

Annexure to Directors' report
EMPLOYEE STOCK OPTION PLANS (ESOPs)

The details of options granted under various ESOPs of the Company as required to be provided in terms of Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 are given as under:

Sr. No.	Particulars	Special ESOP 2009 forming part of ESOP Perpetual I		Special ESOP 2014
		Tranche VII Scheme XI	Tranche VIII Scheme XII	Scheme XIV
1.	Date of shareholders' approval	August 13, 2009	August 13, 2009	March 27, 2014
2.	Date of Grant	July 31, 2011	May 25, 2012	June 23, 2014
3.	Vesting requirements			
	Tranche 1	August 1, 2012 - 50%	May 26, 2013 - 50%	June 23, 2015 - 50%
	Tranche 2	August 1, 2013 - 25%	May 26, 2014 - 25%	June 23, 2016 - 50%
	Tranche 3	August 1, 2014 - 25%	May 26, 2015 - 25%	-
4.	Maximum term of options granted / Exercise period	July 31, 2016	May 25, 2017	March 31, 2019
5.	Pricing formula	The closing price of Equity Shares of the Company on BSE as on August 1, 2011	The closing price of Equity Shares of the Company on BSE as on date of grant	10% Discount to the closing price of Equity Shares of the Company on NSE as on date of grant
6.	Sources of shares (primary, secondary or combination)	Primary	Primary	Primary
7.	Options granted under the Plan as at March 31, 2017 (Nos.)	65,000	25,000	45,000,000
8.	Options outstanding as at April 1, 2016 (Nos.)	Nil	Nil	40,340,800
9.	Options granted during the year ended March 31, 2017 (Nos.)	Nil	Nil	Nil
10.	Options vested during the year ended March 31, 2017 (Nos.)	Nil	Nil	17,556,300
11.	Options exercised during the year ended March 31, 2017 (Nos.)	Nil	Nil	Nil
12.	Total number of shares arising as a result of exercise of options (Nos.)	Nil	Nil	Nil
13.	Options forfeited / cancelled during the year ended March 31, 2017 (Nos.)	Nil	Nil	2,519,000
14.	Options lapsed / expired during the year ended March 31, 2017 (Nos.)	Nil	Nil	Nil
15.	Options in force as at March 31, 2017 (Nos.)	Nil	Nil	37,821,800
16.	Options exercisable at the end of the year	Nil	Nil	37,821,800
17.	Variation of terms of options during the year ended March 31, 2017	Nil	Nil	Nil
18.	Money realised by exercise of options (Rs)	Nil	Nil	Nil
19.	Loan repaid by the Trust during the year ended March 31, 2017	N.A.	N.A.	N.A.
20.	Lock-in period, if any	N.A.	N.A.	N.A.
21.	Employee wise details of options granted to:			
i)	Senior Managerial Personnel (including Key Managerial Personnel)	N.A.	N.A.	Refer Note 2
ii)	Employees receiving 5% or more of the total number of options granted during the year ended March 31, 2017	Nil	Nil	Nil

Sr. No.	Particulars	Special ESOP 2009 forming part of ESOP Perpetual I		Special ESOP 2014	
		Tranche VII Scheme XI	Tranche VIII Scheme XII	Scheme XIV	
iii)	Employees granted options equal to or exceeding 1% of the issued capital	Nil	Nil	Nil	
22.	Diluted EPS on issue of shares on exercise calculated in accordance with Ind AS 33 (Rs)	0.71			
23.	Method used to account for the Plan	The Company shall use lattice model for determining the compensation cost for the Schemes from the financial year under review. Till previous year, the Company used intrinsic value based method of accounting for determining the compensation cost for the Schemes.			
24.	Difference between employee compensation cost calculated using lattice model for valuation of stock options and employee compensation cost that shall have been recognised if the fair value of the options had been used and the impact of this difference on profits and EPS of the Company	The Company has provided Rs.Nil (Rs.Nil) at the rate of Rs.Nil per option under Scheme XI - Tranche VII, Rs.Nil (Rs. Nil) at the rate of Rs.Nil per option under Scheme XII - Tranche VIII, Rs. 2.24 Crore (Rs 18.19 Crore) at the rate of Rs 13.94 per option under Scheme XIV for the year ended March 31, 2017. The value of option is calculated using lattice model. Had the Company adopted the fair value method based on 'Black-Scholes' model for pricing and accounting the options, the cost would have been Rs.22.67 (Rs.22.67) per option for Scheme XI - Tranche VII, Rs.9.25 (Rs.9.25) per option for Scheme XII - Tranche VIII, Rs.13.18 (Rs.13.18) per option for Scheme XIV and accordingly the profit after tax would have been higher by Rs.5.21 Crore (Rs.0.16 Crore).			
25.	Weighted average exercise price and weighted average fair value of options, exercise price of which is less than the market price on the date of grant:				
i)	Weighted average exercise price (Rs)	54.15	20.85	26.95	
ii)	Weighted average fair value (Rs)	22.67	9.25	13.18	
26.	Significant assumptions used to estimate fair values of options granted during the year			First Vesting	Second Vesting
i)	Risk free interest rate	8.20%	8.20%	8.63%	8.64%
ii)	Expected life (years)	5	5	2.0	2.50
iii)	Expected volatility	48.90%	48.90%	65.45%	63.79%
iv)	Dividend yield	Nil	Nil	Nil	Nil
v)	The price of the underlying share in market at the time of option grant (Rs)	52.40	20.85	29.95	29.95

The Securities and Exchange Board of India (SEBI) has issued SEBI (Share Based Employee Benefits) Regulations, 2014 which are effective from October 28, 2014. Prior to that SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 were in force for all stock option schemes established after June 19, 1999. In accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the excess of the market price of the underlying equity shares as of the date of grant over the exercise price of the option, including upfront payments, if any, had to be recognised and amortised on a straight line basis over the vesting period. The equity shares issued / to be issued under Special ESOP 2014 of the Company rank / shall rank pari passu in all respects including dividend with the existing equity shares of the Company.

Notes:

- In terms of Special ESOP-2009 – Tranche VII (Scheme XI) and Tranche VIII (Scheme XII), all vested options had to be exercised on or before July 31, 2016 and May 25, 2017 respectively however there are no outstanding options under Special ESOP-2009 – Tranche VII (Scheme XI) and Tranche VIII (Scheme XII) as at the end of the financial year under review. During the previous year, in terms of ESOP 2007 (Scheme III) and Special ESOP 2009 – Tranche III (Scheme VI), all vested options had to be exercised on or before May 21, 2015 and July 28, 2015 respectively and accordingly 7,11,000 and 35,000 unexercised options under ESOP 2007 and Special ESOP 2009 – Tranche III (Scheme VI) respectively have lapsed / expired during financial year 2015-16 and hence details of ESOP 2007 and Special ESOP 2009 – Tranche III (Scheme VI) have not been provided.
- The details of options granted to senior managerial personnel (including the key managerial personnel in terms of Companies Act, 2013) of the Company are given as under:

Name of senior managerial personnel	Designation	No. of Stock options granted under Special ESOP 2014
Tulsi R.Tanti	Chairman & Managing Director	Nil
Vinod R.Tanti	Wholetime Director & Chief Operating Officer	Nil
J.P.Chalasanani	Group Chief Executive Officer	Nil
Sanjay Baweja	Chief Financial Officer	Nil
Hemal A.Kanuga	Company Secretary & Compliance Officer	308,200
Rakesh Sarin	Chief Executive Officer, International Business & Global Services	Nil
Kirti Vagadia	Group Chief Financial Officer	1,201,500
Dr. V. V. Rao	Chief Quality Officer	1,251,000
Ishwar Mangal	Chief Executive Officer, GOMS & International Sales (EM)	1,251,000
Vivek Kumar	Group Chief Human Resource Officer	Nil

For and on behalf of the Board of Directors

Place : Pune
Date : August 11, 2017

Tulsi R. Tanti
Chairman & Managing Director
DIN : 00002283