

Annexure- 2

Disclosure pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as at March 31, 2018.

Particulars	ESOP 2013 - Tranche 1		ESOP 2013 - Tranche 2		ESOP 2013 - Tranche 3		
	Loyalty	Grant A	Grant B	Loyalty	Grant A	Grant B	Grant A
1 Date of shareholder's approval	27.09.2013	27.09.2013	27.09.2013	27.09.2013	27.09.2013	27.09.2013	27.09.2013
2 Number of options granted	15,71,075	37,14,200	17,06,700	6,100	4,56,000	3,80,900	3,25,000
3 Exercise price (₹)	10/-	50/-	50/-	10/-	50/-	50/-	50/-
4 Source of shares	Primary	Primary	Primary	Primary	Primary	Primary	Primary
5 Vesting period	1-2 years	1-5 years	2-6 years	1-2 years	1-5 years	2-6 years	1-5 years
6 Vesting requirements	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting from 24 months from the date of grant	In a graded manner over a 5 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting from 24 months from the date of grant	In a graded manner over a 5 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 6 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant	In a graded manner over a 6 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 24 months from the date of grant
7 Options outstanding at the beginning of the year	29,224	902,620	286,375	200	231,350	108,510	274,900
8 Options granted during the year	-	-	-	-	-	-	-
9 Options exercised during the year	10,387	358,010	55,570	200	57,510	7,845	51,150
10 Number of shares arising as a result of exercise of option	10,387	358,010	55,570	200	57,510	7,845	51,150
11 Options vested during the year	-	355,475	56,160	-	59,480	15,870	48,750
12 Forfeited/Lapsed during the year	1,175	106,180	94,240	-	13,975	52,465	-
13 Options outstanding at the end of the year	17,662	438,600	136,395	-	159,865	48,200	223,750
14 Options exercisable	17,662	42,390	13,855	-	4,710	4,475	45,000
15 Money realised by exercise of options (₹)	103,870/-	17,900,500/-	2,778,500/-	2,000/-	2,875,500/-	392,250/-	2,557,500/-

Particulars	ESOP 2013 - Tranche 4		ESOP 2013 - Tranche 5	
	Loyalty	Grant A	Grant A	Grant B
1 Date of shareholder's approval	27.09.2013	27.09.2013	27.09.2013	27.09.2013
2 Number of options granted	8,150	390,400	1,150	248,200
3 Exercise price (₹)	10/-	50/-	10/-	50/-
4 Source of shares	Primary	Primary	Primary	Primary
5 Vesting period	1-2 years	1-5 years	1-2 years	1-5 years
6 Vesting requirements	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant	In a graded manner over a 5 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant	In a graded manner over a 2 year period with 50% vesting at the end of 12 months from the date of grant and the remaining 50% of the grants vesting at the end of 24 months from the date of grant	In a graded manner over a 6 year period with 10%, 15%, 20%, 25% and 30% of the grants vesting in each year commencing from the end of 12 months from the date of grant
7 Options outstanding at the beginning of the year	7,825	350,700	-	-
8 Options granted during the year	-	-	1,150	248,200
9 Options exercised during the year	2,838	22,180	-	-
10 Number of shares arising as a result of exercise of option	2,838	22,180	-	-
11 Options vested during the year	825	7,350	-	-
12 Forfeited/Lapsed during the year	900	74,300	-	22,100
13 Options outstanding at the end of the year	4,087	254,220	1,150	226,100
14 Options exercisable	825	7,350	-	-
15 Money realised by exercise of options (₹)	28,380/-	1,109,000/-	-	-

Other details are as under :-

16 Directors and Employees to whom options were granted during the year :-	
i) Director(s) including Managing Director and Senior Managerial personnel	Nil
ii) Other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year	None
iii) Identified employees who were granted option during the year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	None
17 Variations of terms of Options	Nil
18 Diluted Earnings Per Share (EPS)	₹ 42.85/- per Share
19 i) Method of calculation of employee compensation cost	Intrinsic value method

ii) Difference between the employee compensation and cost so computed at i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the options	Employee compensation cost as per : - Intrinsic value method - ₹ 1044.74 lacs - Fair value method using Black Scholes Model - ₹ 1010.99 lacs Difference in costs - ₹ 33.75 lacs
iii) The impact of this difference on profits and on EPS of the company	Impact on Profits: - Profits of the company would have been higher by ₹ 33.75 lacs Impact on EPS: - EPS would have been higher by ₹ 0.01/- per share
20 Weighted Average exercise price of options whose:-	Loyalty Grant A Grant B
i) Exercise price either equals market price (₹) or	Nil Nil Nil
ii) Exercise price greater than market price (₹) or	Nil Nil Nil
iii) Exercise price less than market price (₹)	10/- 50/- 50/-
21 Weighted Average fair price of options whose:-	Loyalty Grant A Grant B
i) Exercise price either equals market price (₹) or	Nil Nil Nil
ii) Exercise price greater than market price (₹) or	Nil Nil Nil
iii) Exercise price less than market price (₹)	100.33/- 70.95/- 71.20/-
Tranche 1	164.23/- 128.48/- 126.92/-
Tranche 2	NA 159.37/- NA
Tranche 3	259.93/- 220.05/- 217.46/-
Tranche 4	449.68/- 409.38/- 406.32/-
Tranche 5	

Impact of fair value method on net profit and on EPS :-

Particulars	As at 31.03.2018
Net Profit as reported (₹ In lacs)	172,026.60
Proforma Net Profit based on fair value approach (₹ In lacs)	172,060.36
Basic EPS as reported (₹)	43.04/- per Share
Basic EPS (Proforma) (₹)	43.05/- per Share
Diluted EPS as reported (₹)	42.85/- per Share
Diluted EPS (Proforma) (₹)	42.86/- per Share

In computing the above information, certain estimates and assumptions have been made by the management which has been relied upon by the auditors.

22 Description of the method and significant assumptions used to estimate fair value: -

The Securities Exchange Board of India (SEBI) has prescribed two methods to account for employee stock options; (1) the intrinsic value method; (2) the fair value method. The company adopts the intrinsic value method to account for the stock options it grants to the employees. Intrinsic value is the amount, by which the quoted closing market price of the underlying shares as on the date of grant exceeds the exercise price of the option. The fair value of the option is estimated on the date of grant using Black Scholes options pricing model with following assumptions:-

Particulars	Year ended 31-03-2018						
	ESOP 2013 - Tranche 1			ESOP 2013 - Tranche 2			ESOP 2013 - Tranche 3
	Loyalty	Grant A	Grant B	Loyalty	Grant A	Grant B	Grant A
i) Exercise Price per share (₹)	10/-	50/-	50/-	10/-	50/-	50/-	50/-
ii) Vesting Period (Years)	1-2	1-5	2-6	1-2	1-5	2-6	1-5
iii) Price of Share in market at the time of Grant of options (₹)	117.30/-	117.30/-	117.30/-	184.30/-	184.30/-	184.30/-	219.05
iv) Weighted Average fair price of options (₹)	100.33/-	70.95/-	71.20/-	164.23/-	128.48/-	126.92/-	159.37/-
v) Expected Volatility (%)	57.68	57.68	57.68	53.96	53.96	53.96	34.5
vi) Expected Life of the options granted (years)	1.5-2.5	1.5-5.5	2.5-6.5	1.5-2.5	1.5-5.5	2.5-6.5	1.5-5.5
vii) Weighted Average Contractual Life of the options granted (years)	2	4	5	2	4	5	4
viii) Average Risk Free Interest rate (% p.a)	8.4-8.45	8.4-8.8	8.4-8.95	8.32-8.35	8.26-8.35	8.24-8.32	7.45-7.60
ix) Expected Dividend Yield (%)	3.84	3.84	3.84	3.26	3.26	3.26	2.74

Particulars	Year ended 31-03-2018					
	ESOP 2013 - Tranche 4			ESOP 2013 - Tranche 5		
	Loyalty	Grant A	Grant B	Loyalty	Grant A	Grant B
i) Exercise Price per share (₹)	10/-	50/-	50/-	10/-	50/-	50/-
ii) Vesting Period (Years)	1-2	1-5	2-6	1-2	1-5	2-6
iii) Price of Share in market at the time of Grant of options (₹)	280.35/-	280.35/-	280.35/-	473/-	473/-	473/-
iv) Weighted Average fair price of options (₹)	259.93/-	220.05/-	217.46/-	449.68/-	409.38/-	406.32/-
v) Expected Volatility (%)	36.98	36.98	36.98	40.24	40.24	40.24
vi) Expected Life of the options granted (years)	1.5-2.5	1.5-5.5	2.5-6.5	1.5-2.5	1.5-5.5	2.5-6.5
vii) Weighted Average Contractual Life of the options granted (years)	2	4	5	3	5	6
viii) Average Risk Free Interest rate (% p.a)	6.91-7.08	6.91-7.41	7.08-7.47	6.16-6.27	6.16-6.59	6.27-6.67
ix) Expected Dividend Yield (%)	2.14	2.14	2.14	1.27	1.27	1.27