

**Disclosure pursuant to Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as on March 31, 2022**

The details pursuant to Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are furnished hereunder:

**Ashok Leyland Limited Employee Stock Option Scheme 2016**

<b>Nature of Disclosure</b>	<b>Ashok Leyland Limited Employee Stock Option Scheme 2016</b>
A description of each Employee Stock Option Scheme (ESOS) that existed at any time during the year, including the general terms and conditions of each ESOS including -	Issue of 42,68,815 stock options was approved by the members at the Annual General meeting held on July 21, 2016.  Increase in number of stock options from 42,68,815 stock options to 1,42,29,383 stock options approved by the members through postal ballot voting on January 16, 2017.
Date of shareholders' approval	July 21, 2016 and January 16, 2017
Total number of Options approved under ESOS	1,42,29,383
Vesting requirements	The options vest over a maximum period of five years or such other period(s) as may be decided by the Board of Directors/Nomination and Remuneration Committee (NRC).
Exercise price or pricing formula	(i) 28,45,875 options shall be exercised at ₹ 80/- per option granted on 29-September-2016 (ii) 74,54,000 options shall be exercised at ₹ 1/- per option granted on 25-January-2017 (iii) 20,00,000 options shall be exercised at ₹ 83.50/- per option granted on 19-July-2017 (iv) 10,00,000 options shall be exercised at ₹ 109/- per option granted on 13-November-2018.
Maximum term of Options granted	The options vest over a maximum period of five years or such other period(s) as may be decided by the Board of Directors/Nomination and Remuneration Committee (NRC).
Source of shares (primary, secondary or combination)	Primary
Variation in terms of Options	None
Method used to account for ESOS - Intrinsic or fair value	The employee compensation cost has been calculated using fair value method for options using the Binomial Option Pricing Model.
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.	The employee compensation cost as per the fair valuation method for the financial year 2021-22 is ₹ (1.50) Crores (net of options lapsed during the year).
<i>Option movement during the year (For each ESOS):</i>	
Number of Options outstanding at the beginning of the period	26,00,000
Number of Options granted during the year	-

Number of Options forfeited / lapsed during the year	10,00,000		
Number of Options vested during the year	4,00,000		
Number of Options exercised during the year	Nil		
Number of shares arising as a result of exercise of Options	Nil		
Money realised by exercise of Options (INR), if scheme is implemented directly by the company	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	16,00,000		
Number of Options exercisable at the end of the year	12,00,000		
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.	<b>Particulars</b>	<b>Weighted-average exercise price per option (in ₹)</b>	<b>Weighted-average fair values per option (in ₹)</b>
	Grant 1	80.00	37.43
	Grant 2	1.00	80.04
	Grant 3	83.50	57.42
	Grant 4	109.00	55.47
<i>Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to:</i>			
a) Senior Management Personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	Nil		
b) Any other employee who received a grant in any one year of Options amounting to 5 per cent or more of Options granted during that year:	Nil		
c) Identified employees who were granted Options, during any one year, equal to or exceeding 1 per cent 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:	The employee compensation cost has been calculated using fair value method for options using the Binomial Option Pricing Model.		
	<b>Grant 1</b>	<b>Grant 2</b>	<b>Grant 3</b>
			<b>Grant 4</b>

a) Weighted Average values of share price	₹ 76.45	₹ 86.55	₹ 106.85	₹ 118.30
b) Exercise price	₹ 80.00	₹ 1.00	₹ 83.50	₹ 109
c) Expected volatility	33.8% to 43.2%	38.5%	37.70% to 42.90%	37.52% to 39.70%
d) Expected life of the Option	6-10 years	6-10 years	6-10 years	6-10 years
e) Expected dividend yields	1.31	1.16	1.46	2.05
f) Risk-free interest rate	6.65% to 6.78%	6.42%	6.44% to 6.66%	7.42% to 7.58%
g) Any other inputs to the model	No other key inputs			
Method used and the assumptions made to incorporate the effects of expected early exercise	Not applicable			
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	Based on historical share price volatility			
Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	Yes. Based on Management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations.			

#### **Ashok Leyland Limited Employee Stock Option Scheme 2018**

<b>Nature of Disclosure</b>	<b>Ashok Leyland Limited Employee Stock Option Scheme 2018</b>
A description of each Employee Stock Option Scheme (ESOS) that existed at any time during the year, including the general terms and conditions of each ESOS including -	Issue of 5,00,00,000 stock options was approved by the members through Postal Ballot dated January 28, 2019.
Date of shareholders' approval	January 28, 2019
Total number of Options approved under ESOS	5,00,00,000
Vesting requirements	The minimum Vesting Period of the Options granted pursuant to this Scheme shall be one year from the date of Grant and could be different for different Employees as more particularly set forth in the Grant. The vesting of Stock Options could also be contingent on achievement of certain performance conditions more particularly set forth in the Grant. The maximum period within which the Options shall be vested under the Scheme shall be six years from the date of the Grant or such other period as may be decided by the Nomination and Remuneration Committee from time to time.
Exercise price or pricing formula	(i) 1,31,00,000 options shall be exercised at ₹ 91.40/- per option granted on 20-March-2019; (ii) 70,10,000 options shall be exercised at ₹ 82.90/- per option granted on 11-February-2020.
Maximum term of Options granted	The minimum Vesting Period of the Options granted pursuant to AL ESOP 2018 shall be one year from the date of Grant and could be different for different Employees as more particularly set forth in the Grant. The vesting of Stock Options could also be contingent on achievement of certain performance conditions more particularly set forth in the Grant. The maximum period within which the Options shall be vested under the Scheme shall be six years from the date of the Grant or such other period as may be decided by the Nomination and Remuneration Committee from time to time.
Source of shares (primary, secondary or combination)	Primary

<b>Nature of Disclosure</b>	<b>Ashok Leyland Limited Employee Stock Option Scheme 2018</b>		
Variation in terms of Options	None		
Method used to account for ESOS - Intrinsic or fair value	The employee compensation cost has been calculated using fair value method for options using the Binomial Option Pricing Model.		
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.	The employee compensation cost as per the fair valuation method for the financial year 2021-22 is ₹ (0.59) Crores (net of options lapsed during the year).		
<i>Option movement during the year (For each ESOS):</i>			
Number of Options outstanding at the beginning of the period	2,01,10,000		
Number of Options granted during the year	Nil		
Number of Options forfeited / lapsed during the year	89,40,000		
Number of Options vested during the year	Nil		
Number of Options exercised during the year	Nil		
Number of shares arising as a result of exercise of Options	Nil		
Money realised by exercise of Options (INR), if scheme is implemented directly by the company	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	1,11,70,000		
Number of Options exercisable at the end of the year	Nil		
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.	<b>Particulars</b>	<b>Weighted-average exercise price per option (in ₹)</b>	<b>Weighted-average fair values per option (in ₹)</b>
	Grant 1	91.40	40.19
	Grant 2	82.90	38.58
<i>Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to:</i>			
d) Senior Management Personnel as defined under Regulation 16(d) of the Securities and	Nil		

Nature of Disclosure	Ashok Leyland Limited Employee Stock Option Scheme 2018	
Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015		
e) Any other employee who received a grant in any one year of Options amounting to 5 per cent or more of Options granted during that year:	Nil	
f) Identified employees who were granted Options, during any one year, equal to or exceeding 1 per cent 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:	The employee compensation cost has been calculated using fair value method for options using the Binomial Option Pricing Model.	
	<b>Grant 1</b>	<b>Grant 2</b>
a) Weighted Average values of share price	₹ 91.40	₹ 82.90
b) Exercise price	₹ 91.40	₹ 82.90
c) Expected volatility	37.40% to 40.48%	37.91% to 39.68%
d) Expected life of the Option	9-11 years	9-11 years
e) Expected dividend yields	2.66	2.07
f) Risk-free interest rate	7.19% to 7.29%	6.38% to 6.47%
g) Any other inputs to the model	No other key inputs	
Method used and the assumptions made to incorporate the effects of expected early exercise	Not applicable	
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	Based on historical share price volatility	
Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	Yes. Based on Management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations.	

During the year, no grants were made under the Ashok Leyland Limited Employee Stock Option Scheme 2016 & Scheme 2018 and there were no material changes in these Schemes during the year. Both these ESOP Schemes are in compliance with the applicable provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

For more details, refer Note no. 3.4 of the Standalone Financial Statements of the Company for the year ended March 31, 2022.

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