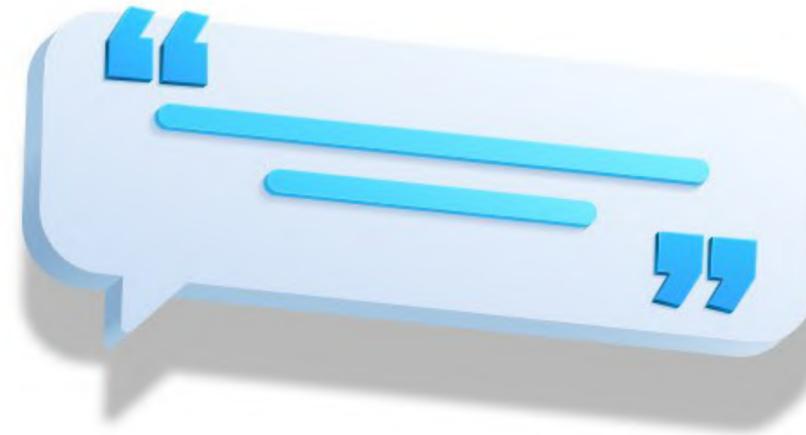


ESOP Guardian

POLLING RESULT

F.Y. 2023-24



ESOP's or Employee Stock Ownership Plans, offer employees the opportunity to own a portion of their company by purchasing company shares. Understanding the significance of ESOPs is crucial for both employees and employers. Nowadays, it's common practice for listed and unlisted companies to include ESOPs in their compensation packages for Key Management Personnel (KMPs) and Senior Management Personnel (SMPs), aligning compensation with performance. This strategy helps companies retain talented employees, leading to increased growth. Given this importance, it's essential to educate employees about ESOP schemes, including their terms, tax implications, and how they impact company growth.

Part I

IMPORTANCE AND AWARENESS OF ESOP

Is **ESOP** important for an employee while deciding to join or stay with a company

Very Important: 48% 

Are you more likely to continue with a company that provides an **ESOP** than that doesn't

Yes, likely to stay: 60% 



Does accepting the **ESOP** make you feel
more part of the company

Yes Completely: 38% 

Do you think being an employee you require
familiarization program on the benefits of **ESOP**,
to make you understand the terms better

Yes, definitely: 90% 

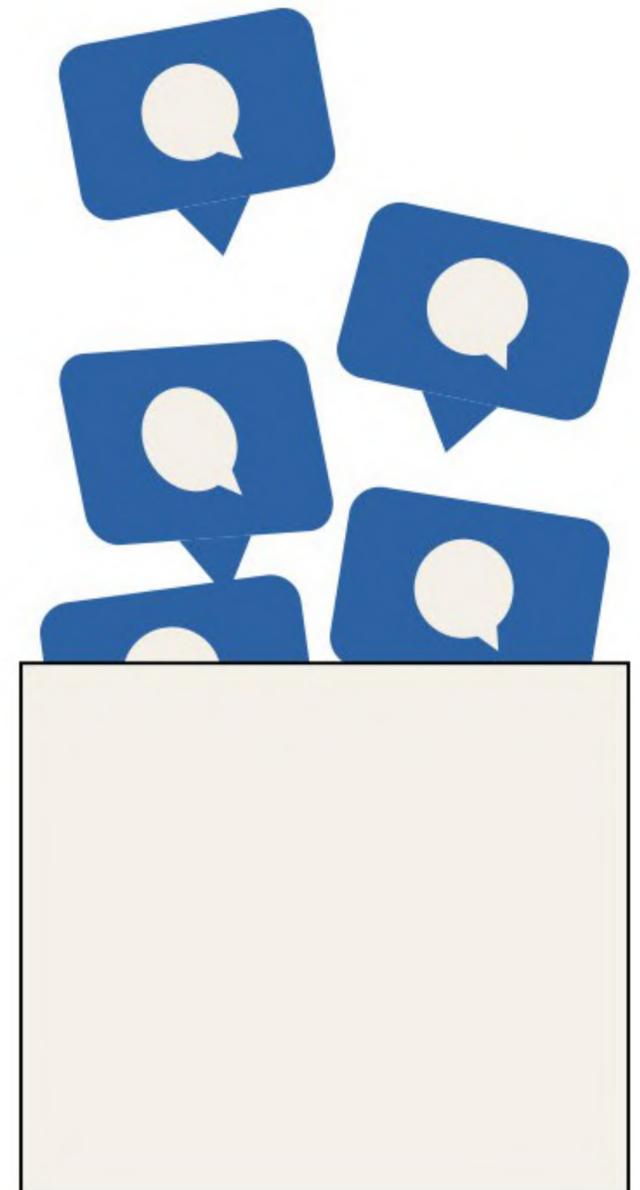


Whether **ESOP** fosters ownership and long-term commitment among employees

Yes: 79% 

How crucial is for employees to understand ESOP grant letters

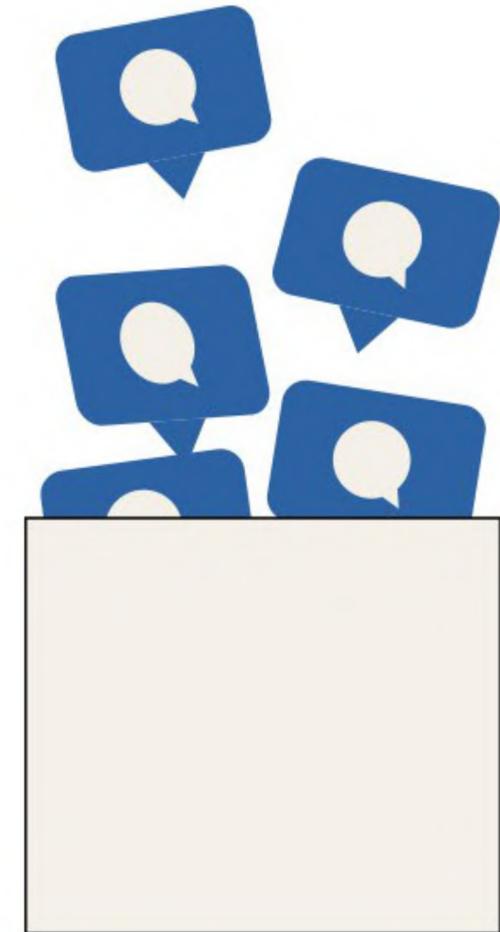
Extremely Important: 88% 





What do employees consider
before accepting **ESOP**

Company's growth: 43%



Part II

IMPLEMENTATION AND OPERATION OF ESOP

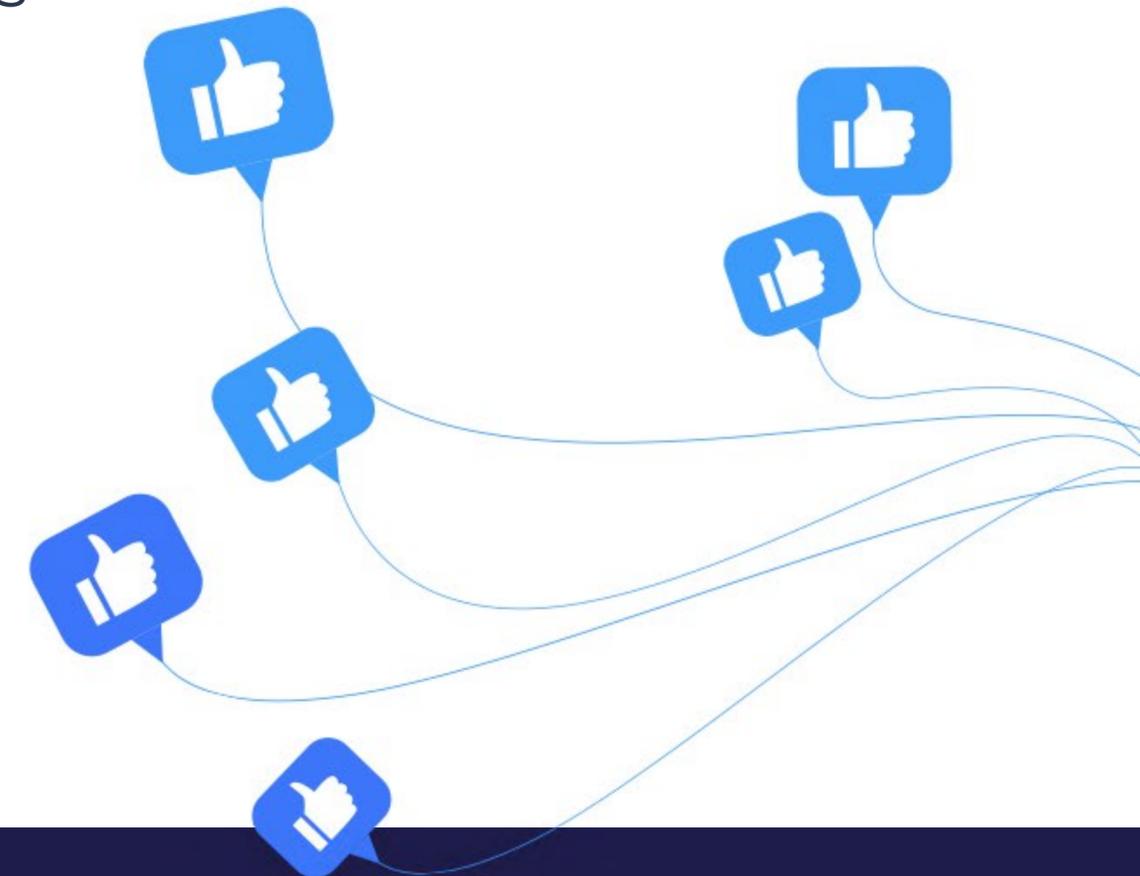
Whether **ESOP** form part of compensation package for
KMPs & SMPs in Pvt. Sector, NBFCs, Insurance Companies

Yes: 85%



Is grant of options usually aligned with the annual
performance evaluation cycle in companies

Yes: 69%



| What is most feasible time for employees' exercise

Immediate upon vesting: 53% 

| Which class of equity shares are the company
| generally offering under **ESOP**

Existing class Equity shares: 94% 





The most common way to gain long -term retention of employees

ESOP & other equity investment: 71%



What is the main objective of the organization to have an equity-based incentive Program in the company for their employees

All (Retaining, Rewarding, Motivating): 73%



How often do you inform ESOP holders on the company's growth in terms of valuation

Annually: 47%



Part III

TAXATION AND LEGAL ASPECTS OF ESOP

Are you aware that perquisite received upon the exercise of ESOP are a part of your salary and is taxable

Yes, fully aware: 88%



The objective of this polling is to learn about the current trend in ESOP practice in Listed and unlisted companies from perspective of both employees and employers. This helps to understand how ESOPs are offered to employees & what parameters employees consider before accepting the ESOP. We can see there is requirement of familiarization program relating to ESOP for employees so that they can understand the terms before accepting the grant letter. The polling was conducted on LinkedIn throughout the fiscal year 2023-24. You can subscribe to this page to receive regular updates on ESOPs.

Our Services

ESOP Planning | ESOP Valuation | E- Administration | Legal Advisory