

Annexure A

DISCLOSURES WITH RESPECT TO EMPLOYEES STOCK OPTION SCHEME PURSUANT TO REGULATION 14 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AS ON MARCH 31, 2018:

There were no material change in the ESOP Schemes. The ESOP Schemes are in compliance with the regulations.

A) Relevant disclosures in terms of Indian Accounting Standard (Ind AS – 102) under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.

Members may refer to Note no. 32 contained in the Notes to Financial Statements forming part of Annual Financial Statements for the Financial Year ended on 31st March, 2018.

B) Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Ind AS – 33' – Earnings per Share under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.

Diluted EPS before and after extraordinary items for the year ended 31st March, 2018 is ₹4.45.

C) Details related to Employee Stock Option Scheme (ESOS) of the Company:

i) Description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including:

Particulars	Employee Stock Option Scheme, 2010	Employee Stock Option Scheme, 2016
a) Date of shareholders' approval	29th July, 2010	3rd August, 2016
b) Total number of options approved under ESOP	1,73,03,623	3,46,78,470
c) Vesting Requirements	Options shall vest over a period of 3 years from the date of grant of options as under : a) 33% on first anniversary of Grant Date b) 33% on second anniversary of Grant Date and c) 34% on third anniversary of Grant Date rounded up to whole numbers.	Options shall vest over a period of 3 years from the date of grant of options as under : a) 33% on first anniversary of Grant Date b) 33% on second anniversary of Grant Date and c) 34% on third anniversary of Grant Date rounded up to whole numbers.
d) Exercise price/Pricing formula	₹1/- (Changed from ₹2/- effective from January 2015, consequent to sub-division of shares from face value of ₹2/- to ₹1/- and the number of outstanding options were doubled)	₹1/-
e) Maximum term of options granted	10 years	10 years
f) Source of shares (primary, secondary or combination)	Primary	Primary
g) Variation in terms of options	None during the year	None during the year

ii) Method used to account for ESOP (Intrinsic or Fair value) - Fair value

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 recognised



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.

Since the Company opts for expensing of the options using fair value, so the Company is not required to disclose impact of any difference arising due to intrinsic value and the fair value on profits and on EPS of the Company.

iv) Option movement during the year (For each ESOS):

Particulars	Employee Stock Option Scheme, 2010			Employee Stock Option Scheme, 2016	
	Grant III	Grant IV	Additional Grant (in lieu of bonus issues from ESOP 2010)	Grant I	Grant II
No. of options outstanding at the beginning of the period	1,390	1,172	1,025	1,38,270	-
No. of options granted during the year	-	-	-	-	1,61,184
No. of options forfeited/lapsed during the year	-	-	-	5,467	4,800
No. of options vested during the year	-	-	-	45,397	-
No. of options exercised during the year	-	-	-	44,781	-
No. of shares arising as a result of exercise of options	-	-	-	44,781	-
Money realised by exercise of options (INR), if scheme is implemented directly by the Company				44,781	-
Loan repaid by the Trust during the year from exercise price received	N.A	N.A	N.A	N.A	N.A
No. of options outstanding at the end of the year	1,390	1,172	1,025	88,022	1,56,384
No. of options exercisable at the end of the year	1,390	1,172	1,025	616	-

v) a. Weighted average exercise prices	₹1	₹1	₹1	₹1	₹1
b. Weighted average fair values	₹255.15	₹253.50	₹254.40	₹251.38	₹ 250.74

vi) Employee wise details of options granted to:-

a) Senior managerial personnel;

Serial no.	Senior Management Personnel	Designation	No. of options granted in 2017-18	Exercise price per option
i.	Mr. Abhijit Roy	Managing Director & CEO	3,744	₹1
ii.	Mr. Srijit Dasgupta	Director - Finance & CFO	2,880	₹1
iii.	Mr. Aniruddha Sen	Sr. Vice President & Company Secretary	1,920	₹1



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- b) Any other employee who receives a grant in any one year of option amounting to 5% or more of options granted during that year None
- c) Employees who were granted options, 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:
- a) Weighted average values of share price, exercise price, expected volatility, expected option life, expected dividends, risk-free interest rate and any other inputs to the model;

Serial no.	Particulars	2017-2018
i.	Weighted average risk-free interest rate	7.40%
ii.	Weighted average expected life of options	2.28 years
iii.	Weighted average expected volatility	20.00%
iv.	Weighted average expected dividends over the life of the option	4.11 per options
v.	Weighted average share price	₹256.70
vi.	Weighted average exercise price	₹1 per share

- b) Method used & assumptions made to incorporate effects of expected early exercise: Black-Scholes Options Pricing Model
- c) How expected volatility was determined, including explanation of the extent to which expected volatility was based on historical volatility; and
- Expected volatility is based on the historical volatility of the Company's share price applicable to the total expected life of each option.
- d) Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as market condition : None