

Disclosure with respect to Employees Stock Option Scheme pursuant to Regulation 14 of the Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as on March 31, 2017:

There were no material change in the Employee Stock Option Scheme 2016 (ESOP Scheme – 2016). The ESOP Scheme - 2016 is in compliance with the regulations.

A) Relevant disclosure 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.

Members may refer to the audited financial statement prepared for the financial year 2016-17.

B) 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 before and after extraordinary items for the year ended March 31, 2017 is Rs.41.94

C) Details related to ESOP Scheme - 2016

- i) A description of each ESOP Scheme - 2016 that existed at any time during the year, including the general terms and conditions of each ESOP Scheme - 2016, including :

Particulars	Employee Stock Option Scheme 2016
Date of shareholders' approval	January 21,2016
Date of ratification the Company's ESOP Scheme, 2016 as per Clause 12 of SEBI (Share Based Employee Benefits Scheme) Regulations, 2014	December 15, 2016
Total number of options approved under ESOP Scheme - 2016	60,00,000 Equity Shares
Vesting requirements	One year from date of grant and every year thereafter (5 vesting)
Exercise price or pricing formula	Rs. 2
Maximum term of options granted	7 Years
Source of shares (primary, secondary or combination)	Primary
Variation in terms of options	NA

ii) Method used to account for ESOP Scheme - 2016 - Intrinsic or fair value.

Fair Value

As the Company was not listed on the date of grant, price at grant date has been taken as per the valuation done by a category 1 merchant banker.

The fair value of grant date is determined using the Black Scholes Model which takes into the exercise price, term of option, share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

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.

Not Applicable

iv) **Option Movement during the year (For each ESOP Scheme - 2016):**

Particulars	Employee Stock Option Scheme 2016
Number of options outstanding at the beginning of the period	0
Number of options granted during the year	41,45,000
Number of options forfeited / lapsed during the year	1,65,000
Number of options vested during the year	0
Number of options exercised during the year	0
Number of shares arising as a result of exercise of options	0
Money realized by exercise of options (INR), if scheme is implemented directly by the Company	0
Loan repaid by the Trust during the year from exercise price received	0
Number of options outstanding at the end of the year	39,80,000
Number of options exercisable at the end of the year	0

v) **Weighted average exercise price (₹ 2) and weighted average fair values (₹ 281) of options shall be disclosed separately for options whose exercise price either equals/exceeds/is less than the market price of the stock.**

vi) **Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted**

a) Senior Managerial Personnel i.e. directors and key managerial personnel:

Name	Designation	Number of options granted
Mr. A. M. Naik	Non-Executive Chairman	1,300,000
Mr. S.N. Subrahmanyam	Non-Executive Vice Chairman	200,000
Dr. Keshab Panda	CEO & Managing Director	300,000
Mr. Amit Chadha	President Sales & Business Development and Whole Time Director	200,000
Mr. P. Ramakrishnan	Chief Financial Officer	50,000

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

Name of employee	Designation	Number of options granted
Mr. A. M. Naik	Non-Executive Chairman	1,300,000
Dr. Keshab Panda	CEO & Managing Director	300,000

c) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital of the company (excluding outstanding warrants and conversions) at the time of grant.

Name of the employee	Designation	Number of options granted
Mr. A. M. Naik	Non-Executive Chairman	1,300,000

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;

Sr. no.	Particulars	2016-2017
i	Weighted average risk-free interest rate	6.95%
ii	Weighted average expected life of options	2.32 Years
iii	Weighted average expected volatility	25.17%
iv	Weighted average expected dividends over the life of the option	18.5%
v	Weighted average share price at grant date	Rs. 281
vi	Weighted average exercise price	Rs. 2

b) Method used & assumptions made to incorporate effects of expected early exercise; Black-Sholes 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.