

# **NITCO LIMITED**

## **Disclosure pursuant to the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - For the financial year 2020-21**

The NITCO - Employee Stock Option Plan 2019 ('NITCO - ESOP - 2019') was approved by the shareholders of the Company on March 30, 2019. There is no modification in the NITCO - ESOP - 2019.

- A.** Relevant disclosures in terms the Accounting Standards (Ind-AS) 102 - 'Share based Payment' has been made in Note No. 37 of the Notes of the Standalone Financial Statements, forming part of the Annual Report 2020-21 of the Company.
- B.** Diluted Earnings Per Share ('EPS') pursuant to the issue of shares on exercise of options calculated in accordance with Indian Accounting Standards (Ind-AS) 33 - 'Earnings Per Share' is Rs. (17.34).

### **C. Details related to NITCO - ESOP - 2019:**

1	Description of the NITCO - ESOP – 2019 is summarised below:											
Sr. No.	Particulars	Details										
a)	Date of shareholders’ approval	March 30, 2019										
b)	Total number of options approved	12,00,000										
c)	Vesting requirements	<div>The options granted shall vest in 4 equal tranches as per the table given below from the completion of 1 year from the grant date:</div> <table><tr><th>Date of Vesting</th><th>Percentage of Options to Vest</th></tr><tr><td>On 1<sup>st</sup> Anniversary from the date of Grant</td><td>25% of Options Granted</td></tr><tr><td>On 2<sup>nd</sup> Anniversary from the date of Grant</td><td>25% of Options Granted</td></tr><tr><td>On 3<sup>rd</sup> Anniversary from the date of Grant</td><td>25% of Options Granted</td></tr><tr><td>On 4<sup>th</sup> Anniversary from the date of Grant</td><td>25% of Options Granted</td></tr></table>	Date of Vesting	Percentage of Options to Vest	On 1 <sup>st</sup> Anniversary from the date of Grant	25% of Options Granted	On 2 <sup>nd</sup> Anniversary from the date of Grant	25% of Options Granted	On 3 <sup>rd</sup> Anniversary from the date of Grant	25% of Options Granted	On 4 <sup>th</sup> Anniversary from the date of Grant	25% of Options Granted
Date of Vesting	Percentage of Options to Vest											
On 1 <sup>st</sup> Anniversary from the date of Grant	25% of Options Granted											
On 2 <sup>nd</sup> Anniversary from the date of Grant	25% of Options Granted											
On 3 <sup>rd</sup> Anniversary from the date of Grant	25% of Options Granted											
On 4 <sup>th</sup> Anniversary from the date of Grant	25% of Options Granted											

d)	Exercise price or pricing formula	Rs. 39.55 Per Option
e)	Maximum term of options granted	5 (Five) years from the date of Grant
f)	Source of shares (primary, secondary or combination)	Primary
g)	Variation in terms of options	Not Applicable
2.	Method used to account for NITCO - ESOP – 2019 - Fair Value Method	
3.	<p>Where the company opts for expensing of the options using the intrinsic value of the options, 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:</p> <p>Not Applicable as fair value has been accounted</p>	
4.	Movement of options during the financial year 2020-21 are as follows:	
	<b>Particulars</b>	<b>Details</b>
a)	Number of options outstanding at the beginning of the period	11,12,000
b)	Number of options granted during the year	NIL
c)	Number of options forfeited/lapsed during the year	6,50,000
d)	Number of options vested during the year	1,15,500
e)	Number of options exercised during the Year	Nil
f)	Number of shares arising as a result of exercise of options	Nil

g)	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	Nil				
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 (including number of options exercisable at the end of the year)	7,38,000				
j)	Number of options exercisable at the end of the year	Nil				
5.	<b>Weighted-average exercise prices and weighted-average fair values of options whose exercise price equals or exceeds or is less than the market price of the stock:</b>  Not applicable, no options were exercised during the year 2020-21.					
6.	<b>Employee wise details of options granted during the financial year 2020-21 under NITCO - ESOP - 2019:</b>					
a)	Senior Managerial Personnel- NIL					
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.					
		Name		No. of options granted		
		NIL		NIL		
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					
		Name		No. of options granted		
		NIL		NIL		
7.	<b>Description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:</b>  The fair value at grant date is determined using the Black Scholes model which takes into account the stock price, exercise price, the term of the option, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.					
	Grant date	Risk free interest rate	Expected life (years)	Expected volatility	Dividend yield	Price of the underlying share in market at the time of the option grant (Rs.)
	NIL					

8.	Until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options	NA
----	---	----

**D. Details related to ESPS** - Not Applicable

**E. Details related to SAR** - Not Applicable

**F. Details related to GEBS/ RBS** - Not Applicable

**G. Details related to Trust** - Not Applicable