

## Employee Stock Options Solutions

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- » ESOP Consulting
- » ESOP Financials
- » Plan Management
- » Trustee & Trust Management Services
- » Participant Services
- » Online Grant Acceptance

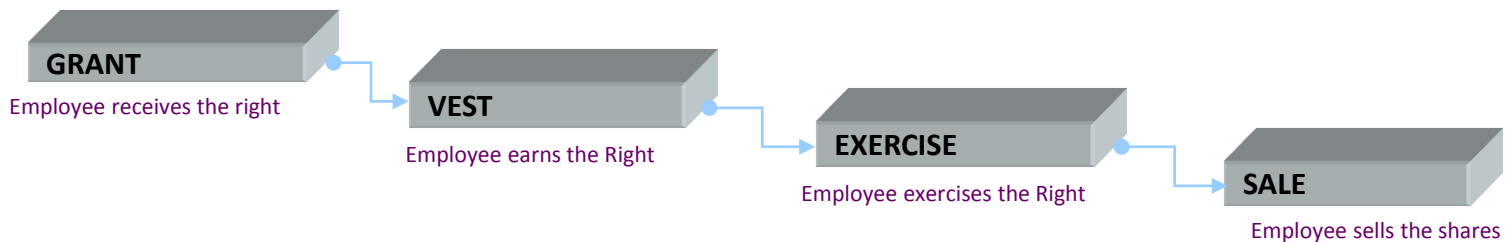
One Composite Solution from  
ESOP Direct



## Why ESOPs ?

- Link personal wealth creation to organizational wealth creation
- Attract and retain talent at the start-up / growth stage
- Reduction in cash costs - market pays not the company – can be especially important for start-up companies that are cash starved
- Promote employee ownership culture
- Industry practice
- When ??
  - Growth story is reasonably certain
  - Exit / liquidity event reasonably certain / exists

### ESOP LIFECYCLE



**A must-do when on the threshold of growth**



## Background

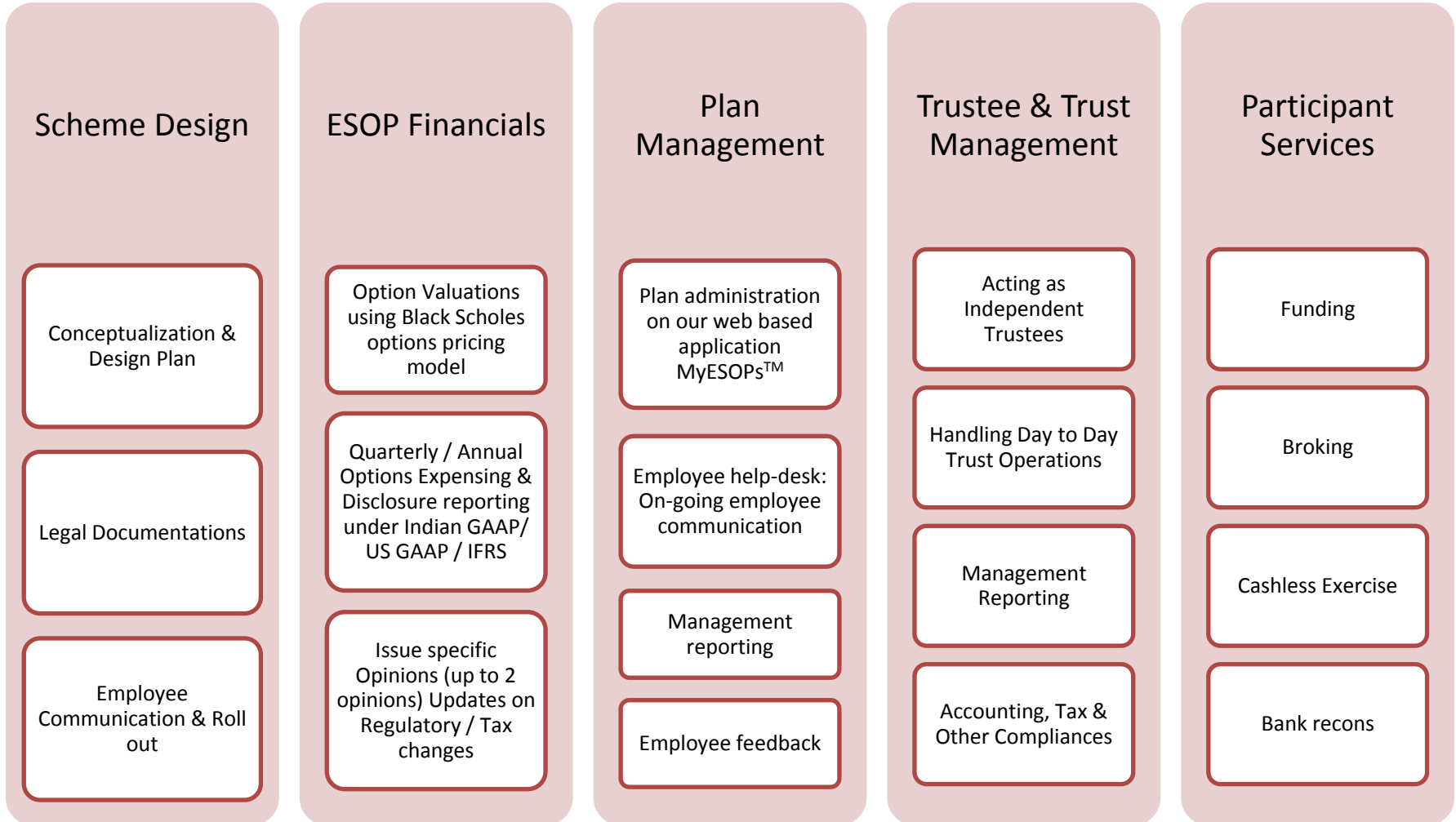
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- Part of the Kirtane Pandit group, in existence for more than five decades, consisting of an Accounting and Consulting firm, a Software services company and a Business Process Consulting company.
- Leading solutions company in the space of Equity based compensation.
- Our Service offerings cover the entire life cycle of ESOPs
- The only company to offer a full spectrum of integrated on-line stock plan management services,. This service is delivered using our online - proprietary platform MyESOPs.
- Each of our consulting team member is a qualified Chartered Accountant. The team also consists of CPAs and Management graduates. We are the only company in India who has qualified CEPs (Certified Equity Professional) on board



# Presenting - Equity Compensation Solutions

COMPREHENSIVE SERVICE OFFERING UNDER ONE ROOF



**In business since 1999 – committed and focused**



## THE C<sup>3</sup> MODEL

### Conceptualization

- Objective
  - » Reward or Retention
  - » Promote employee ownership culture
- Coverage & Quantum
  - » Do I have enough equity ?
  - » Ok, I have enough equity – Broad Based Vs Selective?
  - » How much – Attractive enough to create “wealth”
- Pricing
  - » Fair market value – more dilution, no accounting charge
  - » Discount – less dilution, benefit buffer with accounting charge
- Dilution
  - » % of allocation
  - » Fresh issue or existing shares
  - » Equity or cash (phantom)
- Vesting
  - » Time based or performance based
  - » Standard across the board or different for key people
  - » Uniform, front-ended, back-ended

### Consummation

- Sensitivity analysis – determine scheme parameters
- Board / Compensatory Committee and Shareholders’ resolutions
- ESOP Scheme documentation
- Secretarial Manual

### Communication

- Grant letters
- Notice of Option Grant
- ESOP Agreement
- ESOP Manual and FAQs
- Disclosure document as per SEBI Guidelines



### INDIAN GAAP, US GAAP & IFRS 2

- **Option Valuation** – For Grant & ESOP Tax Purposes using industry best practices
  
- **Valuation of Employee Stock Options**
  - Calculating Intrinsic value of options as per Indian GAAP
  - Calculating Fair value of options as per Indian GAAP, US GAAP (FAS 123R) & IFRS 2
    - Fair Value of Options calculated using an Option Pricing Model (Black Scholes, Binomial Lattice model)
  
- **Accounting of Employee Stock Options**
  - Calculation of compensation cost to be amortized over the vesting period as per Indian GAAP, US GAAP & IFRS
  
- **Statutory Disclosures relating to ESOPs as per the Indian GAAP, US GAAP & IFRS 2**



## Plan Management

- Data management of your ESOP Plans on our web based application – **My ESOPs™** ( Verisign Secured)

### My ESOPs FEATURES

- Employees can login and view their ESOP Account


for:


- Online Exercise of options along with ESOP Tax calculation
- Online reports to employees
- Email alerts prior to vesting, lapse of options, share price reaching a target level
- Intimation on issue of shares
- 24x7 access to individual ESOP data, vesting forecast, options valuation
- Email help desk
- Interactive decision support tool ESOP Analyst to assist employees

- Company staff can concentrate on core activities and leave ESOP management to experts

- 24 X 7 access to company wide ESOP data for decision making
- Exhaustive management reporting
- Web portal customized to host company specific information, bulletin board, announcements relating to ESOPs
- Selective / company wide employee communication through pop ups, emails and alerts




Powered by ESOP Direct



Home | Exercise Now | Contact Us | Log Out

12/Dec/2011 (1:10:29 PM)      Welcome Mr.Santanu Roy to demo      Closing Market Price as on 17/Nov/2011: Rs. 765.25  
 'Rs' denotes 'INR' (Indian Rupee) currency

- ESOP Details (+)
- Personal Details (+)
- Exercise Now (+)
- Analyst (+)
- Reports (+)
- Forms (+)
- Communicator (+)
- Logout (+)

Esop Status		
Options	Number	Value (Rs.)
<u>Granted</u>	2450	980,722.00
<u>Vested and Exercisable Options</u>	250	0.00
<u>Unvested</u>	750	0.00
<u>Outstanding</u>	<b>1000</b>	<b>0.00</b>

The value of your outstanding Options as on 17/Nov/2011 is Rs. 0.00

Outstanding Options = Vested + Unvested - Exercised Options

### Exercise Now



**Exercise Now**

To exercise your Options please click on the icon

- ### Whats Next
- ❖ Vesting due on 01/Oct/2012
  - ❖ Options Expiring on 01/Oct/2015

### Tools

  
Wealth Creation

  
Breakeven Point

  
Exercise and Sell

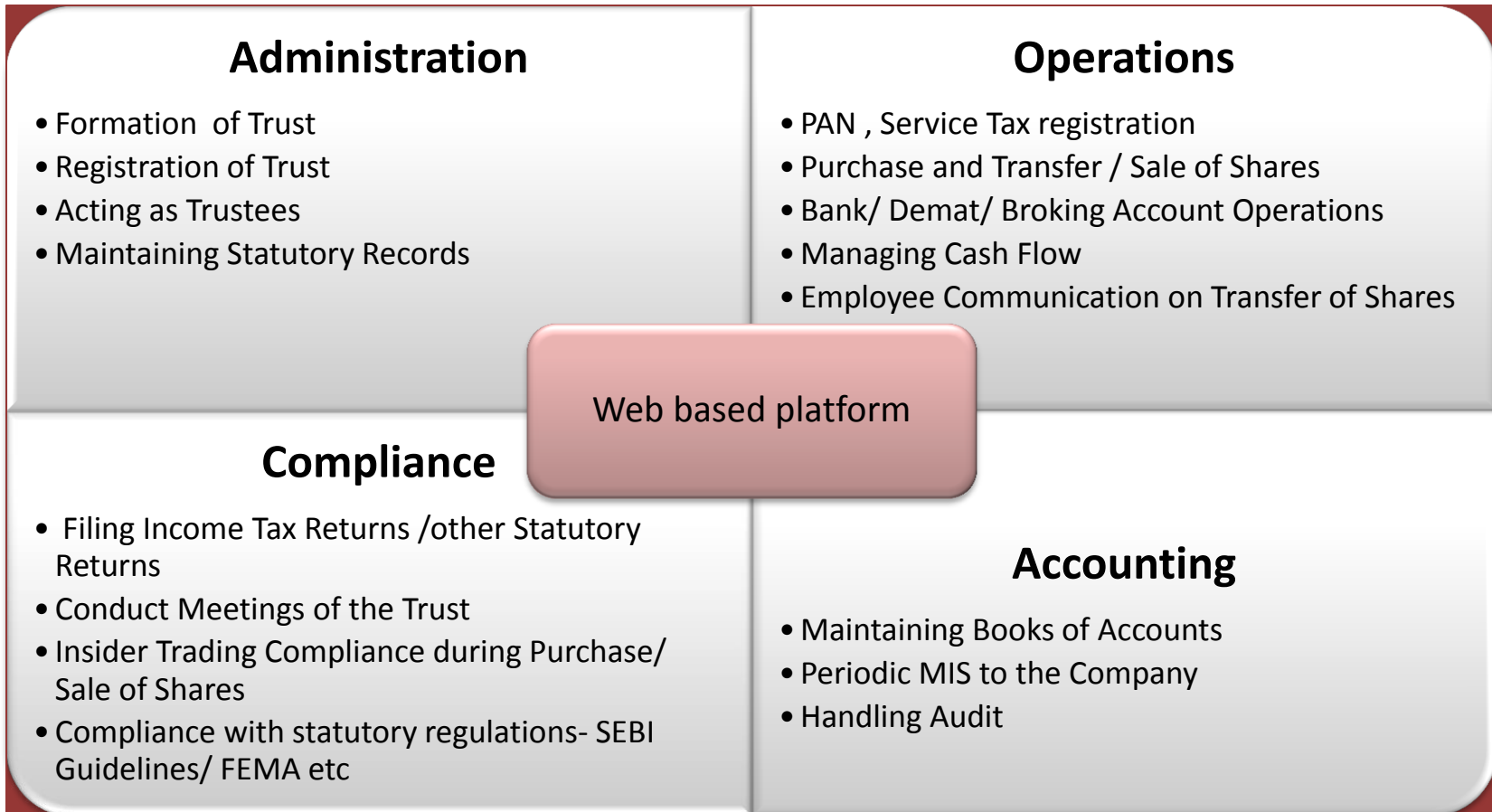
  
What If Analysis



- ### Quick Picks
- ❖ [FAQ's](#)
  - ❖ [Set Alert](#)
  - ❖ [Forms](#)
  - ❖ [Online Exercise Details](#)
  - ❖ [Future Vesting](#)
  - ❖ [Future Lapse](#)







Comprehensive service offering that provides role based access to Accounting Reports, Trust Documents at the click of a button !!



### Domain Knowledge

- Complete knowledge of how ESOP Trusts work and what regulations allow
- Up-to-date knowledge of Industry practices and trends in usage of Trusts
- Significant value add during the on-going operations – Accounting/ Taxation of the Trust Transactions

### Management of ESOPs

- Proven track record in Management of ESOPs (critical transactions with significant financial value)
- Trust Management - natural extension of Management of ESOPs

### Our credentials as ESOP Trustees

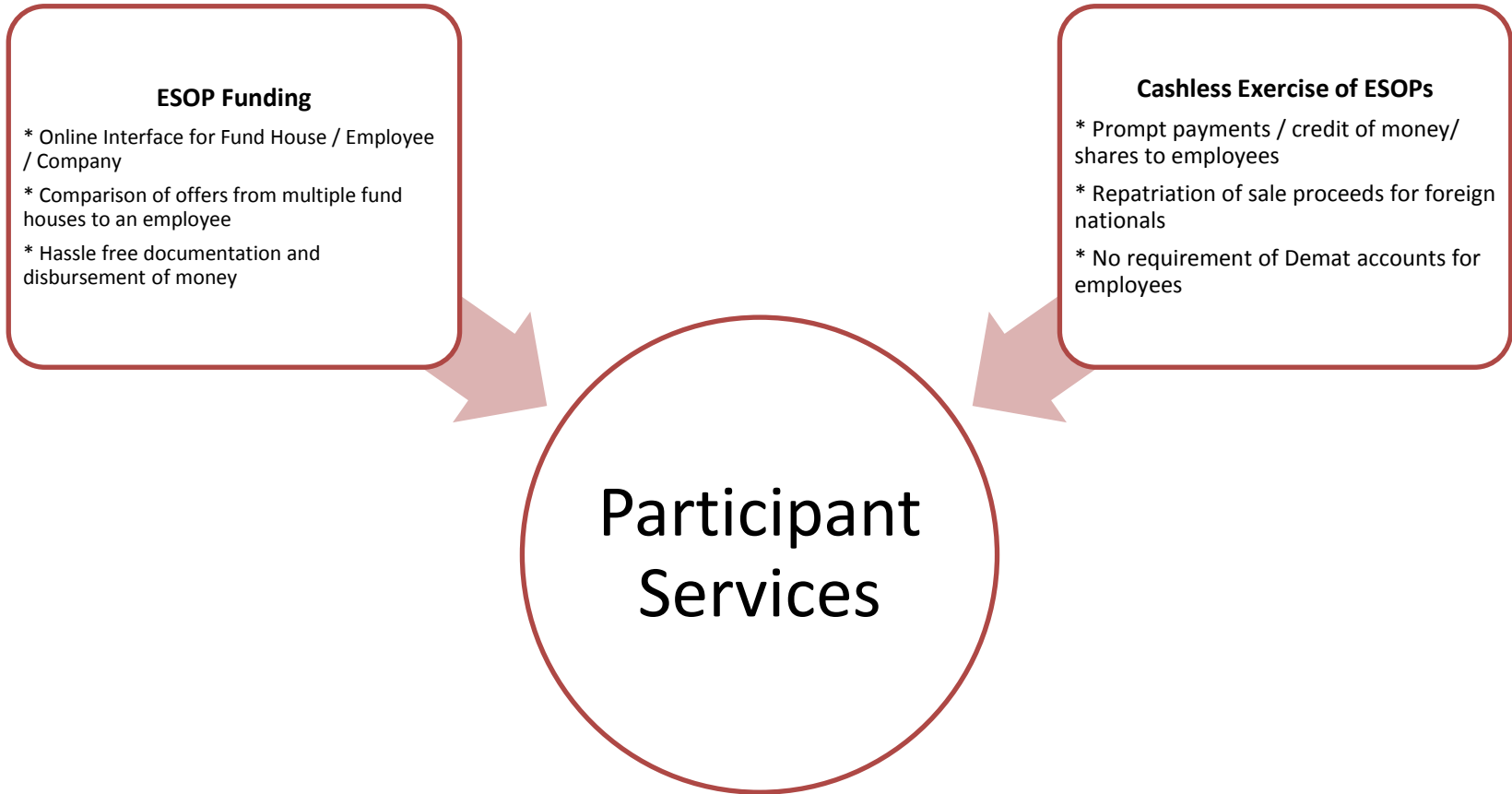
- Promoted by Kirtane & Pandit, a reputed firm of Chartered Accountants
- Track record of more than 50 years
- Directors (including the CEO) are Chartered Accountants and Company Secretary / Cost Accountants
- Impeccable track record in the field of Accounting, Auditing and Taxation
- Core team of Chartered Accountants and Lawyers experienced in handling all aspects of ESOPs
- Completely independent – no conflicting business interests – broking / financing / wealth management

Single window service – no need to manage multiple vendors



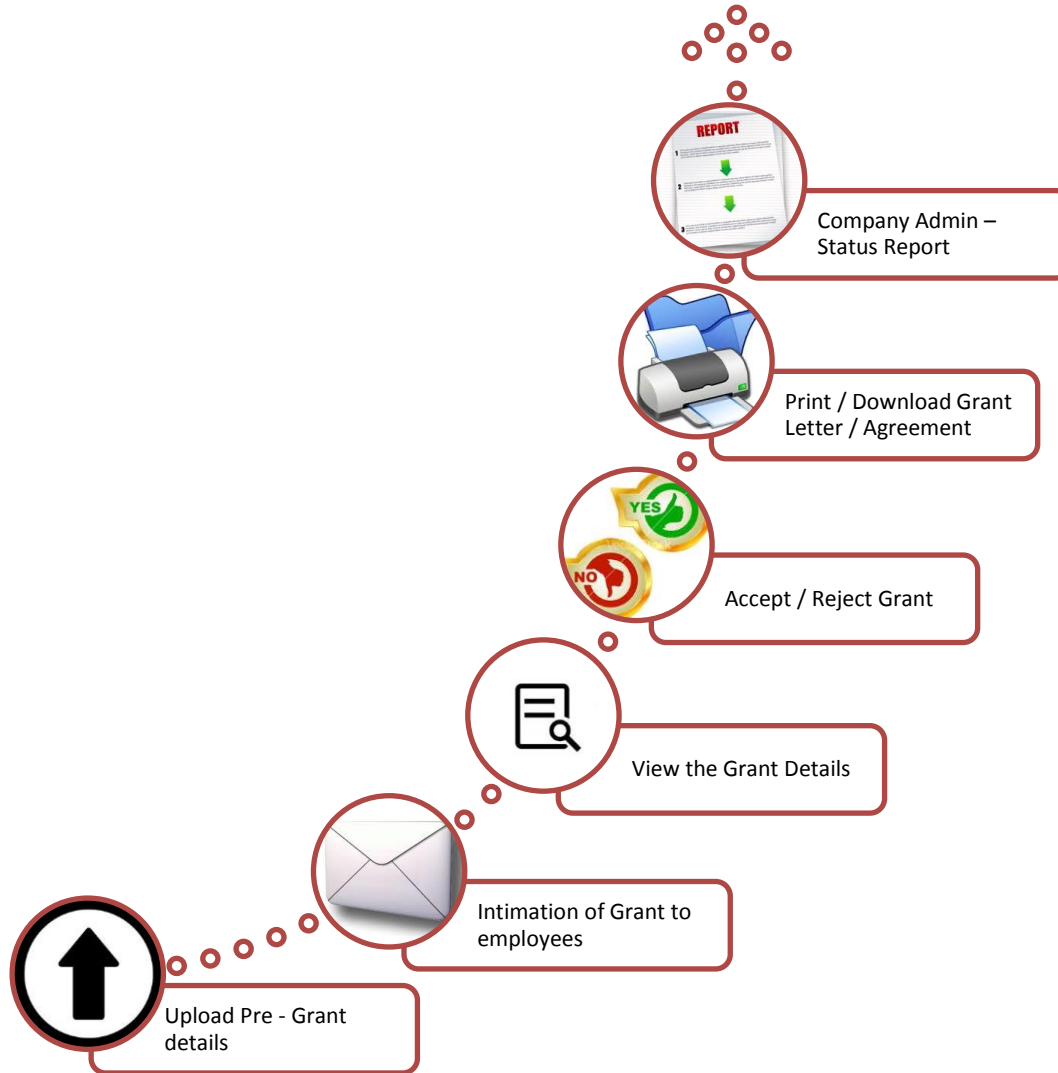
## ESOP Funding

## ESOP Cashless



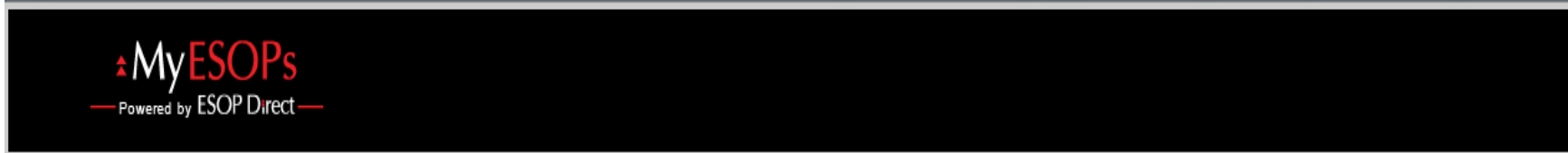


# Online Grant Acceptance





# Online Grant Acceptance – Snapshot



Welcome

- Home
- Dashboard
- System

## Grant Letter Acceptance

Disclaimer	Letter Code	Scheme Name	Grant Date	Last Date of Acceptance	Status	Accept/Reject	Acceptance/Rejection Date
<input checked="" type="checkbox"/> Click Here	Apr012015111	Grant 6	01/Apr/2015	31/Mar/2016	Pending for Acceptance/Rejection	Accept Reject	

- Note :
1. Select 'Disclaimer' to enable 'Accept/Reject' column.
  2. You can click on grant letter code name to download the grant letter.

## Attachments

File Name	Download
ESOP details on MyESOPs.docx	



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## OUR VALUE PROPOSITION

### Domain expertise

- Thought leadership
- Pioneering studies and surveys
- Participation in Policy making initiatives

### Focus

- Equity compensation is all that we do
- Undivided attention to your needs
- End to end solutions in stock-based compensation

### End-to-end offerings

- Long term engagement with the client
- Partnership approach to make Equity Compensation successful at your work place

**Holistic approach to Equity compensation**



## OUR VALUE PROPOSITION

### Economies of Skill

- Knowledge of diverse practical problems faced by corporates post Equity Compensation implementation
- Continuous value addition to clients based on practical knowledge
- Strong focus on Research and knowledge base
- Leads to economies of skill – improved service levels due to focus only on one area

### Policy making

- Representation on the SEBI Committee for ESOPs
- Co - authored the Guidance Note for the ICAI
- Presence in global forums and conferences
- India Chapter leader for Global Equity Organization (GEO)

### Thought leadership

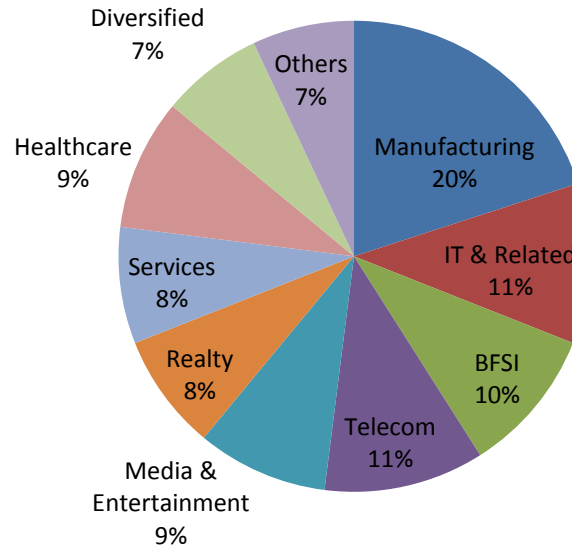


## OUR VALUE PROPOSITION

### Experience

- More than 600+ mandates across various sectors
- Experience in designing Global plans
- Manage more than 250 Plans, over 1,00,000 employees located globally

### Diversified Client-Mix



**Clients are our best reference – we encourage you to talk to them**





## Our Clientele

### Manufacturing



- Suzlon Energy Ltd
- Ambuja Cements Ltd.
- Kirloskar Brothers Ltd.
- Hindustan Unilever Ltd
- Marico
- Ramakrishna Forgings Ltd
- Chambal Fertilizers & Chemicals Ltd
- V- Guard Industries Ltd

### BFSI



- Axis Bank Ltd.
- IFCI Ltd
- Kotak Mahindra Bank Ltd
- IndusInd Bank Ltd.
- IDFC Ltd
- M&M Financial Services
- BSE Ltd
- Yes Bank Ltd.
- Federal Bank Ltd
- Bajaj Finance

### IT & Related



- Tech Mahindra Ltd.
- Infoedge(India) Ltd
- Oracle India Pvt Ltd
- KPIT Technologies Ltd
- Mindtree Ltd
- Hexaware Technologies
- Wipro Technologies
- FirstSource
- Mastek

### Media & entertainment



- Bennett Coleman & Co. Ltd
- DB Corp Ltd
- PVR Cinemas Ltd
- NDTV Ltd.
- UTV Group
- 9X Media Pvt Ltd
- Dish TV India Ltd

### Realty



- DLF Ltd
- Mahindra Lifespaces
- Oberoi Realty Ltd
- Embassy Property Developments Ltd
- Ashoka Buildcon
- Mantri Developers
- IPE Global Pvt Ltd

### Telecom



- Bharti Airtel Ltd
- Bharti Infratel Ltd
- Idea Cellular Ltd
- One97 Communications Ltd
- OnMobile Global Ltd.

### Healthcare



- Dabur India
- Cipla
- Ranbaxy Laboratories Ltd
- Lupin Ltd
- Emcure Pharma
- Fortis Healthcare
- Matrix Laboratories Ltd
- GVK Bio Pvt Ltd
- RPG Life Sciences
- Wockhardt Ltd
- Dr Reddy's Lab

### Diversified



- Mahindra Group
- Murugappa Group
- Aditya Birla Group
- Religare
- Bajaj Group
- Essel Group

### Others



- Cairn India
- Leeway Logistics
- Shipping Corp Of India
- Thomas Cook India
- Interglobe Hotels
- Olacabs
- Flipkart India Pvt Ltd
- Naaptol
- Snapdeal.com
- Housing.com

**Thanks for your time**

[www.esopdirect.com](http://www.esopdirect.com)

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