movement during the financial year 2019-20 :</b>							

	Particulars	Details
	Number of options outstanding at the beginning of the period	30,00,000
	Number of options granted during the year	Nil
	Number of options forfeited /lapsed during the year	Nil
	Number of options vested during the year	6,00,000
	Number of options exercised during the year	3,75,000
	Number of shares arising as a result of exercise of options	3,75,000
	Money realized by exercise of options (INR), if scheme is implemented directly by the company	Nil
	Loan repaid by the Trust during the year from exercise price received	Not applicable
	Number of options outstanding at the end of the year	20,75,000
	Number of options exercisable at the end of the year	2,25,000
(v)	Weighted-average exercise prices and weighted-average fair values of options for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted-average exercise price - Rs. Nil  Weighted average fair values of options - Rs. 139.30
(vi)	Employee wise details of options granted to-	
(a)	Senior Managerial Personnel	No options were granted during the year
(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.	
(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.	

<b>(vii)</b>	<b>A description of the method and significant assumptions used during the year to estimate the fair value of options:</b>	<p>The Black Scholes Valuation model has been used for computing the weighted average fair value of stock options granted during the year of Rs. 139.30 considering the following input:</p> <table border="1" data-bbox="848 285 1843 704"> <tr> <td>Grant Date</td> <td>:</td> <td>October 10, 2017</td> </tr> <tr> <td>Vesting Date</td> <td>:</td> <td>The vesting of ESOPs shall happen at the rate of 20% of the total ESOPs granted at each anniversary from 1<sup>st</sup> to 4<sup>th</sup> anniversary of the date of grant in quantum of 20% of the total ESOPs granted, and the vesting of remaining 20% of the total ESOPs granted shall happen on July 14, 2022.</td> </tr> <tr> <td>Variables</td> <td>:</td> <td>-</td> </tr> <tr> <td>Stock Price</td> <td>:</td> <td>139.30</td> </tr> <tr> <td>Volatility</td> <td>:</td> <td>45.14%</td> </tr> <tr> <td>Risk free rate</td> <td>:</td> <td>6.43% to 6.69%</td> </tr> <tr> <td>Exercise Price</td> <td>:</td> <td>Nil</td> </tr> <tr> <td>Time to Maturity</td> <td>:</td> <td>2 to 6</td> </tr> <tr> <td>Dividend Yield</td> <td>:</td> <td>0%</td> </tr> <tr> <td>Option Fair Value</td> <td>:</td> <td>139.30</td> </tr> </table> <p>The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.</p>	Grant Date	:	October 10, 2017	Vesting Date	:	The vesting of ESOPs shall happen at the rate of 20% of the total ESOPs granted at each anniversary from 1 <sup>st</sup> to 4 <sup>th</sup> anniversary of the date of grant in quantum of 20% of the total ESOPs granted, and the vesting of remaining 20% of the total ESOPs granted shall happen on July 14, 2022.	Variables	:	-	Stock Price	:	139.30	Volatility	:	45.14%	Risk free rate	:	6.43% to 6.69%	Exercise Price	:	Nil	Time to Maturity	:	2 to 6	Dividend Yield	:	0%	Option Fair Value	:	139.30
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	<b>Disclosures in respect of grants made in three years prior to IPO under each ESOS.</b>	Not applicable																														
<b>D.</b>	<b>Details related to ESPS</b>	Not applicable																														
<b>E.</b>	<b>Details related to SAR</b>	Not applicable																														
<b>F.</b>	<b>Details related to GEBS/RBS</b>	Not applicable																														
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