

SWARAJ ENGINES LIMITED

Information as required under The SEBI (Share Based Employee Benefits) Regulations, 2014 (“SBEB Regulations”) read with SEBI Circular CIR/CFD/POLICY CELL/2/2015 Dated 16th June, 2015 (“SEBI Circular”)

The Company has in force Employee Stock Option Scheme – 2015 (“the Scheme”)

A.	General terms and conditions	<p>Each option entitles the holder thereof to apply for and be allotted one equity share of the Company of Rs. 10/- upon payment of the exercise price during the exercise period.</p> <p>The exercise period may commence from the date of the vesting and the maximum vesting period may extend upto five years from the date of grant of options, unless otherwise determined by the Nomination and Remuneration Committee (“the Committee”).</p> <p>The options will be exercisable by the employees by a written application to the Company.</p> <p>The options will lapse if not exercised within the specified exercise period. The options may lapse under certain circumstances ever before the expiry of the specified exercise period.</p> <p>The Scheme will be under the superintendence of and be administered by the Committee.</p>
B.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (Ind AS) 33 ‘Earning per Share’	Rs. 109.99
C.	Date of shareholders’ approval	The shareholders have granted approval to the Scheme on 28 th July, 2015.
D.	Total number of options approved under ESOS	31,000 equity shares of Rs. 10/- each
E.	Vesting requirements	Vesting of options may commence after a period of not less than one year from the date of grant. The vesting may occur in one or more tranches, subject to terms and

		conditions of vesting as may be stipulated by the Committee.
F.	The pricing formula /Exercise Price	Exercise Price of options : Rs. 10/- per equity share
G.	Maximum term of options granted	96 month from the date of grant
H.	Source of shares (primary, secondary or combination)	The source of shares is primary.
I.	Variation in terms of options	Nil
J.	Method used to account for ESOS - Intrinsic or fair value 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 recognised if it had used the fair value of the options. The impact of this difference on profits and on EPS of the company.	The Company has calculated the employee compensation cost using fair value.
K.	Options movement during the financial year 2022-23:	
	Particulars	
	a) Number of options outstanding at the beginning of the period	2921
	b) Number of options granted during the year	1647
	c) Number of options forfeited during the year	Nil
	d) Number of options lapsed during the year	Nil
	e) Number of options vested during the year	1769
	f) Number of options exercised during the year	1920
	g) Number of shares arising as a result of exercise of options	1920
	h) Money realized by exercise of options (INR), if scheme is implemented directly by the company	19,200/-
	i) Loan repaid by the ESOP Trust during the year from exercise price received	Not Applicable
	j) Number of options outstanding at the end of the year	2648
	k) Number of options exercisable at the end of the year	319
L.	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 Avg. Exercise price – Rs.10/- Weighted Avg. Fair Value – Rs.1270.86
M.	Employee wise details of options granted during the year to:	
	i) senior managerial personnel	Options granted on 1 st December, 2022: 1. Giju Kurian, Whole Time Director & Chief Executive Officer- 1647 Options

	ii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Not Applicable
	iii) 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	Not Applicable
N.	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	The fair value of options granted under the Scheme during the year, calculated using the Black-Scholes Option Pricing model with the following assumptions :
	a) weighted-average values of:	
	(i) share price	Rs. 1575.50
	(ii) exercise price	Rs. 10/- per share
	(iii) expected volatility	30.35%
	(iv) expected option life	4.51 years
	(v) expected dividends	4.38%
	(vi) risk-free interest rate	7.05%
	(vii) any other inputs to the model	Nil
	b) The method used and the assumptions made to incorporate the effects of expected early exercise	The Company does not offer early exercise of option.
	c) How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Volatility is the measure of the amount by which a price has fluctuated or expected to fluctuate during a period. The measure of volatility used in the Black-Scholes Option Pricing model is the annualised standard deviation of the continuously compounded rate of return on the stock over a period of time. For calculating volatility, the volatility of the stock prices on the National Stock Exchange, over a period prior to the grant, corresponding with the expected life of the options has been considered.
	d) 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 this table at point (a) above.
O.	Disclosures in respect of grants made in three years prior to IPO under each ESOS	Not applicable