



A2Z INFRA ENGINEERING LIMITED

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DETAILS OF STOCK OPTIONS AS ON MARCH 31, 2016

Disclosures envisaged under Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 for financial year 2015-16

As on March 31, 2016, the Company has the following Schemes as given below:

1. A2Z Employees Stock Option Plan 2010 ("ESOP Plan, 2010)
2. A2Z Employees Stock Option Plan 2013 ("ESOP Plan, 2013 – Trench I and Trench II")
3. A2Z Employee Stock Option Plan 2014 (" ESOP Plan, 2014")

A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share based payments issued by the ICAI or any other relevant accounting standards as prescribed from time to time:

Members may please refer to Note No. 28 of the Standalone Financial Statements of the Company for the Financial Year 2015-16.

B. Diluted Earnings per share (EPS) on issue of shares:

Employee Stock options are not considered to be dilutive based on the average market price of Ordinary Shares during the period.

Since there is a loss for the reporting period potential equity shares are not considered as dilutive and hence Diluted EPS is same as basic EPS.

C. Details related to Employees' Stock Option Scheme:

- i) The description including terms and conditions of ESOPs' is summarized as under:

| S. No. | Description | Details | | | |
|--------|--|---|--|---|-----------------|
| | | ESOP Plan, 2010 | ESOP Plan, 2013 (Trench I) | ESOP Plan, 2013 (Trench II) | ESOP Plan, 2014 |
| a. | Date of shareholders' approval | 30.03.2010 | 28.09.2013 | 28.09.2013 | 27.09.2014 |
| b. | Total no. of options approved under the scheme | 4,77,250 | 16,95,000 | 19,05,000 | 45,00,000 |
| c. | Vesting Requirements | The entire granted stock options shall vest 20% on the first anniversary, 20% on the second | The entire granted stock options shall vest 100% on the first anniversary of the grant date. | The entire granted stock options shall vest 30% on the first anniversary, 30% on the second anniversary and 40% on the third anniversary of the grant date. | |

| | | | | | | | |
|----|-----------------------------------|--|--|---|---|---------|---------|
| | | anniversary, 20% on the third anniversary, 20% on the fourth anniversary and 20% on the fifth anniversary of the grant date. | | | | | |
| d. | Exercise Price or Pricing Formula | Rs. 314.13 | Rs. 10.35 each which is NSE closing market price on January 31, 2014 (i.e. previous trading day of the grant date) | Rs. 19.95 each which is BSE closing market price on July 02, 2014 (i.e. previous trading day of the grant date) | Rs. 15.50 each which is NSE closing market price on July 03, 2015 (i.e. previous trading day of the grant date) | | |
| e. | Maximum term of options granted | 10 years | 6 years | 8 years | 30% | 30% | 40% |
| | | | | | 6 years | 7 years | 8 years |
| f. | Source of shares | Primary | Primary | Primary | Primary | | |
| g. | Variation in terms of option | None | None | None | None | | |

ii) Method used to account for the Schemes

The Company has calculated employee compensation cost using intrinsic value method. However, Company has used significant assumptions to estimate the fair value using the Black- Scholes model which takes into account the variables such as volatility, risk free rate, expected dividend yield, expected option life, market price and exercise price for the calculation of fair value of the option.

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.

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 is Rs. 2,10,33,913.

Impact of this difference on profits and on EPS of the Company:

Loss/Profit including extra-ordinary items: Rs. (44,68,25,938)
Add: Employee Stock Compensation under intrinsic value method: NIL
Less: Employee Stock Compensation under fair value method: Rs. 2,10,33,913
Pro-forma (loss)/profit: Rs. (46,78,59,851)

Earnings Per Share

Basic

As reported (including extra-ordinary items): (3.92)

Pro-forma: (4.11)

Diluted

As reported (including extra-ordinary items): (3.92)

Pro-forma: (4.11)

iv) Option movement during the year

| S. No. | Description | Details | | | |
|--------|---|-----------------|----------------------------|-----------------------------|-----------------|
| | | ESOP Plan, 2010 | ESOP Plan, 2013 (Trench I) | ESOP Plan, 2013 (Trench II) | ESOP Plan, 2014 |
| a. | Options outstanding at the beginning of the year | 3,44,250 | 15,70,000 | 17,45,000 | NIL |
| b. | Options granted during the year | NIL | NIL | NIL | 45,00,000 |
| c. | Options forfeited/ lapsed/expired during the year | 67,500 | 80,000 | 2,10,000 | NIL |
| d. | Options vested during the year | 64,750 | NIL | 3,83,500 | NIL |
| e. | Options exercised during the year | NIL | 14,70,000 | 3,55,500 | NIL |
| f. | Number of shares arising as a result of exercise of option | NIL | 14,70,000 | 3,55,500 | NIL |
| g. | Money realized by exercise of options (Rs.), if scheme is implemented directly by the Company | NIL | Rs. 1,52,14,500 | Rs. 70,92,225 | NIL |
| h. | Loan repaid by the trust during the year from exercise price received | Not Applicable | | | |
| i. | Options outstanding at the end of the year | 2,76,750 | 20,000 | 11,79,500 | 45,00,000 |
| j. | Options exercisable at the end of the year | 2,76,750 | 20,000 | 1,05,000 | NIL |

v) **Weighted average exercise prices and weighted average fair values of options disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock**

| S. No. | Description | Details | | | | | | | |
|--------|--|-----------------|----------------------------|-----------------------------|-----------|-----------|-----------------|-----------|-----------|
| | | ESOP Plan, 2010 | ESOP Plan, 2013 (Trench I) | ESOP Plan, 2013 (Trench II) | | | ESOP Plan, 2014 | | |
| 1. | Weighted average exercise prices of options granted | -- | Rs. 10.35 | Rs. 19.95 | | | Rs. 15.50 | | |
| 2. | Weighted average fair values of options granted on the date of grant | Rs. 221.75 | Rs. 7.23 | 30% | 30% | 40% | 30% | 30% | 40% |
| | | | | Rs. 13.14 | Rs. 13.97 | Rs. 14.69 | Rs. 10.48 | Rs. 11.14 | Rs. 11.67 |

For all the above ESOP Plans, Weighted average exercise prices and weighted average fair values of options exercise price either equals or exceeds or is less than the market price of the Stock.

vi) **Employee-wise details of options granted to:**

a. Senior Management Personnel

| S. No. | Name of | Designation | ESOP Plan, 2010 | ESOP Plan, 2013 (Trench I) | ESOP Plan, 2013 (Trench II) | ESOP Plan, 2014 |
|--------|-------------------------------|--|-----------------|----------------------------|-----------------------------|-----------------|
| 1. | Mr. Rajesh Jain | Whole-Time Director & CEO | 25,000* | 1,25,000* | 4,00,000* | 10,00,000* |
| 2. | Dr. Ashok Kumar Saini | Whole-Time Director | 33,750* | 3,50,000* | -- | 4,00,000* |
| 3. | Mr. Gaurav Jain | Additional Director under Category of Non-Executive & Non-Independent Director | 10,000 | 25,000 | 2,00,000* | 4,00,000* |
| 4. | Mr. Atul Kumar Agarwal | Company Secretary | 5,000 | 25,000 | 2,00,000* | 4,00,000* |
| 5. | Mr. Manoj Gupta | President | 33,750* | 3,50,000* | -- | 4,00,000* |



| | | | | | | |
|----|---------------------------|----------------|---------|-----------|----------|-----------|
| 6. | Mr. Sanjeev Sharma | President | 33,750* | 2,50,000* | -- | 4,00,000* |
| 7. | Mr. Manoj Tiwari | President | -- | 50,000 | 40,000 | 1,00,000 |
| 8. | Mr. Vikas Guliani | President | -- | -- | 40,000 | 2,00,000 |
| 9. | Mr. Vaibhav Seth | Vice President | 21,500 | 50,000 | 1,00,000 | 1,00,000 |

b. *In all these cases, the stock options granted exceeded 5% of the total stock options granted during the respective years.

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

vii) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

The Company has estimated fair value of options using Black Scholes model. The following assumptions were used for calculation of fair value of options for the year ended March 31, 2016:

| Particulars | Details | | | | | |
|----------------------------------|-----------------|----------------------------|-----------------------------|-----------------|---------|---------|
| | ESOP Plan, 2010 | ESOP Plan, 2013 (Trench I) | ESOP Plan, 2013 (Trench II) | ESOP Plan, 2014 | | |
| Assumption factor | Estimates | Estimates | Estimates | Estimates | | |
| Risk free investment rate | 7.45% | 8.90% | 8.65% | 8.19% | | |
| Expected life of option | 5.51 years | 6 years | 6 years | 30% | 30% | 40% |
| | | | | 6 years | 7 years | 8 years |
| Expected volatility | 34.93% | 65.19% | 61.15% | 65.50% | | |
| Expected Dividend yield | 2.25% | 0.00% | 0.00% | 0.00% | | |
