

**Annexure G to Directors' Report**

**Disclosure under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014  
for the year ended 31st March 2017**

*The following details have been disclosed on the Company's website at <http://www.jsw.in>*

<b>A</b>	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.
	The disclosures are provided in the <a href="#">Note 36</a> to the annual financial statements of the Company for the year ended 31st March, 2017

**B** No issue of shares pursuant to the schemes covered under the regulations hence no impact of diluted EPS

**C. Details related to JSWSL Employees Stock Ownership Plan - 2012**

Scheme Name		JSWSL Employees Stock Ownership Plan – 2012	
Sr. No.	Particulars	Initial Grant	1st Subsequent Grant
		26 <sup>th</sup> July 2012	26 <sup>th</sup> July 2012
1 (a)	Date of shareholders' approval	30th July, 2013	30th July, 2013
(b)	Total number of options approved under ESOS	31357440	16024800
(c)	Vesting requirements	All options granted have a minimum vesting period of not less than one year in terms of the SEBI Guidelines. The maximum period within which the options shall vest shall be 3 years from the date of grant or such other period as the Board/ESOP Committee may determine.	
(d)	Exercise price	Rs. 70	Rs. 70
(e)	Maximum term of options granted	up to 30th September, 2017	up to 30th September, 2017
(f)	Source of shares (primary, secondary or combination)	Secondary	Secondary
(g)	Variation in terms of options	No variation has been made in the terms of options during the year	No variation has been made in the terms of options during the year
2	Method used to account for ESOS - Intrinsic or fair value.	Intrinsic value	Intrinsic value

3	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 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.	Not Applicable as no shares are pending vesting in current year	Not Applicable as no shares are pending vesting in current year
4	<b>Option movement during the year :</b>		
	Number of options outstanding at the beginning of the period	55,54,480	68,99,410
	Number of options granted during the year	Nil	Nil
	Number of options forfeited / lapsed during the year	14,200	69,990
	Number of options vested during the year	Nil	Nil
	Number of options exercised during the year	24,93,190	40,33,530
	Number of shares arising as a result of exercise of options	24,93,190	40,33,530
	Money realized by exercise of options (INR), if scheme is implemented directly by the company	Not applicable	Not applicable
	Loan repaid by the Trust during the year from exercise price received	Rs. 45.69 crores	
	Number of options outstanding at the end of the year	30,47,090	27,95,890
	Number of options exercisable at the end of the year	30,47,090	27,95,890
5	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted Average Exercise Price of the option is Rs.70/- per option Price one day before grant date per share was Rs.66.97.	
6	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -		
	(a) senior managerial personnel;	Appendix-A	Appendix-A
	(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; and	None	None

	(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.	None	None

7	<b>A 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 of options has been calculated by using Black Schole's Method. The assumptions used in the above are:	The fair value of options has been calculated by using Black Schole's Method. The assumptions used in the above are:
	Weighted-average values of share price	Not applicable	Not applicable
	Weighted-average exercise prices	70	70
	Expected volatility	Volatility was calculated using standard deviation of daily change in stock price.	Volatility was calculated using standard deviation of daily change in stock price.
		The volatility used for valuation is 61.58%	The volatility used for valuation is 60.79%
	Expected option life	The expected option life is assumed to be the full term of the option	The expected option life is assumed to be the full term of the option program.
	Expected dividends	Rs.0.75 per share	Rs.0.75 per share
	Risk-free interest rate	Zero Coupon sovereign bond yields were utilized with maturity equal to expected term of option.	Zero Coupon sovereign bond yields were utilized with maturity equal to expected term of option.
		The rate used for calculation is 8.03%	The rate used for calculation is 7.99%
	The method used and the assumptions made to incorporate the effects of expected early exercise;	Black-Scholes Options pricing model	Black-Scholes Options pricing model
	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	The following factors have been considered: a) Share price b) Exercise prices c) Historical volatility d) Expected option life e) Dividend Yeild	
	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.		

Pursuant to the approvals of the members obtained on 17th December 2016, the Equity shares of the Company having face value of Rs.10/- (Rupees Ten only) each were subdivided into 10 (Ten) equity shares having face value Re.1/- (Rupee one only.)

Accordingly, the number of options, shares, exercise price, fair value of options has been restated considering the aforesaid sub-division of shares.

#### Appendix – A

Details of Total number of Options in force ,granted to and accepted by Senior Managerial Personnel .

Sr. No.	Name of Senior Managerial Personnel	Designation	Initial Grant (In force as on 31 March 2017)	1st Subsequent Grant (In force as on 31 March 2017)
1	Mr. Seshagiri Rao M V S	Joint Managing Director & Group CFO	5,81,570	2,39,800

2	Dr Vinod Nowal	Deputy Managing Director	4,31,530	1,78,820
3	Mr. Jayant Acharya	Director - Commercial & Marketing	3,92,840	1,60,780

**D. Details related to Trust****(i) General information on JSWSL Employees Stock Ownership Plan - 2012**

Sl. No.	Particulars	Details
1	Name of the Trust	JSWSL Employees Welfare Trust
2	Details of the Trustee(s)	Mr Jyoti Agarwal Mr B K Tripathy
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	Rs. 72.83 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

**(ii) Brief details of transactions in shares by the Trust:**

a	Number of shares held at the beginning of the year:	1,84,88,170
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:	No share has been acquired during the financial year 2016-17
c	Number of shares transferred to the employees/ sold along with the purpose thereof:	7,66,0420 shares transferred to the employees / sold upon exercise of the options granted pursuant to JSWSL Employees Stock Ownership Plan 2012.
d	Number of shares held at the end of the year	1,08,27,750

**(iii) 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	0.83
Acquired during the year	Nil
Sold during the year	0.34
Transferred to the employees during the year	Nil
Held at the end of the year	0.49

**D. Details related to Trust****(i) General information on JSWSL Employees Stock Ownership Plan - 2016**

Sl. No.	Particulars	Details
1	Name of the Trust	JSWSL Employees Welfare Trust
2	Details of the Trustee(s)	Mr Jyoti Agarwal Mr B K Tripathy
3	Amount of loan disbursed by company / any company in the group, during the year	Rs. 55.15 crores
4	Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	Rs. 55.15 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

**(ii) Brief details of transactions in shares by the Trust:**

a	Number of shares held at the beginning of the year:	Nil
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:	34,00,000 equity shares (0.14% of the paid-up equity capital as at 31.03.2016) have been acquired through secondary acquisition during FY 2016-17
c	Number of shares transferred to the employees/ sold along with the purpose thereof:	Not applicable
d	Number of shares held at the end of the year	34,00,000

**(iii) 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	0.00
Acquired during the year	0.14
Sold during the year	0.00
Transferred to the employees during the year	0.00
Held at the end of the year	0.14

**Annexure G to Directors' Report**

**Disclosure under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 for the year ended 31st March 2017 in respect of ESOP 2016**

*The following details have been disclosed on the Company's website at <http://www.jsw.in>*

<b>A</b>	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.
	The disclosures are provided in the <a href="#">Note 36</a> to the annual financial statements of the Company for the year ended 31st March, 2017

**B** No issue of shares pursuant to the schemes covered under the regulations hence no impact of diluted EPS

**C.** Details related to JSWSL Employees Stock Ownership Plan - 2016

<b>Scheme Name</b>		<b>JSWSL Employees Stock Ownership Plan – 2016</b>
<b>Sr. No.</b>	<b>Particulars</b>	<b>1st Grant</b>
		<b>17th May 2016</b>
1 (a)	Date of shareholders' approval	24th March, 2016
(b)	Total number of options approved under ESOS	28687000
(c)	Vesting requirements	Vesting of options shall be at least one year from the date of the grant. The maximum period within which the options shall vest shall be 4 years from the date of grant or such other period as the Board/ESOP Committee may determine.
(d)	Exercise price	Rs. 103.65
(e)	Maximum term of options granted	up to 31st March, 2019 for 50% of the options granted and upto 31st March, 2020 for remaining 50% of the options granted
(f)	Source of shares (primary, secondary or combination)	Secondary
(g)	Variation in terms of options	No variation has been made in the terms of options during the year
2	Method used to account for ESOS - Intrinsic or fair value.	Fair Value

3	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 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.	The Company follows fair value method of Accounting
4	<b>Option movement during the year :</b>	
	Number of options outstanding at the beginning of the period	-
	Number of options granted during the year	68,04,820
	Number of options forfeited / lapsed during the year	2,24,650
	Number of options vested during the year	Nil
	Number of options exercised during the year	Nil
	Number of shares arising as a result of exercise of options	Nil
	Money realized by exercise of options (INR), if scheme is implemented directly by the company	Nil
	Loan repaid by the Trust during the year from exercise price received	Nil
	Number of options outstanding at the end of the year	65,80,170
	Number of options exercisable at the end of the year	-
5	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted-average exercise price per option is Rs.103.65 Fair Value of each option at the time of grant was Rs.67.48
6	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -	
	(a) senior managerial personnel;	Appendix-A
	(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; and	None
	(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.	None

7	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 has been calculated by using Black Schole's Method. The assumptions used in the above are:
	Weighted-average values of share price	Not applicable
	Weighted-average exercise prices	Rs. 103.648
	Expected volatility	Volatility was calculated using standard deviation of daily change in stock price.
	Expected option life	The volatility used for valuation is 39.23 % for options with 3 year vesting and 39.62 % with 4 years vesting The expected option life is assumed to be mid way between the option vesting and expiry. Since the vesting period and contractual term of each tranche is different, the expected life for each tranche will be different. The expected option life is calculated as (Year to Vesting + Contractual Option Term)/2
	Expected dividends	Rs.1.10 per share
	Risk-free interest rate	Zero coupon sovereign bond yields were utilized with maturity equal to expected term of the option
	The method used and the assumptions made to incorporate the effects of expected early exercise:	Black-Scholes Options pricing model
	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	The following factors have been considered: a) Share price b) Exercise prices c) Historical volatility d) Expected option life e) Dividend Yield
	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	

Pursuant to the approvals of the members obtained on 17th December 2016, the Equity shares of the Company having face value of Rs.10/- (Rupees Ten only) each were subdivided into 10 (Ten) equity shares having face value Re. 1/- (Rupee one only). Accordingly, the number of options, shares, exercise price, fair value of options have been restated considering the aforesaid sub-division of shares.

#### Appendix – A

Details of Total number of Options in force ,granted to and accepted by Senior Managerial Personnel .

Sr. No.	Name of Senior Managerial Personnel	Designation	1st Grant (in force as on 31 March 2017)

1	Mr Seshagiri Rao M V S	Joint Managing Director & Group CFO	1,92,680
2	Mr Arun Maheshwari	Executive Vice President	1,92,680
3	Mr Prashant Surendra Jain	Executive Vice President	1,92,680
4	Mr Murugan PK	Executive Vice President	1,92,680
5	Dr Vinod Nowal	Deputy Managing Director	1,79,830
6	Mr Jayant Acharya	Director - Commercial & Marketing	1,79,830
7	Mr Pawan Kumar Kedia	Group President - Commercial Strategy	1,66,990
8	Mr Vinay Shroff	Executive Vice President	1,66,990
9	Mr Alok Chandra	Executive Vice President	1,66,990
10	Mr D Ravichandar	CEO (Salem)	1,66,990
11	Mr Rajashekar P	President -Operations	1,66,990
12	Mr Ashok Kumar Aggarwal	Joint CEO- Doivi Works	1,41,300
13	Mr Surendra Ranade	Executive Director - Operations	1,41,300
14	Mr Ram Prakash Nangalia	President - Corporate Relations	1,28,450
15	Mr Sandeep Gopal Gokhale	President - Business Development	1,28,450
16	Mr Partha Sengupta	President	1,28,450