

Annexure 5

DISCLOSURE WITH RESPECT TO EMPLOYEES STOCK OPTION PLAN (ESOP) OF THE COMPANY

(Pursuant to Rule 12 (9) of the Companies (Share Capital and Debentures) Rules 2014 and SEBI Circular CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015)

A. Description on the ESOP Scheme

- (a) Date of Shareholders' approval – March 2, 2013 and December 22, 2018
- (b) Total number of options approved under ESOP – 46,28,250
- (c) Vesting requirements

Performance, Milestone & Incentive	Loyalty Options								
Options granted shall not vest prior to expiry of 12 months from the date of Grant. The options shall vest based on the performance of the company.	The Loyalty options shall vest based on the number of years of completion of service in the following pattern with minimum vesting period of 1 year from date of grant:								
	<table> <tr> <th>Vesting period</th><th>Percentage of Loyalty Option to vest</th></tr> <tr> <td>At the end of 3 years</td><td>37.5%</td></tr> <tr> <td>At the end of 6 years</td><td>37.5%</td></tr> <tr> <td>At the end of 9 years</td><td>25%</td></tr> </table>	Vesting period	Percentage of Loyalty Option to vest	At the end of 3 years	37.5%	At the end of 6 years	37.5%	At the end of 9 years	25%
Vesting period	Percentage of Loyalty Option to vest								
At the end of 3 years	37.5%								
At the end of 6 years	37.5%								
At the end of 9 years	25%								

- (d) Exercise price or pricing formula – The exercise price shall be in the range of from ₹10 to a maximum of 25% discount on weighted average market value on the latest trading day in NSE prior to Nomination & Remuneration Committee meeting at which grant is made
- (e) Maximum term of options granted - 14 years
- (f) Source of shares – Secondary
- (g) Variation in terms of options – Some performance options granted during the period shall vest over three years based on the performance of the Company.
- (h) Material change in the scheme and whether the scheme(s) is / are in compliance with the regulations – Clauses of the scheme relating to the period of exercise in case of death/permanent disability and resignation/retirement of the option holder has been amended to extend the period of exercise. The ESOP Scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014.

B. Accounting Of ESOP

- (a) Method used to account for ESOP's – Fair value method is used for accounting of ESOPs
- (b) The impact on the profits and EPS of the Company- Refer Note 31 and 39 of Notes to accounts
- (c) 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 – Refer Note 39 of Notes to accounts



C. Option movement during the year

Particulars	Incentive	Milestone	Performance	Loyalty	Total
Number of options outstanding at the beginning of the period	1,66,829	1,15,472	8,42,579	5,21,200	16,46,080
Number of options granted during the year	-	-	9,17,100	5,62,400	14,79,500
Number of options forfeited / lapsed during the year	21,498	29,479	6,90,050	2,69,500	10,10,527
Number of options vested during the year	-	-	-	2,16,115	2,16,115
Number of options exercised during the year	1,24,305	65,092	-	97,420	2,86,817
Number of shares arising as a result of exercise of options	1,24,305	65,092	NIL	97,420	2,86,817
Money realized by exercise of options (₹), if scheme is implemented directly by the company	NIL	NIL	NIL	NIL	NIL
Loan repaid by the Trust during the year from exercise price received	NIL	NIL	NIL	NIL	NIL
Number of options outstanding at the end of the year	21,026	20,901	10,69,629	7,16,680	18,28,236
Number of options exercisable at the end of the year	7,651	7,651	-	1,64,475	1,79,777
Weighted-average exercise prices of options outstanding at the end of year	Refer Note 39 of Notes to accounts				
Weighted-average fair values of options granted	Refer Note 39 of Notes to accounts				

D. Options granted to the employees of the Company during the year

(a) Options granted to Senior managerial personnel during the year

Name of the employee	Designation	Type of option	No. of options	Exercise Price (in ₹)
Ms. Fara Siddiqi	Group Chief Human Resource Officer	Performance	60,000	89
		Loyalty	40,000	10
Mr. Jobilal Vavachan	CEO- Aster Primary Healthcare	Performance	45,000	89
		Loyalty	30,000	10
Mr.Veneeth Purushottaman	Group Chief Information Officer	Performance	33,000	89
		Loyalty	22,000	10
Mr. Antony Petit	Group Chief Procurement Officer	Performance	24,000	89
		Loyalty	16,000	10
Mr. Sreenath Reddy	Group Chief Financial Officer	Performance	15,000	89
		Loyalty	10,000	10
Dr. Harish Pillai	CEO – Aster India	Performance	12,000	89
		Loyalty	8,000	10
Dr. Malathi A	Group Chief Quality Officer & Group Chief Medical Officer	Performance	9,000	89
		Loyalty	6,000	10
Mr. T J Wilson	Non-Executive Director & Group Head - Governance & Corporate Affairs	Performance	9,000	89
		Loyalty	6,000	10

(b) Any other employee who received a grant during the year, options amounting to 5% or more of option granted during the year

Name of the employee	Designation	Type of option	No. of options	Exercise Price (in ₹)
Ms. Fara Siddiqi	Group Chief Human Resource Officer	Performance	60,000	89
		Loyalty	40,000	10
Mr. Jobilal Vavachan	CEO- Aster Primary Healthcare	Performance	45,000	89
		Loyalty	30,000	10

(c) Identified employees who were granted options during the year, equal to or exceeding 1% of the issued capital excluding outstanding warrants and conversions of the Company at the time of grant – NIL

E. Disclosures in respect of transactions made by Trust under ESOP Scheme

(a) General information on the scheme

Sl no.	Particulars	Details
1	Name of the Trust	DM Healthcare Employees Welfare Trust
2	Details of the Trustee(s)	Mr. Sooraj P and Mr. Monu Kurian
3	Amount of loan disbursed by company/any company in the group, during the year	NIL
4	Amount of loan outstanding (repayable to company/ any company in the group) as at the end of the year	₹ 23.14 Crores
5	Amount of loan, if any, taken from any other source for which company/any company in the group has provided any security or guarantee	NIL
6	Any other contribution made to the Trust during the year	NIL

(b) Brief details of transactions in shares by the Trust

Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
Held at the beginning of the year	30,03,952
Acquired during the year	Nil
Sold during the year	Nil
Transferred to the employees during the year	1,31,336
Held at the end of the year	28,72,616

F. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

The Company has computed the fair value of the options for the purpose of accounting of employee compensation cost/ expense over the vesting period of the options. The fair value of the option is calculated using the Black-Scholes Option Pricing model.

(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	Refer Note 39 of Notes to accounts
(b) the method used and the assumptions made to incorporate the effects of expected early exercise	Refer Note 39 of Notes to accounts
(c) Determination of expected volatility, including an explanation of the extent to which expected volatility was based on historical volatility	Refer Note 39 of Notes to accounts
(d) Other features of the option grant incorporated into the measurement of fair value	Refer Note 39 of Notes to accounts

G. Grants made in three years prior to IPO

Disclosures in respect of grants made in three years prior to IPO under DM Healthcare Employees Stock Option Plan:

Particulars	Milestone	Incentive	Performance	Loyalty	Total
Number of options outstanding at the beginning of the period	25,251	85,734	5,49,229	3,85,900	10,46,114
Number of options forfeited / lapsed during the period	1,498	9,534	3,65,400	1,68,300	5,44,732
Number of options vested during the period	-	-	-	1,19,265	1,19,265
Number of options exercised during the period	2,852	55,174	-	81,120	1,39,146
Number of shares arising as a result of exercise of options	2,852	55,174	-	81,120	1,39,146
Number of options outstanding at the end of the period	20,901	21,026	1,83,829	1,36,480	3,62,236