

COROMANDEL INTERNATIONAL LIMITED

Disclosure pursuant to Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 as on March 31, 2020

DISCLOSURES ON EMPLOYEE STOCK OPTION SCHEME FOR THE YEAR ENDED MARCH 31, 2020

(a) Name of the Scheme: - Employee Stock Option Scheme – ESOP 2007

Details of the Scheme

Pursuant to the decision of the shareholders, at their meeting held on July 24, 2007, the Company had established an 'Employee Stock Option Scheme 2007' ('ESOP 2007' or 'the Scheme') to be administered by the Nomination and Remuneration Committee of the Board of Directors.

Under the Scheme, options not exceeding 1,27,85,976 equity shares of ₹ 1/- each were reserved for issue to the eligible employees, with each option conferring a right upon the employee to apply for one equity share. The Options granted under the Scheme would vest not less than one year and not more than five years from the date of grant of the Options. The first vesting is exercisable over a period of three years from the date of vesting. The second, third and fourth vesting are exercisable over a period of 6 years from the date of vesting.

The exercise price of the Option is equal to the latest available closing market price of the shares on the stock exchange where there was highest trading volume as on the date prior to the date of the Nomination and Remuneration Committee resolution approving the grant.

Disclosure pursuant to Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014

A. For disclosures in terms of the 'Indian Accounting Standard 33 - Earnings Per Share', please refer Note No. 35 of the Standalone Financial Statements of the Company for the year ended March 31, 2020.

B. Diluted EPS in accordance with Indian Accounting Standard

I. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Indian Accounting Standard (Ind AS) - 33.	₹ 36.11 per share
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Details related to Employee Stock Option Schemes (ESOS) of the Company:

Sl. No.	Nature of Disclosure	Particulars
(i)	Details of Disclosures of ESOS, 2007 for the year ended March 31, 2020	
a)	Date of shareholder's approval	July 24, 2007
b)	Total number of options approved under ESOS	The total options approved under ESOP Scheme, 2007 is 1,27,85,976. Each Option gives the grantee a right to subscribe to one equity share of ₹ 1/- each of the Company. No Options were granted during the year.
c)	Vesting Requirement	The exercise period for all the options vested in 1 st year is 3 years and for the options vested in 2 nd , 3 rd and 4 th year has been extended from 3 years to 6 years.
d)	The pricing Formula	The Options carry a right to subscribe to equity shares at the closing price on the Stock Exchange in which there was highest trading volume, prior to the date of grant of the Options.
e)	Maximum term of options granted	6 (Six) years from the date of grant of options.
f)	Source of Shares	Primary
g)	Variation of terms of Option	Vesting schedule has been varied in certain cases.
(ii)	Method used to account for ESOS	Fair Value
(iii)	Whether the Company opts for expensing of the options using the intrinsic value of the options	No
(iv)	Option Movement during the year	
	Option Outstanding at the beginning of the year	28,400
	Options granted	Nil
	Options lapsed / surrendered	Nil
	Options vested	Nil
	Options exercised	26,250
	The total no of shares arising as a result of exercise of option	26,250
	Money realised by exercise of Options	₹ 75.47 Lakhs
	Option Cancelled	Nil
	Loan repaid by the Trust during the year from exercise price received	Not Applicable
	Total No. of options outstanding at the end of the year	2,150
	Total No. of options exercisable at the end of the year	2,150
(v)	(i) Weighted Average exercise price of Options (ii) Weighted average fair value of Options	₹ 287.50 per equity share

(vi) Employee wise details of options granted:			
(i) Senior Management Personnel:			
	Name and Designation	No of options granted	
	Mr. S Govindarajan, Executive Vice President & Head – Commercial	2,70,400	
	Mr. Arun Leslie George, Executive Vice President & Head – Retail	2,70,400	
	Mr. S Sankarasubramanian, President-Fertilisers	1,37,200	
	Mr. P Varadarajan, Sr. Vice President – Legal & Company Secretary	1,43,000	
	Mr. Amit Rastogi, Executive Vice President – Technology	1,14,200	
(ii) Any other employee who received a grant in any one year of Option amounting to 5% or more of Options granted during that year:			
	Name and Designation	No. of options granted	
	Mr. C Sitaram, VP & Head Manufacturing – CPC (Retired on September 30, 2019)	1,44,000	
	Mr. Manoj K Agarwal, VP-Head CSPD	1,86,400	
	Mr. Hari Shankar, VP-Commercial & SCM (CPC & SND) (Resigned on 28-May 28, 2019)	72,000	
<i>Note: Excludes Employees resigned/ retired during the previous year(s).</i>			
(iii)	Employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital of the company at the time of grant.	None	
(vii) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:			
(i)	Method of calculation of employee compensation cost	The employee compensation cost has been calculated using the fair value method of accounting to account for Options issued under the ESOP Scheme 2007. The stock-based compensation cost as per the fair value method for the financial year 2019-20 is Nil. No Options were granted under the Scheme during the year.	
(ii)	Method used to estimate the fair value of Options	Black Scholes Model	
(iii) Significant assumptions used (weighted average information relating to all grants):			
(a)	Risk-free interest rate (%)	8	
(b)	Expected life of the Option (Years)	4 - 6	
(c)	Expected volatility (%) *	0.39 – 0.47	
(d)	Expected dividend yields (%)	700	
(e)	Price of the underlying share in market at the time of option grant	<u>Date of Grant</u>	<u>Market Price (₹)</u>
		31-08-2007	44.58
		22-01-2008	56.08
		22-04-2008	67.88
		22-07-2008	59.95
		22-10-2008	62.75
		17.03.2009	45.10
		19-10-2010	317.30
		12-01-2011	287.50
		21-07-2011	334.35
		18-10-2011	315.00

* The expected volatility was determined based on historical volatility of the share of the Company over the previous 3 – 4 years.

(b) Name of the Scheme: - Employee Stock Option Scheme – ESOP 2016

Details of the Scheme

Pursuant to the decision of the shareholders, by way of postal ballots on January 11, 2017, the Company has established an 'Employee Stock Option Scheme 2016' ('ESOP 2016' or 'the Scheme') to be administered by the Nomination and Remuneration Committee of the Board of Directors.

Under the Scheme, options not exceeding 1,45,81,000 equity shares of ₹ 1/- each have been reserved to be issued to the eligible employees, with each option conferring a right upon the employee to apply for one equity share. The options granted under the Scheme would vest not less than one year and not more than four years from the date of grant of the options. The options granted to the employees would be capable of being exercised at any time within the period determined by the Nomination and Remuneration Committee from time to time subject to a maximum period of five years from the date of Vesting of the respective Options.

The exercise price of the option is equal to the latest available closing market price of the shares on the stock exchange where there is highest trading volume as on the date of Grant or any other price as decided by the Nomination and Remuneration Committee.

4,00,170 options have been exercised by the employees under ESOP Scheme, 2016 and an equivalent number of shares have been allotted.

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B. Diluted Earnings Per Share (EPS) in accordance with Indian Accounting Standard

I. Diluted EPS pursuant to issue of shares on exercise of Option calculated in accordance with Indian Accounting Standard (Ind AS) - 33.	₹ 36.11 per share
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C. Details related to Employee Stock Option Schemes (ESOS) of the Company:

Sl. No.	Nature of Disclosure	Particulars
(i)	Details of Disclosures of ESOS, 2016 for the year ended March 31, 2020	
a)	Date of shareholder's approval	January 11, 2017
b)	Total number of options approved under ESOS	The total no. of options approved under ESOP, Scheme 2016 is 1,45,81,000. Each Option gives the grantee a right to subscribe to one equity share of ₹ 1/- each of the Company. 1,26,840 Options were granted during the year. 2,43,620 Options were granted during the previous year 2018-19.

c)	Vesting Requirement	Options granted under this ESOP Scheme 2016 would vest on or after 1 (one) year from the date of grant but not later than 4 (four) years from the date of grant of such Options or any other terms as decided by the Nomination and Remuneration Committee.
d)	The pricing Formula	The Options carry a right to subscribe to equity shares at the closing price on the Stock Exchange in which there was highest trading volume, prior to the date of grant of the Options.
e)	Maximum term of options granted	5 (Five) years from the date of grant of options
f)	Source of Shares	Primary
g)	Variation of terms of Option	The Board / Nomination and Remuneration Committee may, if it deems necessary, vary the terms of ESOP Scheme 2016, subject to compliance with the Applicable Laws and Regulations.
(ii)	Method used to account for ESOS	Fair Value
(iii)	Whether the Company opts for expensing of the options using the intrinsic value of the options	Nil
(iv)	Option Movement during the year	
	Option Outstanding at the beginning of the year	21,54,120
	Options granted	1,26,840
	Options lapsed/surrendered	Nil
	Options vested	6,13,820
	Options exercised	4,00,170
	The total no of shares arising as a result of exercise of option	4,00,170
	Money realised by exercise of Options	₹ 1,289.73 Lakhs
	Option Cancelled	1,24,800
	Loan repaid by the Trust during the year from exercise price received	Nil
	Total No. of options outstanding at the end of the year	17,55,990
	Total No. of options exercisable at the end of the year	8,21,850
(v)	I. Weighted Average exercise price of Options II. Weighted average fair value of Options	₹ 322.30 per equity share ₹ 127.91 per equity share

(vi)	Employee wise details of options granted:		
(i)	Senior Management Personnel		
	Name and Designation		No of options granted
	Mr. Sameer Goel, Managing Director		6,56,900
	Mr. Ripu Daman Singh, Executive Vice President & Head – Retail (Retired on July 31, 2019)		89,800
	Mr. Amir Alvi, Executive Vice President & Head – Manufacturing- Fertilizers		89,800
	Mr. Prasannatha Rao B, Executive Vice President & Head – HR		89,800
	Mr. S Sankarasubramanian, President-Fertilisers		1,15,640
	Mrs. Jayashree Satagopan, Executive Vice President & Chief Financial Officer		89,800
	Mr. Kalidas Pramanik, Executive Vice President & Head - Marketing – Fertilizers & Organics		89,800
	Mr. S Govindarajan, Executive Vice President & Head – Commercial		89,800
	Mr. Arun Leslie George, Executive Vice President & Head – Retail		89,800
	Mr. S Srikanthan, Executive Vice President & COO-Corp Protection		84,740
	Mr. P Varadarajan, Sr. Vice President – Legal & Company Secretary		64,500
	Mr. Amit Rastogi, Executive Vice President - Technology		84,740
	Mr. A K Parameswaran, Chief Strategy Officer		64,500
	Mr. T S Venkateswaran, Vice President & Head- Internal Audit & Risk Management		59,100
	Mr. Aminul Islam, Sr. Vice President & Head - R & D (CPC)		62,340
(ii)	Any other employee who received a grant in any one year of Option amounting to 5% or more of Options granted during that year	None	
(iii)	Employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital of the company at the time of grant.	None	
(vii)	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:		
(i)	Method of calculation of employee compensation cost	The employee compensation cost has been calculated using the fair value method of accounting to account for Options issued under the ESOP Scheme 2016. The stock-based compensation cost as per the fair value method for the financial year 2019-20 is ₹ 518 lakhs.	
(ii)	Method used to estimate the fair value of Options	Black Scholes Model	
(iii)	Significant assumptions used (weighted average information relating to all grants):		
	Risk-free interest rate	6.14% - 6.43%	Market Price (₹) 375.90
	Expected life of the Option	3.51-6.51 years	
	Expected volatility *	0.32 - 0.33	
	Expected dividend yields	650%	
	Price of the underlying share in market at the time of option grant	Date of Grant 22-07-2019	

* The expected volatility was determined based on historical volatility of the share of the Company over the previous 5 – 6 years.