

## WELSPUN ENTERPRISES LIMITED

Disclosure pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 read with SEBI circular CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015

Sr. No.	Particulars	Welspun Enterprises Limited – Employee Stock Option Plan 2017 (“WEL ESOP Scheme 2017”)	Welspun Managing Director Stock Option Plan - 2014 (“MDESOP-2014”)
A.	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.	For details please refer to Note no. 42 to the Standalone Financial Statements of the Company forming part of the Annual Report for the financial year 2017-18.	For details please refer to Note no. 42 to the Standalone Financial Statements of the Company forming part of the Annual Report for the financial year 2017-18.
B.	Diluted EPS on issue of shares pursuant to the scheme (in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time).*	<p>Diluted EPS : Rs. 7.37 (Standalone)            (For details refer to Note no. 40 to the Standalone Financial Statements mentioned in the Annual Report 2017-18)</p> <p>Diluted EPS : Re. 4.66 (Consolidated)            (For details refer to Note no. 42 to the Consolidated Financial Statements mentioned in the Annual Report for the financial year 2017-18).            This is computed as per Ind AS 33 'Earnings Per Share'.</p>	<p>Diluted EPS : Rs. 7.37 (Standalone)            (For details refer to Note no. 40 to the Standalone Financial Statements mentioned in the Annual Report 2017-18)</p> <p>Diluted EPS : Re. 4.66 (Consolidated)            (For details refer to Note no. 42 to the Consolidated Financial Statements mentioned in the Annual Report for the financial year 2017-18).            This is computed as per Ind AS 33 'Earnings Per Share'.</p>
C.	<b>Details related to ESOP:</b>		
(i)	<b>Description of ESOP Scheme (including the general terms and conditions):</b>		
(a)	<b>Date of shareholders' approval</b>	September 28, 2017	September 28, 2012
(b)	<b>Total number of options approved under the Scheme.</b>	30,00,000	Up to 12,00,000

<b>(c)</b>	<b>Vesting requirements</b>	<p>The Vesting of ESOPs shall occur at every anniversary of the date of Grant in quantum of 20% of the total ESOPs granted, over the period of 5 years from the Grant Date. However in case of Vesting period may be extended by the entire duration of the leave period for Employees on the Long Leave. The Vesting Schedule is as follows:</p> <table border="1" data-bbox="661 407 1325 638"> <thead> <tr> <th>No. of ESOP</th> <th>Date of Grant</th> <th>Date of Vesting</th> </tr> </thead> <tbody> <tr> <td>30,00,000</td> <td>10.10.2017</td> <td>The Vesting of ESOPs shall occur at every anniversary of the date of Grant in quantum of 20% of the total ESOPs granted, over the period of 5 years from the Grant Date.</td> </tr> </tbody> </table>	No. of ESOP	Date of Grant	Date of Vesting	30,00,000	10.10.2017	The Vesting of ESOPs shall occur at every anniversary of the date of Grant in quantum of 20% of the total ESOPs granted, over the period of 5 years from the Grant Date.	<p>The Vesting of ESOPs shall occur on the first anniversary of the Grant Date. However in case of Vesting period may be extended by the entire duration of the leave period for Employees on the Long Leave. The Vesting Schedule is as follows:</p> <table border="1" data-bbox="1375 358 2032 501"> <thead> <tr> <th>No. of ESOP</th> <th>Date of Grant</th> <th>Date of Vesting</th> </tr> </thead> <tbody> <tr> <td>720,000</td> <td>16-02-15</td> <td>16-02-16</td> </tr> <tr> <td>240,000</td> <td>14-07-15</td> <td>14-07-16</td> </tr> <tr> <td>240,000</td> <td>14-07-16</td> <td>14-07-17</td> </tr> </tbody> </table>	No. of ESOP	Date of Grant	Date of Vesting	720,000	16-02-15	16-02-16	240,000	14-07-15	14-07-16	240,000	14-07-16	14-07-17
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<b>(d)</b>	<b>Exercise price or pricing</b>	Nil	Nil																		
<b>(e)</b>	<b>Maximum term of options granted</b>	The Employee Stock Options granted shall be capable of being exercised in one or more tranches in multiples of 5000 shares, upto the third anniversary from the date of Vesting of the Employee Stock Options.	The Employee Stock Options granted shall be capable of being exercised in one or more tranches in multiples of 5000 shares, upto the third anniversary from the date of Vesting of the Employee Stock Options.																		
<b>(f)</b>	<b>Source of shares (primary, secondary or combination)</b>	Primary	Primary																		
<b>(g)</b>	<b>Variation in terms of options</b>	No	No																		
<b>(ii)</b>	<b>Method used to account for the ESOP Scheme (Intrinsic or fair value)</b>	Fair Value	Fair Value																		

(iii)	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 using the intrinsic value method and the employee compensation cost that shall have been recognized if it had used the fair value of the options and impact of this difference on profits of the Company and on EPS of the Company.	NA	
iv)	Option movement during the financial year 2017-18:		
	Particulars	Details	Details
	Number of options outstanding at the beginning of the period	Nil	2,40,000
	Number of options granted during the year	30,00,000	Nil
	Number of options forfeited / lapsed during the year	Nil	Nil
	Number of options vested during the year	Nil	2,40,000
	Number of options exercised during the year	Nil	2,40,000
	Number of shares arising as a result of exercise of options	Nil	2,40,000
	Money realized by exercise of options (INR), if scheme is implemented directly by the company	Nil	Nil
	Loan repaid by the Trust during the year from exercise price received	Not Applicable	

	Number of options outstanding at the end of the year	30,00,000				Nil			
	Number of options exercisable at the end of the year	Nil				Nil			
(v)	Weighted-average exercise prices and weighted-average fair values of options for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted-average exercise prices - Nil Weighted average fair values of options - Rs 139.30				Weighted-average exercise prices - Nil Weighted average fair values of options - Rs 53.23			
(vi)	Employee wise details of options granted to -	Name of employee	Designation	Number of options granted during the year	Exercise price of options granted	Name of employee	Designation	Number of options granted during the year	Exercise price of options granted
(a)	Senior Managerial Personnel	Mr. Sandeep Garg	Managing Director	20,00,000	Nil	Mr. Sandeep Garg	Managing Director	2,40,000	NIL
		Mr. Akhil Jindal	Director	7,50,000	Nil				
		Mr. Deepak Chauhan	Director	2,50,000	Nil				
(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.	-	-	-	-	-	-	-	-
(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.	-	-	-	-	-	-	-	-

<p>(vii) <b>A description of the method and significant assumptions used during the year to estimate the fair value of options:</b></p>	<p>The Black Scholes Valuation model has been used for computing the weighted average fair value of stock options granted during the year of Rs. 139.30 considering the following input:</p> <table border="1" data-bbox="663 318 1314 748"> <tr> <td>Grant Date</td> <td>:</td> <td>10.10.2017</td> </tr> <tr> <td>Vesting Date</td> <td>:</td> <td>At every anniversary of the date of grant in quantum of 20% of the total ESOPs granted, over a period of 5 years from the date of grant.</td> </tr> <tr> <td>Variables</td> <td>:</td> <td>-</td> </tr> <tr> <td>Stock Price</td> <td>:</td> <td>139.30</td> </tr> <tr> <td>Volatility</td> <td>:</td> <td>45.14%</td> </tr> <tr> <td>Risk free rate</td> <td>:</td> <td>6.43% to 6.69%</td> </tr> <tr> <td>Exercise Price</td> <td>:</td> <td>Nil</td> </tr> <tr> <td>Time to Maturity</td> <td>:</td> <td>2 to 6</td> </tr> <tr> <td>Dividend Yield</td> <td>:</td> <td>0%</td> </tr> <tr> <td>Option Fair Value</td> <td>:</td> <td>139.30</td> </tr> </table> <p>The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.</p>	Grant Date	:	10.10.2017	Vesting Date	:	At every anniversary of the date of grant in quantum of 20% of the total ESOPs granted, over a period of 5 years from the date of grant.	Variables	:	-	Stock Price	:	139.30	Volatility	:	45.14%	Risk free rate	:	6.43% to 6.69%	Exercise Price	:	Nil	Time to Maturity	:	2 to 6	Dividend Yield	:	0%	Option Fair Value	:	139.30	<p>The Black Scholes Valuation model has been used for computing the weighted average fair value of stock options granted during the year of Rs. 53.23 considering the following input:</p> <table border="1" data-bbox="1362 318 1971 630"> <tr> <td>Grant Date</td> <td>:</td> <td>14.07.2016</td> </tr> <tr> <td>Vesting Date</td> <td>:</td> <td>14.07.2017</td> </tr> <tr> <td>Variables</td> <td>:</td> <td>-</td> </tr> <tr> <td>Stock Price</td> <td>:</td> <td>58.10</td> </tr> <tr> <td>Volatility</td> <td>:</td> <td>19.32%</td> </tr> <tr> <td>Risk free rate</td> <td>:</td> <td>7.68%</td> </tr> <tr> <td>Exercise Price</td> <td>:</td> <td>Nil</td> </tr> <tr> <td>Time to Maturity</td> <td>:</td> <td>2.5</td> </tr> <tr> <td>Dividend Yield</td> <td>:</td> <td>5%</td> </tr> <tr> <td>Option Fair Value</td> <td>:</td> <td>53.23</td> </tr> </table> <p>The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.</p>	Grant Date	:	14.07.2016	Vesting Date	:	14.07.2017	Variables	:	-	Stock Price	:	58.10	Volatility	:	19.32%	Risk free rate	:	7.68%	Exercise Price	:	Nil	Time to Maturity	:	2.5	Dividend Yield	:	5%	Option Fair Value	:	53.23
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