

**Information to be disclosed under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 with regards to options which are in force as on 31<sup>st</sup> March, 2016 :**

A. Relevant disclosures 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.

i. During the Financial Year 2014-15, 2013-14 and 2010-11, the Company has granted Employee Stock Options to Employees of the Company and its Subsidiary Companies.

ii. Silent Features

The options are granted at the price determined by the Compensation Committee. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 1/- each. Details of options granted during the financial year 2014-15, 2013-14 and 2010-11 duly approved by the Compensation Committee under the said scheme are as under:

Grant Date	No. of Option Granted	Closing Price on Previous Day of Grant		Exercise Price ₹	Last Vesting Date	Vesting Installment	Weighted Average Remaining Life	Maximum Tenure of Options Granted
		BSE	NSE					
8 <sup>th</sup> July, 2010	29,00,000	38.15	38.15	30	8 <sup>th</sup> July, 2014	Four equal Installments	-	-
9 <sup>th</sup> May, 2013	27,14,335	65.60	65.75	52	9 <sup>th</sup> May, 2014	One Instalment	3.11 Years	3.11 Years
12 <sup>th</sup> November, 2014	15,00,000	91.20	91.25	95	12 <sup>th</sup> November, 2017	Three equal Installments	5.62 Years	6.62 Years

Weighted Average Exercise Price of Option Granted :

(Amount in ₹)

Sr. No. Particulars	8 <sup>th</sup> July, 2010	9 <sup>th</sup> May, 2013	12 <sup>th</sup> November, 2014
A Exercise Price Equals the Market Price	NA	NA	NA
B Exercise Price is Greater than the Market Price	NA	NA	95
C Exercise Price is Less Than the Market Price	30	52	NA

Weighted Average Fair Value of Option Granted whose:

(Amount in ₹)

Sr. No. Particulars	8 <sup>th</sup> July, 2010	9 <sup>th</sup> May, 2013	12 <sup>th</sup> November, 2014
A Exercise Price Equals the Fair Value	NA	NA	NA
B Exercise Price is Greater than the Fair Value	23.25	35.17	48.72
C Exercise Price is Less Than the Fair Value	NA	NA	NA

The Particulars of Option Granted and Lapsed under the Scheme are tabulated herein below;

Particulars	(QTY in Lacs)		
	8 <sup>th</sup> July, 2010	9 <sup>th</sup> May, 2013	12 <sup>th</sup> November, 2014
Outstanding at the Beginning of Year	-	0.68	15.00
	(7.25)	(24.77)	(-)
Granted During the Year	-	-	-
	(-)	(-)	(15.00)
Exercised During the Year	-	-	-
	(7.25)	(23.63)	(-)
Cancel / Lapsed During the Year	-	0.05	0.60
	(-)	(0.46)	(-)
Surrender During the Year	-	-	-
	(-)	(-)	(-)
Outstanding & Exercisable As at the Year End	-	0.63	14.40
	-	(0.68)	(15.00)
As at the Year End	-	0.63	14.40
	-	(0.68)	(15.00)

### (iii) Method of Accounting of ESOP

The Company has adopted the Intrinsic Value-Based Method of Accounting for Stock Options granted to the employees of the Company and its Subsidiaries. The difference between the Market Price and the Exercise Price is being amortized as Employee Compensation Cost over the vesting period. For the year ended 31<sup>st</sup> March, 2016 the Company has recorded Stock Compensation Expense of ₹ (0.65) Lacs (Previous Year ₹ 44.99 Lacs).

The movement in Deferred Employee Compensation Expense during the year is as follows;

Particulars	(₹ in Lacs)	
	2016	2015
Balance at the Beginning of the Year	-	51.32
(+) Recognized During the Year	-	-
(-) Amortization Expenses	-	44.99
(-) Reversal Due to Surrender	-	6.33
Balance Carried Forward	-	-

Had the Compensation Cost for the Company's Stock based compensation plan been determined in the manner consistent with the Fair Value approach as described in the Guidance Note of ICAI, the Company's net Profit would be lower by ₹ 233.83 Lacs (Previous Year lower by ₹ 89.69 Lacs) and earnings as Per Share as reported would be as indicated below:

Particulars		
	2016	2015
Basic Earnings Per Share		
- As Reported after exceptional item (in ₹)	1.69	1.39
- Adjusted (in ₹)	1.59	1.35
Diluted Earnings Per Share		
- As Reported after exceptional item (in ₹)	1.69	1.39
- Adjusted (in ₹)	1.59	1.35

**(iv) Method and Assumption used to estimate the Fair Value of Options granted during the year;**

The fair value has been calculated using the Black Scholes Option Pricing Model. The assumptions used in the model are as follows:

Variables	Date of Grant				
	8 <sup>th</sup> July, 2010				9 <sup>th</sup> May, 13
	Vest 1 8 <sup>th</sup> July, 11	Vest 2 8 <sup>th</sup> July, 12	Vest 3 8 <sup>th</sup> July, 13	Vest 4 8 <sup>th</sup> July, 14	Vest 1 9 <sup>th</sup> May, 14
No. of Shares	7,25,000	7,25,000	7,25,000	7,25,000	27,14,335
Risk Free Interest Rate	6.96%	7.23%	7.45%	7.62%	7.38%
Expected Life (Years)	3.5	4.5	5.5	6.50	1
Expected Volatility	61.24%	61.24%	61.24%	61.24%	62.25%
Dividend Yield	0.83%	0.83%	0.83%	0.83%	0.38%
Price of the underlying Share in Market at the time of Option Granted	38.15	38.15	38.15	38.15	65.75

Variables	Date of Grant		
	12 <sup>th</sup> November, 2014		
	Vest 1 12 <sup>th</sup> November, 15	Vest 2 12 <sup>th</sup> November, 16	Vest 3 12 <sup>th</sup> November, 17
No. of Shares	5,00,000	5,00,000	5,00,000
Risk Free Interest Rate	8.22%	8.22%	8.22%
Expected Life (Years)	3.5	4.5	5.5
Expected Volatility	55.63%	59.24%	57.90%
Dividend Yield	0.27%	0.27%	0.27%
Price of the underlying Share in Market at the time of Option Granted	91.25	91.25	91.25

- B. Diluted EPS on issue of shares in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI :- ₹ 1.69.

C. Details related to Employee Stock Option Scheme (ESOS)

(i)	A description of ESOS that existed at any time during the year:	
(a)	Date of shareholders' approval	7 <sup>th</sup> December 2009.
(b)	Total number of options approved under ESOS	1,00,00,000
(c)	Vesting requirements	Options granted under DELTACORP ESOS 2009, would vest not less than one year and not more than five years from the date of grant of such options and on such other criteria as specified in detail in the ESOS of the Company.
(d)	Exercise price or pricing formula	<p>a) 31,00,000 options were granted at a consideration of ₹ 30/- per option granted on 08.07.2010.</p> <p>b) 27,14,335 options were granted at a consideration of ₹ 52/- per option granted on 09.05.2013.</p> <p>c) 15,00,000 options were granted at a consideration of ₹ 95/- per option granted on 12.11.2014.</p>
(e)	Maximum term of options granted	Options granted under DELTACORP ESOS Scheme 2009, would vest not less than one year and not more than five years from the date of grant of such options
(f)	Source of shares (primary, secondary or combination)	Secondary
(g)	Variation in terms of options	NIL
(ii)	Method used to account for ESOS - Intrinsic or fair value:-	Intrinsic 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 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.	<p>Had the Compensation Cost for the Company's Stock based compensation plan been determined in the manner consistent with the Fair Value approach as described in the Guidance Note of ICAI, the Company's net Profit would be lower by ₹ 233.83 Lacs (Previous Year lower by ₹ 89.69 Lacs).</p> <p>Basic EPS Before Adjustment ₹ 1.69</p> <p>Adjusted EPS ₹ 1.59</p> <p>Diluted EPS Before Adjustment ₹ 1.69</p> <p>Adjusted EPS ₹ 1.59</p>

Sr.	Particulars	Details
(iv)	Option movement during the year:	
	Number of options outstanding at the beginning of the period	68,000 Options out of 27,14,335 options granted on 09.05.2013
		15,00,000 Options out of 15,00,000 options granted on 12.11.2014
	Number of options granted during the year	Nil
	Number of options forfeited / lapsed during the year	64,750
	Number of options vested during the year	5,00,000
	Number of options exercised during the year	NIL
	Number of shares arising as a result of exercise of options	NIL
	Money realized 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	63,250 options out of 27,14,335 options granted on 09.05.2013.
		14,40,000 Options out of 15,00,000 options granted on 12.11.2014.
	Number of options exercisable at the end of the year	63,250 options out of 27,14,335 options granted on 09.05.2013 and 4,40,000 out of 15,00,000 granted on 12.11.2014
(v)	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.	As per Annexure - A
(vi)	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to –	
	(a) senior managerial personnel;	NIL
	(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	NIL
	(c) identified employees who were granted option, 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.	NIL

Sr.	Particulars	Details		
(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 share price (₹) exercise price (₹) expected volatility Option life (Comprising vesting period + exercise period) (In Years) expected dividends risk-free interest rate	<b>Dates of Grant</b>		
		08.07.2010	09.05.2013	12.11.2014
		38.15	65.75	91.25
		30	52	95
		61.24%	62.25%	57.59%
		5	1	4.5
		0.83%	0.38%	0.27%
		7.32%	7.38%	8.22%
(b)	the method used and the assumptions made to incorporate the effects of expected early exercise;	Company has estimated the expected life of the options on the basis of average of minimum and maximum life of the Options. Historical data for early exercise of Options is not available, hence not considered in expected life calculations.		
(c)	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes options pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options has been considered.		
(d)	whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	No other feature has been considered for fair valuation of options except as mentioned in the points above.		

**ANNEXURE – A**

**Weighted Average exercise price of option granted whose:**

**(Amount in ₹)**

Sr	Particulars	8 <sup>th</sup> July, 2010	9 <sup>th</sup> May,2013	12 <sup>th</sup> November, 2014
A	Exercise Price equals the Market Price	NA	NA	NA
B	Exercise Price is greater than the Market Price	NA	NA	95
C	Exercise Price is less than the Market Price	30	52	NA

**Weighted Average fair value of option granted whose:**

**(Amount in ₹)**

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