



**Disclosures pursuant to Regulation 14 of the Securities and Exchange Board of India (share Based Employee Benefits) Regulations, 2014 as on March 31, 2019**

<b>A.</b>	<b>Relevant disclosure 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.</b>	Members may please refer to the audited financial statement for the year 2018-19.
<b>B.</b>	<b>Diluted Earnings Per Share (EPS) as per Ind AS 33- Earning Per Share:</b>	Diluted EPS for the year ended March 31, 2019 is Rs. 40.58
<b>C.</b>	<b>Details related to Employees' Stock Option Scheme:</b>	
i)	The description including terms and conditions of ESOS is summarized as under:-	
	<b>Sl. No.</b>	<b>Description</b>
	a.	Date of Shareholder's approval
	b.	Total Number of options approved under ESOS
	c.	Vesting Requirements
	d.	Exercise Price or Pricing Formula
	e.	Maximum term of options granted
	f.	Source of shares
	g.	Variation in terms of options
	ii)	Method used to account for ESOS
	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 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 be disclosed.
		7 <sup>th</sup> November, 2006
		3611612
		Vested Equally over a period of 4 years
		At a price Rs 870/- per options,(As decided by Management on case to case basis). (Pricing should not be less than the par value of Company's share and not more than the closing Market Price of the Stock Exchanges as on the Grant Date):
		4 years
		Primary
		None
		Fair Value
		N.A.

iv)	Options movement during the year:					
	a.	Number of options outstanding at the beginning of the period	NIL			
	b.	Number of options granted during the year	11,70,000			
	c.	Number of options forfeited / lapsed / expired during the year	48,150			
	e.	Number of options exercised during the year	NIL			
	f.	Number of shares arising as a result of exercised options	NIL			
	g.	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	NIL			
	h.	Loan repaid by the trust during the year from exercise price received	NIL			
	i.	Number of option outstanding at the end of the year	11,21,850			
	j.	Number of options exercisable at the end of the year	NIL			
v)	Weighted-average exercise prices and weighted-average fair values of options whose exercise price equals or exceeds or is less than market price of the stock:					
	Grant Date		August 16, 2018			
	Vesting Date		August 15, 2019	August 15, 2020	August 15, 2021	August 15, 2022
	Fair value of option at grant date (Rs.)		216.67	279.38	329.42	377.67
	Exercise Price (Rs.)		870.00	870.00	870.00	870.00
vi)	Employee-wise details of options granted to:-					
	i)	Senior Managerial Personal	Name	Designation	No. of options granted	
			List enclosed		11,70,000	
	ii)	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	NIL			
iii)	Identified employees who were granted exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	NIL				

	vii)	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information:	The Black Scholes Option Pricing Model for dividend paying stock has been use to compute the fair value of the options. The significant assumptions made are:
		• Risk free interest rate	7.56% - 7.97%
		• Expected life	4.88 years (weighted average remaining contractual life of option as at 31-03-2019).
		• Expected volatility	26.86%
		• Expected dividend yield, and	Expected Dividend Yield: 0.29%
	• The price of the underlying share in market at the time of option grant	Rs. 870.00 The shares to be transferred under stock options shall rank pari passu, including the right to receive dividend. Expected dividend payouts to be paid during the life of the option reduce the value of a call option by creating drop in market price of the stock. Adjustments for known anticipated dividend payouts over the life of the option are made to the formulae under the Black Scholes method.	
<b>D.</b>	<b>Details related to ESPS</b>		Not Applicable
<b>E.</b>	<b>Details related to SAR</b>		Not Applicable
<b>F.</b>	<b>Details related to GEBS/ RBS</b>		Not Applicable
<b>G.</b>	<b>Details related to Trust</b>		
	<b>S. No.</b>	<b>Particulars</b>	<b>Details</b>
	(i)	<b>General information on the scheme</b>	
	1	Name of the Trust	Escorts Employees Benefit & Welfare Trust
	2	Details of the Trustee(s)	Mr. Girish Behari Mathur
			Mr. Ajay Sharma
			Mr. Vinod Dixit
	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. 21,90,50,160/-
	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)	<b>Brief details of transactions in shares by the Trust</b>		
	(a)	Number of shares held at the beginning of the year	30,74,512
	(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	NIL
	(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 – (a +b-c)	30,74,512
(iii)	<b>In case of secondary acquisition of shares by the Trust</b>		
	<b>Number of Shares</b>		<b>As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval</b>
	Number of shares Held at the beginning of the year		Not applicable
	Acquired during the year		
	Sold during the year		
	Transferred to the employees during the year		
Held at the end of the year			

For and on behalf of the Board of Directors

Place: Faridabad  
Date: May 7, 2019

Nikhil Nanda  
Chairman & Managing Director

**ESCORTS LIMITED**

Corporate Secretarial & Law

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Registered Office: 15/5, Mathura Road, Faridabad - 121 003, Haryana, India

Corporate Identification Number - L74899HR1944PLC039088

**Employees-wise Details of Options Granted**

<b>S. No</b>	<b>Employee Name</b>	<b>Designation</b>	<b>No. of Options Granted</b>
1	Harpreet Singh Saran	General Manager	12000
2	Munesh Gupta	General Manager	7650
3	Mohammad Arshad	General Manager	7650
4	Saurabh Kapoor	General Manager	7650
5	Pankaj Dhawan	General Manager	6200
6	Kaushik S Gadhai	General Manager	6200
7	Monika Garg	General Manager	6200
8	Hitesh Kumar Agarwal	General Manager	5400
9	Gurbinder Singh	General Manager	5400
10	Kamal Sachdeva	General Manager	5000
11	Nijagun Hiremath	General Manager	5000
12	Sanjeev Puri	General Manager	5000
13	Rakesh Kumar	General Manager	5000
14	Rajesh Bhatia	General Manager	5000
15	Arun Kumar Sharma	General Manager	5000
16	Sayyed Suheal Ahmed	General Manager	5000
17	Amit Rawat	General Manager	5000
18	Taranjeet Singh	General Manager	5000
19	K Pandiyan	General Manager	5000
20	Anand Gawade	General Manager	5000
21	Pavan Vir Singh	General Manager	5000
22	Shyam Mohan Yadav	General Manager	5000
23	Brijesh Lamba	General Manager	4000
24	Sandeep Kumar	General Manager	4000
25	Gurpreet Singh Bajaj	General Manager	4000
26	Nitesh K Sachan	General Manager	4000
27	Amitabh Ranjan	General Manager	4000
28	R Prabakar	General Manager	4000
29	Rajnish Bhatia	General Manager	4000
30	Sanjay Bhardwaj	General Manager	4000
31	Ashok Behl	General Manager	3200
32	Ved Bhhardwaj	General Manager	3200
33	Satinder Arora	General Manager	2000
34	P K Singh Dev	General Manager	2000
35	Prateek Mittal	General Manager	2000
36	Vivek Malik	General Manager	2000
37	Ajay Kumar Kalra	General Manager	2000
38	Anil Kumar Pandey	General Manager	2000
39	Parminder Sachdeva	General Manager	2000
40	Puneet Chhabra	General Manager	2000
41	R C Narayanan	General Manager	2000
42	Chandrasekar Pasupuleti	General Manager	2000
43	G S Johar	General Manager	2000
44	S K Batra	General Manager	2000

45	Ashutosh Gupta	Chief General Manager	15000
46	Anil Kumar Kakkar	Chief General Manager	11400
47	Anish Dhir	Chief General Manager	11400
48	Tarun Jagga	Chief General Manager	9100
49	Virender Pratap Singh	Chief General Manager	7400
50	Manoj Agrawal	Chief General Manager	7400
51	Dhiraj Tiwary	Chief General Manager	6000
52	Sanjeev Bajaj	Chief General Manager	6000
53	Anup Kumar	Chief General Manager	6000
54	Ashish Bhardwaj	Chief General Manager	4800
55	Abhijit Ramji Shinde	Chief General Manager	4800
56	Tanul Singhal	Chief General Manager	3000
57	Sanjeev Mohan	Chief General Manager	3000
58	Sanjeev Kumar Mahajan	Associate Vice President	24000
59	Ankur Gupta	Associate Vice President	24000
60	Neeraj Mehra	Associate Vice President	24000
61	Anil Kumar C	Associate Vice President	19200
62	Neeraj Vij	Associate Vice President	19200
63	Ankit Kumar	Associate Vice President	19200
64	Baljinder Singh Rana	Associate Vice President	12000
65	Vinod Dixit	Associate Vice President	9500
66	Baljeet Singh Dagar	Associate Vice President	6100
67	Rajneesh Agarwal	Vice President	48500
68	Ashwani Kumar Malik	Vice President	48500
69	Sharad Kumar Gupta	Vice President	38750
70	Ajay Kumar Sharma	Vice President	38750
71	Rajiv Wahi	Vice President	38750
72	Nandkumar S Rane	Vice President	38750
73	Bhaskara Rao Komarneni	Vice President	38750
74	V K Puri	Vice President	25000
75	Jyoti Khatuka	Vice President	8000
76	Bharat Madan	Executive Vice President	67000
77	Amanpreet Singh Bhatia	Executive Vice President	67000
78	Shailendra Agrawal	Executive Vice President	67000
79	Shenu Agarwal	Executive Vice President	67000
80	Ajay Mandahr	Executive Vice President	67000
81	Dipankar Ghosh	Executive Vice President	67000
<b>Total</b>			<b>1170000</b>

# Walker Chandiook & Co LLP

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## **Independent Auditor's Certificate pursuant to the requirements of regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014 (as amended)**

To,  
The Board of Directors  
Escorts Limited  
15/5, Mathura Road  
Faridabad – 121 003

1. This certificate is issued in accordance with the terms of our engagement letter dated 25 September 2018 with Escorts Limited (hereinafter 'the Company').
2. The Company passed a special resolution through postal ballot on 7 November 2006 and which was taken note of in its annual general meeting (AGM) dated 24 February 2007 ('Shareholders' Resolution') under section 81(1A) of the Companies Act, 1956 ('Act') to approve the Escorts Limited Employees Stock Option Scheme - 2006 ('Scheme'). In accordance with the requirements of regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014 (as amended) ('Regulations'), the Management of the Company is required to submit this certificate for the aforementioned Scheme at the forthcoming AGM.

### **Management's Responsibility**

3. The Management of the Company is responsible for preparation and maintenance of all accounting, secretarial and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant for such purpose.
4. The Management is also responsible for the implementation of the Scheme in accordance with the provisions of the Regulations and the Shareholders' Resolution, ensuring that the Company



complies with the requirements of the Equity Listing Agreement, and furnishing the requisite information to the Securities and Exchange Board of India.

## Auditor's Responsibility

5. Pursuant to the requirement of regulation 13 of Regulations, it is our responsibility to express reasonable assurance in the form of an opinion that the Scheme has been implemented in compliance with the Regulations, to the extent applicable, and the Shareholders' Resolution.
6. The audited financial statements referred to in paragraph 9 below, have been audited by us, on which we expressed an unmodified audit opinion vide our report dated 7 May 2019. Our audit of these financial statements were conducted in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('ICAI'). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audits were not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.
7. We conducted our examination for the purpose of this certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ('Guidance note') issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.
9. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the reporting criteria mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated with the reporting criteria. We have performed the following procedures:
  - i. Obtained the audited financial statements for the year ended 31 March 2019.
  - ii. Obtained details of eligible directors/employees, status of options granted, vested, exercised, forfeited, expired.
  - iii. Obtained a copy of the Scheme duly approved by the Board of Directors of the Company.
  - iv. Obtained a copy of the Shareholders' Resolution passed on 7 November 2006 through postal ballot.
  - v. Reviewed the minutes of the AGM held on 24 February 2007 noting the approval accorded to management to issue the Scheme to the employees and directors of the Company.
  - vi. Obtained the copy of the in-principle approvals from NSE Limited and BSE Limited dated 20 April 2007.
  - vii. Compared the provisions of the Scheme with the Regulations, to the extent applicable and with the Shareholders' Resolution
  - viii. Obtained and reviewed the fair value of Option from the Independent Valuer's report.
  - ix. Reviewed the minutes of meetings of all committees including the compensation committee, Board of Directors and General Meetings held in the Company during the year ended 31 March 2019.
  - x. Reviewed the secretarial records maintained by the Company during the year ended 31 March 2019.
  - xi. Obtained requisite written representations from the Company's authorized personnel.



## Basis for Qualified Opinion

10. The Company did not obtain and place, at the annual general meeting dated 12 September 2018, the certificate from the statutory auditors as required under regulation 13 of the Regulation. Further, the Company did not disclose the details as required under regulation 14 of the said regulations with respect to the Trust, in the Director's Report for the year ended 31 March 2018.

## Qualified Opinion

11. Based on our examination, as above, and the information and explanations given to us, along with representations provided by the Management in our opinion, except for the compliance with matters described in the Basis for Qualified Opinion paragraph, the Scheme has been implemented in accordance with the provisions of the Regulations, to the extent applicable, and the Shareholders' Resolution.

## Restriction on distribution or use

12. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the requirement of regulation 13 of the Regulations. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have as auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as auditors of the Company.
13. The certificate is addressed to and provided to the Board of Directors of the Company solely to enable the Board of Directors to place it before the shareholders at the forthcoming AGM of the Company to comply with the requirements of regulation 13 of the Regulations, and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm Registration No: 001076N/N500013



**Siddharth Talwar**

Partner

Membership No.: 512752

UDIN: 19512752AAAAAW9801



Place: Faridabad

Date: 9 July 2019