

Information to be disclosed under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“the Regulations”) with regards to options which are in force as on 31st March, 2017 :

- A. Relevant disclosures in terms of the ‘Guidance note on accounting for employee share-based payments’ issued by Institute of Chartered Accountants of India (ICAI) or any other relevant accounting standards as prescribed from time to time.

Details of the employee share option plan of the Company

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. The option granted in Financial Year 2013-14 shall vest in one installment only. The option granted in Financial Year 2014-15 shall vest in three installments. Details of options granted during the Financial Year 2014-15 and 2013-14 duly approved by the Nomination Remuneration Compensation Committee under the said scheme are given below.

Each employee share option converts into one equity share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The following share-based payment arrangements were in existence during the current and prior years:

Options series	Number	Grant date	Vesting date	Exercise price (₹)	Fair value at grant date (₹)
Granted on May 09, 2013	2,714,335	09-05-13	09-05-14	52	35.17
	500,000	12-11-14	12-11-15	95	42.40
Granted on November 12, 2014	500,000	12-11-14	12-11-16	95	49.89
	500,000	12-11-14	12-11-17	95	53.88

Exercise period will expire after five years from the date of vesting of options or such other period as may be decided by the Committee.

Fair value of share options granted in the year

Options were priced using a Black Scholes Option Pricing Model. Where relevant, the expected life used in the model has been adjusted based on management’s best estimate for the effects of non-transferability, exercise restrictions and behavioral considerations. Expected volatility is based on the historical share price volatility over the past 3 years.

Particulars	Option series			
	12-11-2014			09-05-2013
	Vest 1	Vest 2	Vest 3	Vest 1
Imputes into the Model:				
Grant date share price	91.25	91.25	91.25	65.75
Exercise price	95	95	95	52
Expected volatility	55.63%	59.24%	57.90%	62.25%
Option life	3.5 year	4.5 year	5.5 year	1 year
Dividend yield	0.27%	0.27%	0.27%	0.38%
Risk-free interest rate	8.22%	8.22%	8.23%	7.38%

Movements in share options during the year

The following reconciles the share options outstanding at the beginning and end of the year:

Particulars	2016-2017		2015-16	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Balance at beginning of year	1,503,250	93.20	1,568,000	93.14
Forfeited during the year	-	-	(64,750)	91.85
Exercised during the year	(960,000)	94.89	-	-
Balance at end of year	543,250	90.19	1,503,250	93.20

All outstanding options are exercisable at the end of the respective reporting period.

Share options exercised during the year

The following share options were exercised during the year:

Particulars	Number of options exercised	Exercise date	Share price at exercise date (₹)
Options series			
	280,000	16-08-2016	97.40
Granted on 12 th November, 2014	200,000	22-08-2016	109.60
	477,500	10-01-2017	129.50
Granted on 9 th May, 2013	2,500	10-01-2017	129.50
	960,000		

- B. Diluted EPS on issue of shares in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI :- ₹ 2.28.

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 th 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)	Primary or as per the ESOS Scheme
(g)	Variation in terms of options	NIL
(ii)	Method used to account for ESOS - 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 recognized if it had used the fair value of the options shall be disclosed.	Not Applicable
	The impact of this difference on profits and on EPS of the company shall also be disclosed.	Not Applicable

Sr.	Particulars	Details
(iv)	Option movement during the year:	
	Number of options outstanding at the beginning of the period	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 granted during the year	NIL
	Number of options forfeited / lapsed during the year	NIL
	Number of options vested during the year	4,80,000
	Number of options exercised during the year	9,60,000
	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	60,750 options out of 27,14,335 options granted on 09.05.2013.
		4,82,500 Options out of 15,00,000 options granted on 12.11.2014.
	Number of options exercisable at the end of the year	60,750 options out of 27,14,335 options granted on 09.05.2013 and 4,82,500 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)		Dates of Grant	
		09.05.2013	12.11.2014
	weighted-average share price (₹)	65.75	91.25
	exercise price (₹)	52.00	95.00
	expected volatility	62.25%	57.59%
	Option life (Comprising vesting period + exercise period) (In Years)	1	5.5
	expected dividends	0.38%	0.27%
risk-free interest rate	7.38%	8.23%	
(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	9 th May, 2013	12 th November, 2014
A	Exercise Price equals the Market Price	NA	NA
B	Exercise Price is greater than the Market Price	NA	95
C	Exercise Price is less than the Market Price	52	NA

Weighted Average fair value of option granted whose:

(Amount in ₹)

Sr	Particulars	9 th May, 2013	12 th November, 2014
A	Exercise Price equals the Fare Value	NA	NA
B	Exercise Price is greater than the Fare Value	35.17	48.72
C	Exercise Price is less than the Fare Value	NA	NA