

Disclosures pursuant to Regulation 14 of the SEBI (Share Based Employee Benefit) Regulations 2014 and Rule 12 of the Companies (Share Capital and Debenture), Rules, 2014 as at 31 March 2020	
Particulars	Magma HDI General Insurance Company Limited - Employee Stock Option Plan 2018 (MHDI ESOP 2018)
Relevant 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.	Refer Note 17.23 annexed to the financial statements
Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.	Diluted EPS (Rs 0.43) Refer Note 17.24 annexed to the financial statements
Date of shareholders' approval	17-Apr-18
Total number of options approved under ESOS	45,00,000 (Forty Five Lacs only)
Vesting requirements	Given Separately in Annexure A
Options Lapsed	Given Separately in Annexure A
Exercise price or pricing formula	Given Separately in Annexure A
Maximum term of options granted	4 Years
Source of shares (primary, secondary or combination)	Combination
Variation in terms of options	As per the amended ESOP Plan, the Company can issue fresh shares to the eligible employees at the time of exercise of options along with the transfer of shares by Principal Shareholders to the ESOP Trust.
Method used to account for ESOS - Intrinsic or fair value.	Fair Value
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.	NA, since the Company follows Fair Value method
Option movement during the year (For each ESOS):	Given Separately in Annexure A
Weighted-average exercise prices and 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.	Given Separately in Annexure A
Employee wise details of options granted to:	
(a) senior managerial personnel;	Given Separately in Annexure B (Present Employee)
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; and	Given Separately in Annexure C (Present Employee)
(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.	NIL
A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	
(a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	Given Separately in Annexure A
(b) the method used and the assumptions made to incorporate the effects of expected early exercise;	Method used is Black Scholes Method and the expected life of the options has been estimated on the basis of average of minimum and maximum life of the Options
(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	Volatility is the annualised standard deviation of the continuously compounded rate of the return of the stock over a period of time. It has been calculated over a period prior to the date of grant, corresponding with the expected life of the options being valued. Since the Company is not listed, volatility of listed peer for the said period has been considered
(d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	No other feature has been considered for fair valuation of Options
Disclosure as per Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014 (as on 31 March 2020)	Given Separately in Annexure D

Annexure A

Option movement during the year 2019-20

		MHDI ESOP 2018	
Sl. No.	Description	(Tranche 1)	(Tranche 2)
1	Number of Options outstanding at the beginning of the period	874491	0
2	Number of options granted	0	896000
3	Number of Options forfeited/lapsed during the year	17213	0
4	Options vested during the year*	514340	Nil as the criteria for vesting has not yet been met
5	Options exercised during the year	219784	0
6	Total number of equity shares of Rs. 10/- each arising as a result of exercise of options	219784	0
7	Money realized by exercise of options (In Rs.)	96,92,474.80	0
8	Loan repaid by the Trust during the year from exercise price received	96,92,474.80	N.A.
9	Total number of options outstanding at the end of the year	637494	896000
10	Number of Options exercisable at the end of the year	294556	N.A
11	Vesting Requirements	The vesting schedule of the Options under tranche 1 MHDI ESOP 2018 as under: a. 30% of the Options shall Vest on the expiry of 12 months from the date of the Grant; b. 30% of the Options shall Vest on the expiry of 18 months from the date of Grant; and c. 40% of the Options shall Vest on the expiry of 30 months from the date of Grant;	The vesting schedule of the Options under tranche 2 MHDI ESOP 2018 as under: a. 30% of the Options shall Vest on the expiry of 12 months from the date of the Grant; b. 30% of the Options shall Vest on the expiry of 15 months from the date of Grant; and c. 40% of the Options shall Vest on the expiry of 27 months from the date of Grant;
12	Exercise Price or Pricing Formula	Rs.44.10	Rs.42.08
13	Weighted-average exercise prices (In Rs.)	Rs.44.10	Rs.42.08
14	Weighted-average fair values	Rs.33.34	Rs.14.52
15	Fair value of each options based on Black Scholes Methodology	Rs.33.34	Rs.14.52
Assumptions			
	Risk free rate	6.56% to 7.23%	6.30% to 6.45%
	Expected life of options	2 to 4 Years	3 to 4 Years
	Expected volatility	28.03%	34.65%
	Expected dividend	Nil	Nil

*Options vested excludes options vested which was subsequently lapsed

Annexure B

List of Senior Management Employees to whom stock options were granted						
Plan Name	Name of Employee	Date of Grant of Options	Tranche	Designation	Number of options granted till 31.03.2020	Exercise Price (in Rs.)
MHDI ESOP 2018	Rajive Kumaraswami	07-May-18	1	Managing Director & Chief Executive Officer	2,39,055	44.10
		24-Jan-20	2		200000*	42.08
	Vikas Mittal	07-May-18	1	Deputy CEO	1,09,969	44.10
		24-Jan-20	2		1,00,000	42.08
	Amit Bhandari	07-May-18	1	Chief Technical Officer	74,588	44.10
		24-Jan-20	2		67,500	42.08
	Gaurav Parasrampur	07-May-18	1	Chief Financial Officer	47,813	44.10
		24-Jan-20	2		55,000	42.08

*Note: The grant of options to MD&CEO under Tranche 2 is pending for approval of IRDAI.

Annexure C

Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year of grant

Plan Name	Name of Employee	Date of Grant of Options	Tranche	Designation	Number of options granted till 31.03.2020	Exercise Price (in Rs.)
MHDI ESOP 2018	Rajive Kumaraswami	07-May-18	1	Managing Director & Chief Executive Officer	2,39,055	44.10
		24-Jan-20	2		200000*	42.08
	Vikas Mittal	07-May-18	1	Deputy CEO	1,09,969	44.10
		24-Jan-20	2		1,00,000	42.08
	Amit Bhandari	07-May-18	1	Chief Technical Officer	74,588	44.10
		24-Jan-20	2		67,500	42.08
	Gaurav Parasrampurua	07-May-18	1	Chief Financial Officer	47,813	44.10
		24-Jan-20	2		55,000	42.08
	Debasis Sanyal	07-May-18	1	National Head - Agency	47,813	44.10
		24-Jan-20	2		45,000	42.08

*Note: The grant of oprions to MD&CEO under Tranche 2 is pending for approval of IRDAI.

Annexure D

Disclosure as per Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014 as on 31 March 2020		
Sl. No.	Particulars	Details
(a)	the names of the employees who have not exercised the voting rights directly	1.Mr. Rajive Kumaraswami 2. Mr. Vikas Mittal 3. Mr. Amit Bhandari 4. Mr. Nitin Jain 5. Mr. Shubham Moondra 6. Mr. Hemant Trivedi 7. Mr. Nikhil Manhapra 8. Mr. Anand Roop Choudhary
(b)	the reasons for not voting directly	As per the Magma HDI General Insurance Company Limited - Employee Stock Option Plan 2018 ("ESOP 2018"), any shares allotted under the Scheme shall be registered under the name of Magma HDI General Insurance Company ESOP Trust while the beneficial ownership shall remain with the employees who are so granted the ESOP Scheme so the meeting is attended by ESOP Trust as Registered Owner who exercises the voting powers
(c)	the name of the person who is exercising such voting rights	Magma HDI General Insurance Company ESOP Trust
(d)	the number of shares held by or in favour of, such employees and the percentage of such shares to the total paid up share capital of the company	2,19,784 shares & 0.153%
(e)	the date of the general meeting in which such voting power was exercised	24 July 2020
(f)	the resolutions on which votes have been cast by persons holding such voting power	1. To receive, consider and adopt the Annual Audited Financial Statements for the Financial Year ended 31st March, 2020 including the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss Account for the year ended 31 March, 2020 and the Cash Flow Statement for the year ended 31st March, 2020 together with the Reports of the Board of Directors and Auditors thereon. 2. To appoint a Director in place of Mr. Jens Holger Wohlthat (DIN 05245642) who retires by rotation at this Annual General Meeting, and being eligible, offers himself for re-appointment.
(g)	the percentage of such voting power to the total voting power on each resolution	7.14%
(h)	whether the votes were cast in favour of or against the resolution	All the votes were casted in favour of the resolution