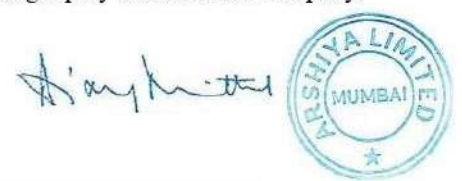


**Annexure A**  
**ARSHIYA LIMITED**  
**EMPLOYEE STOCK OPTION SCHEME 2019**

Process to Check ESOS Certificate -:

ESOS Certificate is required to be signed duly by the Statutory Auditors of the Company as per SEBI Guidelines revised, 2014. The members of the Company passed the resolution in the Annual General Meeting held on 30<sup>th</sup> September, 2019

Sr.	Particulars	Compliance with	Comment
1	Closing Market Price of the stock at the exchange on which it is Listed before the day of board meeting.	SEBI Guidelines revised, 2014 Para 2.Definitions 1(r) Point 'market price'.	17,50,000 Option are granted on 30 <sup>th</sup> January, 2020 in NRC meetings. As per the valuation report Market price as on grant date is Rs. 17.00
2	Price of the Stock listed on more than one Stock exchange, than the exchange having highest trading volume of the scrip on the day on which the option was granted.	SEBI Guidelines revised, 2014 Para 2.Definitions 1(r) Point 'market price'. (Explanation)	17,50,000 Option are granted on 30 <sup>th</sup> January, 2020 in NRC meetings. As per the valuation report Market price as on grant date is Rs. 17.00
3	Disclosure Document	SEBI Guidelines, 2014 Part A – clause 16,17,18	<b>Disclosure Document are given below:</b> 1. Disclosure statement as per SEBI Regulation. 2. AGM notice and Explanatory Statement 3. Copy of ESOS – 2019
4	Minutes of NR Committee.(Compensation Committee)	SEBI Guidelines, 2014 ( Clause 5.4 )	Scheme policies and procedures are as per ESOS – 2019 as approved in Nomination & Remuneration Committee as approved in Nomination & Remuneration Committee and Board of Directors meeting held on 4 <sup>th</sup> September 2019 and later approved in AGM held on 30 <sup>th</sup> September. 2019.
5	Disclosure by the Directors of the Company.	SEBI Guidelines, 2014 ( Clause 14 )	Reference given under Board of Director's Report in Annual Report 2019-20 and also in below link  <a href="http://www.arshiyalimited.com/annual-reports-MIS.html">http://www.arshiyalimited.com/annual-reports-MIS.html</a>
6	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	SEBI Guidelines, 2014 ( Clause 6(3) (D) )	Nil
7	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;	SEBI Guidelines, 2014 ( Clause 6(3) (D) )	Nil
8	A director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the company shall not be eligible to participate in the	SEBI Guidelines, 2014 (Clause 2(1)(f)(b))	No such directors which are holding more than 10% of outstanding equity shares of the company.  

**Arshiya Limited**

	ESOS.		
9.	An employee who is a promoter or belongs to the promoter group shall not be eligible to participate in the ESOS.	SEBI Guidelines, 2014 (Clause 2(1)(f)(b))	Nil
10.	Any Variation in terms and condition of the scheme detrimental to the interest of the employees.	SEBI Guidelines, 2014 (Clause 7.1)	No such variation. There is no such variation recorded in the Nomination Remuneration Committee Meeting.
11.	Employees who have left, hence the options have lapsed.	SEBI Guidelines, 2014 (Clause 9(6))	50,000 options were terminated as employees left.
12.	There shall be minimum Lock-in-period of one year between the date of Grant and vesting of Options	SEBI Guidelines, 2014 (Clause 18(1))	As per the Clause 10.1 of the scheme, Vesting date is 1 year from the Grant Date.
13.	Accounting Policy	SEBI Guidelines, 2014 (Clause 15(1))	The company follows fair value method of accounting.
14.	Shareholder's approval	SEBI Guidelines, 2014 (Clause 6(1))	Taken
15.	Non – Transferability	SEBI Guidelines, 2014 (Clause 9)	No transfers of grants have taken place.
16.	Certificate from Auditors	SEBI Guidelines, 2014 (Clause 13)	Certificate to be issued.



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## Arshiya Limited



## DISCLOSURE PURSUANT TO REGULATION 14 OF SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AS ON 31 MARCH 2020

- A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by Institute of Chartered Accountants of India ('ICAI') or any other relevant accounting standards as prescribed from time to time.

The disclosures are provided in Note No.63 of the Notes to Financial Statements of the Company for the year ended 31 March 2020.

- B. Diluted EPS on issue of shares pursuant to all the schemes 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:

ESOP had an anti-diluting effect on earnings per share hence have not been consider for the purpose of computing dilutive earning per share.

- C. Details related to Arshiya's Employees Stock Option Scheme 2019 (ESOP SCHEME 2019)

The ESOP SCHEME 2019 has been formulated by the Nomination and Remuneration Committee of the Board with an aim to provide competitive remuneration opportunities to employees of the Company and was approved by the Board at its Meeting held on 30 January 2019 and by the Members of the Company vide Special Resolution through Postal Ballot on 13 March 2019 in accordance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended ('SEBI SBEB Regulations').

I. Details related to ESOP SCHEME 2019 are given below:

Sr.	Particulars	ESOP Scheme 2019
i.	Date of Shareholders Meeting	30 <sup>th</sup> September, 2019
ii.	Total number of options approved	1,00,00,000 (One Crore)
iii.	Vesting requirement	1 year
iv.	Exercise price or pricing formula	The exercise price shall be fixed by the Committee at its discretion and specified in the grant letter but it shall not be less than the face value of the shares as on date of grant (subject to any fair and reasonable adjustments that may be made on account of corporate actions of the Company in order to comply with the SEBI SBEB Regulations).
v.	Maximum term of options granted (years)	1 years
vi.	Source of shares	Primary issuance/or secondary acquisition
vii.	Variation in terms of ESOP	Nil
viii.	Method used to account for ESOS - Intrinsic or fair value.	Fair Valuation method

- ix. 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 shall also be disclosed.
- Not Applicable

## II. Method used to account for ESOS

Fair Value Method

## III. Where the company opts for expensing of the options using the intrinsic value of the options, difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used fair value of the options & the impact of this difference on profits and on EPS of the Company.

Not Applicable as fair value has been accounted

## IV. Option movement during the year (For each ESOS/ RSU):

Sr.	Particulars	ESOP Scheme 2019
1.	Number of options outstanding at the beginning of the period	The Exercise Period will commence from the date of Vesting and will expire not later than 1 year from the date of Vesting of Options or such other period as may be decided by the Board/ Committee, from time to time.
2.	Number of options granted during the year	17,50,000
3.	Number of options cancelled during the year	Nil
4.	Number of options forfeited/lapsed during the year	50,000
5.	Number of options vested during the year	Nil
6.	Number of options exercised during the year	The options so granted are under vesting period
7.	Number of shares arising as a result of exercise of options	17,50,000
8.	Money realized by exercise of options (INR), if scheme is implemented directly by the company	Not Applicable
9.	Loan repaid by the Trust during the year from exercise price received	Not Applicable
10.	Number of options outstanding at the end of the year	17,50,000
11.	Number of options exercisable at the end of the year	Nil



12 Weighted-average exercise prices and Nil 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.

13 Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to - As per Annexure -I

**V. Weighted-average exercise prices and weighted-average fair values of options whose exercise price equals or exceeds or is less than the market price of the stock:**

Not applicable, no options were exercised during the year 2019-20.

**VI. Employee-wise details of options granted during the year 2019-20 to:**

**(i) Senior managerial personnel**

Sr. No	Name	No. of Options granted	Grant Price
1.	Amit Gupta	7,50,000	2
2.	Dinesh Kumar sodani	2,50,000	2
3.	Navnit Choudhary	5,00,000	2
4.	Sarvothma Shetty	1,00,000	2
5.	Vinod Parekh	1,00,000	2
6.	Savita Dalal	50,000	2

**(ii) Employees who were granted, during the year, options amounting to 5% or more of the options granted during the year**

Name	No. of options granted
Nil	-

**(iii) 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.**

Name	No. of options granted
Nil	-

**A description of the method and significant assumptions used during the year to estimate the fair value of options granted during the year 2019-20:**

The fair value of stock options has been determined at the date of grant of the stock options. This fair value, adjusted by the Company's estimate of the number of stock options that will eventually vest, is expensed over the vesting period. The fair values were calculated using the Black-Scholes Call Option



Pricing Model for tenure-based stock options. The inputs to the model include the share price based on the market price at date of grant, exercise price, expected life of options, annual volatility, expected dividends and the risk-free rate of interest. Annual volatility has been calculated using median of comparable peers (to the extent data available). All options are assumed to be exercised within 1 year from the date of vesting period.

**D. Significant assumptions used to estimate the fair value of options:**

Grant date	Risk free interest rate	Fair Value of Option	Expected volatility	Dividend yield	Price of the underlying share in market at the time of the option grant (I)
30-Jan-2020	5.20	15.39	64.52	0%	17