

**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 2019-20**

<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 statement and note 29 - Notes to Accounts of the Consolidated financial statement in the Annual Report 2019-20
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 2019-20 is Rs. (43.90) (Standalone) and Rs.(37.57) (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 Nomination and 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 Nomination and 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 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.	Not Applicable

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):

<b>Particulars</b>	<b>MLDL ESOS - 2006</b>	<b>MLDL ESOS - 2012</b>	<b>TOTAL</b>
Number of options outstanding at the beginning of the period	5,000	91,850	96,850
Number of options granted during the year	Nil	64,500	64,500
Number of options forfeited / lapsed during the year	Nil	21,300	21,300
Number of options vested during the year	Nil	17,800	17,800
Number of options exercised during the year	Nil	12,300	12,300
Number of shares arising exercise of options	Nil	12,300	12,300
*Money realized by exercise of options (INR), if scheme is implemented directly by the company	Rs. 7,44,92,000	Rs. 10,91,000	Rs. 7,55,83,000

Number of options outstanding at the end of the year	5,000	1,21,350	1,26,350
Number of options exercisable at the end of the year	5,000	43,300	48,300

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
30 <sup>th</sup> July, 2019	Rs. 10.00	Rs. 532.67
14 <sup>th</sup> February, 2019	Rs. 10.00	Rs. 341.88
26 <sup>th</sup> July, 2019	Rs. 10.00	Rs. 353.37

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 FY 2019-20):

Names	Designation	ESOS - 2012	
		Number of options granted	Exercise Price
<b>64,500 Options were granted on 26<sup>th</sup> July, 2019</b>			
Mr. Arvind Subramanian	CEO – Happinest and COO – Mahindra Lifespace Developers Limited	6000	Rs. 10
Mr. Deepak Suvarna	Chief Project Officer	4000	Rs. 10
Mr. Sandeep Singh – Resigned from the Company w.e.f 29 <sup>th</sup> February, 2020		4000	Rs. 10
Mr. Vimalendra Singh	Chief Sales Officer - Happinest	4000	Rs. 10

**Note:**

1. *During FY2019-20, total 64,500 options were granted to eligible employees under ESOS-2012, of which 18,000 were granted to Senior Managerial Personnel.*

2. *Senior Managerial Personnel is as per definition under Regulation 16(1)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

3.

4. *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 <sup>1</sup>	-	50,000	Rs. 428
Mr. Pawan Malhotra <sup>2</sup>	-	50,000	Rs. 428

<b>10,000 Options were granted on 4<sup>th</sup> August, 2012</b>			
Dr. Prakash Hebalkar <sup>3</sup>	-	10,000	Rs. 325

**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	-	10,000	Rs. 10
Ms. Sangeeta Prasad <sup>4</sup>	Managing Director and CEO	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	DGM - 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	DGM – Projects	1,500	Rs. 10
Mr. Akhilesh Ayyappan	Deputy General Manager - Business Development	1,500	Rs. 10
Ms. Arti Shinde	DGM - Secretarial & Legal	1,500	Rs. 10
Mr. R. Guru Shankar	General Manager - Quality & Innovation	1,500	Rs. 10
Mr. Rajendra Gadekar	DGM – Liasoning & BD	1,500	Rs. 10
<b>27,000 Options were granted on 17<sup>th</sup> October, 2014</b>			
Mr. Jasmin Suchak	DGM - Accounts & Finance	1,500	Rs. 10

<sup>1</sup> Resigned as Managing Director with effect from 30th September, 2018

<sup>2</sup> Resigned as Managing Director with effect from 23<sup>rd</sup> June, 2009

<sup>3</sup> Dr. Prakash Hebalkar ceased to be Independent Director of the Company with effect from 30th July, 2017 on expiry of his term of office

<sup>4</sup> Ms. Sangeeta Prasad was appointed as the Managing Director & CEO of the Company with effect from 1st October, 2018

Ms. Bharathy Shivakumar	DGM - Accounts & Finance (South)	1,500	Rs. 10
Mr. Meraj Choudhari	DGM – 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	DGM – 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	DGM – MEP	1,500	Rs. 10
Mr. Gurushankar R	General Manager - Quality & Innovation	2,500	Rs. 10
Ms. Rhea Jeswani	DGM - Finance & Accounts	1,500	Rs. 10

Mr. Madhusudan Pattanaik	General Manager - Projects	2,500	Rs. 10
Mr. Guhan Raj Kandaswamy	DGM - 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
<b>25,500 Options were granted (19,500 Options were granted on 30<sup>th</sup> July, 2018 &amp; 6,000 Options were granted on 14<sup>th</sup> February, 2019)</b>			
Mr. Rajesh Adiga	General Manager - Sales	2,500	Rs. 10
Mr. Sumit Kasat	General Manager - Finance	2,500	Rs. 10
Mr. Nikhil Davda	General Manager - Marketing	2,500	Rs. 10
Mr. Ankur Dwivedi	DGM - Sales & Marketing	1,500	Rs. 10
Mr. Baban Wadghare	DGM - FM	1,500	Rs. 10
Ms. Bharathy Karunanidhi	GM - Finance	2,500	Rs. 10
Mr. Sumeet Sethi	Head – Sales & Marketing (IC & IC)	4,000	Rs. 10
Mr. Abhinav Aggarwal	GM - IT	2,500	Rs. 10
Ms. Pavitra Venkatesh	DGM - Design	1,500	Rs. 10
Ms. Bhuvanya P	DGM – Business Development	1,500	Rs. 10
Mr. Prince	DGM - Safety	1,500	Rs. 10
Ms. Aditi Mathur	DGM - Design	1,500	Rs. 10
<b>64,500 Options were granted on 26<sup>th</sup> July, 2019</b>			
Mr. Arvind Subramanian	CEO – Happinest and COO – Mahindra Lifespace Developers Limited	6000	Rs. 10
Mr. Deepak Suvarna	Chief Project Officer	4000	Rs. 10
Mr. Sandeep Singh		4000	Rs. 10
Mr. Vimalendra Singh	Chief Sales Officer - Happinest	4000	Rs. 10

**Note:**

1. Above table includes employees of the Company and its subsidiaries
2. Above table Includes details of 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 % of the issued capital (excluding warrants and conversions) of the Company at the time of grant: **NIL**

7. 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	30 <sup>th</sup> July 2018	14 <sup>th</sup> February 2019	26 <sup>th</sup> July, 2019
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%	7.76% - 8.01%	6.97% - 7.29%	6.25% - 6.55%
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	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 %- 37.6 8%	27.17% - 30.20%	26.98% - 28.17%	27.24% - 28.90%	27.77% - 28.98%	27.95%- 30.52%	28.39%- 30.88%	28.40%- 29.58%
Expected dividends	0.33%	1.38%	1.38%	1.31%	2.28%	2.57%	2.49%	1.31%	1.39%	1.22%	1.05%	1.58%	1.54%
Exercise Price (Rs.)	428	325	10	10	10	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	532.67	341.88	353.37

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.