



# A2Z INFRA ENGINEERING LIMITED

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## DETAILS OF STOCK OPTIONS AS ON MARCH 31, 2021

**Disclosures pursuant to Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with SEBI Circular dated June 16, 2015 on ESOP Disclosures for financial year 2020-21**

**As on March 31, 2021, 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 II”)
3. A2Z Employee Stock Option Plan, 2014 (“ ESOP Plan, 2014”)
4. A2Z Employee Stock Option Plan, 2013 (“ESOP Plan, 2013 - Re-grant I”)
5. A2Z Employee Stock Option Plan, 2014 (“ESOP Plan, 2014 - Re-grant I”)
6. A2Z Employee Stock Option Plan, 2018 (“ ESOP Plan, 2018 – Trench I and Trench II”)

Accordingly, the disclosures pertaining to stock options granted by the Company under the aforesaid Schemes and as required under the applicable provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021, are provided herein below.

**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. 27 of the Standalone Financial Statements of the Company for the Financial Year 2020-21.

**B. Diluted Earnings per share (EPS) pursuant to issue of shares on exercise of options:**

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 II) | ESOP Plan, 2014 | ESOP Plan, 2013 (Re-grant I) | ESOP Plan, 2014 (Re-grant I) | ESOP Plan, 2018 (Trench I) | ESOP Plan, 2018 (Trench II) |
| a.     | Date of shareholders’ approval                 | 30.03.2010      | 28.09.2013                  | 27.09.2014      | 28.09.2013                   | 27.09.2014                   | 29.09.2018                 | 29.09.2018                  |
| b.     | Total no. of options approved under the scheme | 4,77,250        | 19,05,000                   | 45,00,000       | 7,88,000                     | 9,72,000                     | 38,00,000                  | 12,00,000                   |

|    |  |  |   |   |   |   |   |  |
|----|--|--|---|---|---|---|---|--|
| c. | <b>Vesting Requirements</b>              | The entire granted stock options shall vest 20% on the first anniversary, 20% on the second anniversary, 20% on the third anniversary, 20% on the fourth anniversary and 20% on the fifth 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. |   |   |   | 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. | The entire granted stock options shall vest 50% on the first anniversary and 50% on the second anniversary of the grant date |
| d. | <b>Exercise Price or Pricing Formula</b> | INR 314.13   | INR 19.95 each which is BSE closing market price on July 02, 2014 (i.e. previous trading day of the grant date)   | INR 15.50 each which is NSE closing market price on July 03, 2015 (i.e. previous trading day of the grant date) | INR 36.90 each which is NSE closing market price on August 16, 2017 (i.e. previous trading day of the grant date) | INR 10.00 each which is face value of the shares of the Company |   |  |
| e. | <b>Maximum term of options granted</b>   | 10 years   | 8 years   | 8 years   | 8 years   | 8 years   | 8 years   | 7 years  |
| f. | <b>Source of shares</b>                  | Primary  | Primary   | Primary   | Primary   | Primary   | Primary   | Primary  |
| g. | <b>Variation in terms of option</b>      | None   | None  | None  | None  | None  | None  | None   |

## ii) Method used to account for the Schemes

The fair value at grant date has been determined 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. The total employee compensation cost as per fair value method for the financial year 2020-21 is INR 103.19 Lakh (2019-20 - INR 269.05 Lakh) and INR 26.19 Lakh (2019-20 - INR 8.39 Lakh) for group entities.

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. Not Applicable

iv) Option movement during the year

| S. No. | Description   | Details         |                             |                 |                              |                              |                            |                             |
|--------|---|-----------------|-----------------------------|-----------------|------------------------------|------------------------------|----------------------------|-----------------------------|
|        |   | ESOP Plan, 2010 | ESOP Plan, 2013 (Trench II) | ESOP Plan, 2014 | ESOP Plan, 2013 (Re-grant I) | ESOP Plan, 2014 (Re-grant I) | ESOP Plan, 2018 (Trench I) | ESOP Plan, 2018 (Trench II) |
| a.     | Options outstanding at the beginning of the year  | 35,850          | 2,69,000                    | 17,55,000       | 7,88,000                     | 4,82,000                     | 37,75,000                  | 12,00,000                   |
| b.     | Options granted during the year   | NIL             | NIL                         | NIL             | NIL                          | NIL                          | NIL                        | NIL                         |
| c.     | Options forfeited/ lapsed/expired during the year   | 35,850          | 1,500                       | 3,20,000        | NIL                          | 2,55,000                     | 2,75,000                   | NIL                         |
| d.     | Options vested during the year  | NIL             | NIL                         | NIL             | 3,15,200                     | 90,800                       | 10,50,000                  | 6,00,000                    |
| e.     | Options exercised during the year   | NIL             | NIL                         | NIL             | NIL                          | NIL                          | NIL                        | NIL                         |
| f.     | Number of shares arising as a result of exercise of option                                    | NIL             | NIL                         | NIL             | NIL                          | NIL                          | NIL                        | NIL                         |
| g.     | Money realized by exercise of options (INR), if scheme is implemented directly by the Company | NIL             | NIL                         | NIL             | NIL                          | NIL                          | NIL                        | 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  | NIL             | 2,67,500                    | 14,35,000       | 7,88,000                     | 2,27,000                     | 35,00,000                  | 12,00,000                   |
| j.     | Options exercisable at the end of the year  | NIL             | 2,67,500                    | 14,35,000       | 7,88,000                     | 2,27,000                     | 21,00,000                  | 6,00,000                    |

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 II) | ESOP Plan, 2014 | ESOP Plan, 2013 (Re-grant I) | ESOP Plan, 2014 (Re-grant I) | ESOP Plan, 2018 (Trench I) | ESOP Plan, 2018 (Trench II) |
| (In INR) |  |                 |                             |                 |                              |                              |                            |                             |
| 1.       | Weighted average exercise prices of options granted                  | 314.13          | 19.95                       | 15.50           | 36.90                        | 36.90                        | 10.00                      | 10.00                       |
| 2.       | Weighted average fair values of options granted on the date of grant | 58.23           | 14.52                       | 11.15           | 24.81                        | 24.81                        | 6.09                       | 12.81                       |

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 Senior Managerial Personnel | Designation               | ESOP Plan, 2010 | ESOP Plan, 2013 (Trench II) | ESOP Plan, 2014 | ESOP Plan, 2013 (Re-grant I) | ESOP Plan, 2014 (Re-grant I) | ESOP Plan, 2018 (Trench I) | ESOP Plan, 2018 (Trench II) |
|------|-------------------------------------|---------------------------|-----------------|-----------------------------|-----------------|------------------------------|------------------------------|----------------------------|-----------------------------|
| 1.   | Mr. Rajesh Jain                     | Whole-Time Director & CEO | 25,000*         | 4,00,000*                   | 10,00,000*      | 4,00,000*                    | --                           | 15,00,000*                 | 12,00,000*                  |
| 2.   | Dr. Ashok Kumar Saini               | Non-Executive Director    | 33,750*         | --                          | 4,00,000*       | 75,000*                      | --                           | 5,00,000*                  | --                          |
| 3.   | Mr. Atul Kumar Agarwal              | Company Secretary         | 5,000           | 2,00,000*                   | 4,00,000*       | 2,00,000*                    | -                            | 5,00,000*                  | --                          |
| 4.   | Mr. Manoj Gupta                     | President                 | 33,750*         | --                          | 4,00,000*       | 75,000*                      | --                           | 5,00,000*                  | --                          |
| 5.   | Mr. Manoj Tiwari                    | President                 | --              | 40,000                      | 1,00,000        | 38,000                       | 12,000                       | 50,000                     | --                          |
| 6.   | Mr. Debashish Chakrabarti           | President                 | --              | --                          | --              | --                           | 40,000                       | 50,000                     | --                          |

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, 2021:

| Particulars                      | Details         |                             |                 |                              |                              |                            |                             |
|----------------------------------|-----------------|-----------------------------|-----------------|------------------------------|------------------------------|----------------------------|-----------------------------|
|                                  | ESOP Plan, 2010 | ESOP Plan, 2013 (Trench II) | ESOP Plan, 2014 | ESOP Plan, 2013 (Re-grant I) | ESOP Plan, 2014 (Re-grant I) | ESOP Plan, 2018 (Trench I) | ESOP Plan, 2018 (Trench II) |
| <b>Assumption factor</b>         | Estimates       | Estimates                   | Estimates       | Estimates                    | Estimates                    | Estimates                  | Estimates                   |
| <b>Risk free investment rate</b> | 7.45%           | 8.64%                       | 8.19%           | 6.74%                        | 6.74%                        | 7.38%                      | 6.67%                       |
| <b>Expected life of option</b>   | 10 years        | 8 years                     | 8 years         | 8 years                      | 8 years                      | 8 years                    | 7 years                     |
| <b>Expected volatility</b>       | 34.93%          | 67.05%                      | 65.50%          | 50.14%                       | 50.14%                       | 61.62%                     | 58.73%                      |
| <b>Expected Dividend yield</b>   | 2.25%           | 0.00%                       | 0.00%           | 0.00%                        | 0.00%                        | 0.00%                      | 0.00%                       |

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