

**Disclosure pursuant to Regulation 14 of the Securities and Exchange Board of India
(Share Based Employee Benefits) Regulations, 2014 (FY 2020-21)**

The shareholders of the Company had approved Gulshan Polyols Limited Employees - Stock Option Plan 2018 (GPL ESOP Scheme 2018) at their 18th Annual General Meeting held on 29th September, 2018 in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('SBEB Regulations'). The disclosures in pursuance of SBEB Regulations are as under:

- a. 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, has been made in the Notes to Accounts to the Audited Financial Statements of the Company for the year ended March 31, 2021.
- b. Diluted EPS on issue of shares pursuant to scheme covered under the regulations in accordance with 'Indian Accounting Standard 33 - Earnings per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time:

Not Applicable due to acquisition of shares by Trust through secondary market only and no new shares has been issued. However, the basic and diluted EPS has been disclosed in accordance with the Ind-AS 33 in the Note No. 43 of Audited Financial Statements for the year ended March 31, 2021.

A. Summary of Status of ESOPs granted:

The description of the existing scheme is summarized as under:

| S.No. | Particulars | GPL ESOP 2018 |
|-------|----------------------------------|---|
| 1 | Date of shareholders' approval | September 29, 2018 |
| 2 | Total number of options approved | 23,45,851 |
| 3 | Vesting Requirement | The options granted shall vest so long as an employee continues to be in the employment of the Company, subject to achievement of performance metrics by grantee. The vesting period shall be decided by the Nomination, Remuneration and Compensation Committee ('NRC') from time to time but vesting period shall not be less than 1 year and not more than 5 years from the date of grant of options. Vesting of options shall commence after a period of minimum one (1) year from the date of respective grant. |
| 4 | Pricing Formula | The exercise price and/or the pricing formula shall be decided by the NRC from time to time. Employee shall bear all tax liability in relation to grant of options. However, the NRC has decided that the exercise price of the Option shall be based on the Average Buying price of shares of the Company from the BSE/NSE market. During the financial year 2020-21, the stock options |

| | | |
|---|---------------------------------|---|
| | | has been granted at exercise price of Rs. 59/- per stock option (calculated, based on the Average Buying Price of the shares from the Exchange) |
| 5 | Maximum Term of options granted | NRC shall decide the exercise period from time to time which can be extended upto 5 years from the vesting date(s). Further, the stock options granted during the financial year 2020-21 can be exercised between April 1, 2023 to May 31, 2023. |
| 6 | Sources of shares | “Combination” i.e. Secondary acquisition and/ or primary issuance. |
| 7 | Variation in terms of options | None. |

The movement of options during the year are as follows:

| S.No. | Particulars | GPL ESOP 2018 |
|-------|---|--|
| 1 | No. of Options Outstanding at the beginning of the year | 2,65,500 |
| 2 | No. of Options Granted during the year | 24,040 |
| 3 | No. of Options Forfeited/Lapsed during the year | 500 |
| 4 | No. of Options Vested during the year | NIL |
| 5 | No. of Options Exercised during the year | NIL |
| 6 | No. of Shares arising as a result of exercise of options | NIL |
| 7 | Money realised by exercise of options during the year (₹) | Not Applicable as the Scheme is through Trust. |
| 8 | Loan repaid by the trust during the year from the exercise price received | Not applicable |
| 9 | No. of Options outstanding at the end of the year | 2,89,040 |
| 10 | No. of Options exercisable at the end of the year | 2,89,040 |

Among total grant till March 31, 2021 under GPL Employees Stock Option Schemes 2018 to eligible employees, the 2,45,100 Options granted, due for vesting/exercise during the period from 1st April 2021 to 31st May 2021 at the exercise rate of Rs. 47/- per share (based on the Average Buying price of shares of the Company from the BSE/NSE market).

B. Employee-wise details of options granted during the financial year 2020-21 under GPL ESOP 2018 to:

| S.No. | Particulars | No. of Options granted | | |
|-------|-----------------------------|------------------------|------------------------------------|---|
| 1 | Senior Managerial Personnel | Sr. No. | Name of the Employee & Designation | No. of Options / Equity Shares of the Company |
| | | 1. | Mr. Rajiv Gupta, Chief Financial | 1670 |

| | | | |
|----------|---|---|------|
| | | Officer* | |
| | | 2. Mr. Arvind Kumar Gupta, Vice President* | 1780 |
| | | 3. Mr. Arun Kumar Jain, GM Admin Cum Factory Manager, Bharuch Gujarat | 960 |
| | | 4. Mr. Mohan Lal Bansal Factory Manager, Muzaffarnagar U.P | 650 |
| | | 5. Mr. Chandra Shekhar Tiwari, Production Manager, Boregaon Chindwara M.P | 650 |
| | | 6. Mr. Atul Kumar Rastogi, Factory Manager, Dhaula Kuan Paonta Sahib, Himachal Pradesh | 500 |
| | | 7. Mr. Vijay Kumar Garg, Ex-Company Secretary | 300 |
| 2 | Employees who were granted, during the year, options amounting to 5% or more of the options granted during the year. | Mr. Ashwani Kumar Vats, Whole-time Director & CEO (*alongwith other than mentioned above) | |
| 3 | Identified employees who were granted options, during the year, equal to or exceeding 1% of the issued capital of the Company at the time of grant. | NIL | |

C. Weighted Average Fair Value/Exercise Price of Options granted during the year:

| Particulars | Weighted Average Fair Value | Weighted Average Exercise Value |
|--|-----------------------------|---|
| a. Exercise price equals market price | - | Rs. 59/- (Average Buying price of shares of the Company from the BSE/NSE market at the time of purchase of shares by Trust through open market before respective grant) |
| b. Exercise price is greater than market price | - | |
| c. Exercise price is less than market price | - | |

D. Method used to account for ESOPs:

The compensation cost of stock options granted to employees is calculated based on average buying price of shares from the BSE/NSE market. The profit arrived at the time of exercise of the options by grantee(s) would be treated as a part of employee compensation in the financial statements.

E. Method and significant assumptions used to estimate the fair value of options granted during the year:

Not Applicable, the compensation cost of stock options granted to employees is calculated based on average buying price of shares from the BSE/NSE market.

F. Details related to Trust

Details in connection with transactions made by the Trust meant for the purpose of administering the schemes under the regulations are as follows:-

• **General information**

| Sl. No. | Particulars | Details |
|---------|---|---|
| 1. | Name of the Trust | “Gulshan Polyols Limited - Employees Welfare Trust” |
| 2. | Details of the Trustee(s) | Mr. Avdhesh Kumar Garg Mr. Rajender Singh Negi |
| 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 | The Company had outstanding loan of Rs. 1,34,10,000 with the Trust as on March 31, 2021 |
| 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 |

• **Brief details of transactions in shares by the Trust**

| | | |
|----|---|---|
| a) | Number of shares held at the beginning of the year | 2,65,500 |
| b) | Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share | 23540 (0.05% of the paid up equity capital of the Company) were acquired through Secondary Acquisition during the financial year 2020-21 (The Weighted average cost of acquisition was Rs. 59 per equity share) |
| c) | Number of shares transferred to the employees / sold along with the purpose thereof | NIL |
| d) | Number of shares held at the end of the year | 2,89,040 |

• **In case of secondary acquisition of 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 | 0.57% (2,65,500 equity shares) |
| Acquired during the year | 0.05% (23,540 equity shares) |
| Sold during the year | NIL |
| Transferred to the employees during the year | NIL |
| Held at the end of the year | 0.62% (2,89,040 equity shares) |