

**Annexure 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 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 Note 25(8) to the annual financial statements of the Company for the year ended 31st March, 2016

**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

Sr. No.	Particulars	JSWSL Employees Stock Ownership Plan – 2012	
		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	3135744	1602480
(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. 700	Rs. 700
(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	790965	1034387
	Number of options granted during the year	Nil	Nil
	Number of options forfeited / lapsed during the year	11,674	18,942
	Number of options vested during the year	Nil	Nil
	Number of options exercised during the year	223843	325504
	Number of shares arising as a result of exercise of options	223843	325504
	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. 49.26 crores	
	Number of options outstanding at the end of the year	5,55,448	6,89,941
	Number of options exercisable at the end of the year	555448	689941
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.	in all cases Exercise price is more than the market price of the stock	
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	700	700
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 program.	The expected option life is assumed to be the full term of the option program.
Expected dividends	Rs.7.50 per share	Rs.7.50 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 Yield	
Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market		

**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 2016)	1st Subsequent Grant (In force as on 31 March 2016)
1	Mr. Seshagiri Rao M V S	Joint Managing Director & Group CFO	58,157	23,980
2	Dr Vinod Nowal	Deputy Managing Director	43,153	17,882
3	Mr. Jayant Acharya	Director - Commercial & Marketing	39,284	16,078
4	Mr. Surender Ranade	Executive Director -Operations	0	9,982
5	Mr. Pankaj Kulkarni	CEO - Special Projects	0	2,418
6	Mr. Ashok Kumar Aggarwal	Joint CEO- Dolvi Works	87	10,598
7	Mr. D Ravichandar	CEO (Salem Works)	0	9,590
8	Mr. Ram Prakash Nangalia	President - Corporate Relations	0	2,500
9	Mr. Sandeep Gokhale	President - Business Development	0	5,000

**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	₹ 1,31,42,36,481
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:	25,68,386
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 2015-16
c	Number of shares transferred to the employees/ sold along with the purpose thereof:	7,19,569 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	18,48,817

**(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	1.15
Acquired during the year	Nil
Sold during the year	0.32
Transferred to the employees during the year	
Held at the end of the year	0.83