

Annexure – 4

DETAILS OF STOCK OPTIONS PURSUANT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014

1. **Disclosure in terms of Guidance note on accounting for employee share-based payments issued by ICAI**
Disclosed in the notes to financial statements - Refer to Note 28.5 of Standalone Financials Statements 2016-17, which forms the part of this Annual Report
2. **Material Changes in the Scheme**
No material change has been carried out during the financial year under review. The Company has sub-divided its share from ₹10 to Re. 1 and made a bonus issue of shares in the ratio of 2:5 during the financial year under review. A fair and reasonable adjustment was made in respect of options unvested and outstanding and vested and exercisable. The exercise prices were adjusted to give effect to the sub-division and bonus. The Scheme was primarily adopted as per the provisions of SEBI (Employee Stock Option Scheme and Employee Stock Purchase scheme) Guidelines, 1999, and the same was aligned as per the provisions and requirements under the SEBI (Share Based Employee Benefits) Regulations, 2015.
3. **Diluted EPS on issue of shares pursuant to ESOS: ₹3.54**

4. (i) Summary

Sr. No.	Particulars	ESOS 2013	
1	Details of the Shareholders Approval	May 14, 2013 and July 26, 2016	
2	Total number of Options approved under the scheme	1,34,50,000 no. of options	
3	Vesting requirements	Options will vest over a period of three years for Grant 1 and Grant 2. In respect of Grants 3 to 7, which were made during the Financial Year 2016-17, options will vest over a period of four years, and will be vested subject to fulfillment of terms and conditions attached to each grant.	
4	Exercise Price / Pricing Formula	The Company has granted options at Market price and at face value as follows:	
		No. of Options	Particulars
		1,11,96,310	At Market Price
		41,46,380	At Face Value
5	Maximum Term of the Options granted	The total term of options for the grants 1 and 2 will be 9 years and for the grants 3 to 7 will be 10 years. (Exercise period will be for a period of 6 years from each year of vesting).	
6	Source of Shares	Primary	
7	Variation in terms of options	No Variation	
8	Method used for Accounting of ESOS	Intrinsic Value method	
9	Where the Company has calculated the employee compensation cost using the intrinsic value of the stock option, the difference between employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the option, shall be disclosed. The impact of this difference on profits and EPS of the Company is as follows.		
	Profit as reported (Rs. In lakhs)	15,180.00	

Sr. No.	Particulars	ESOS 2013
	Add - Intrinsic Value Cost (Rs. In lakhs)	529.60
	Less - Fair Value Cost (Rs. In lakhs)	948.99
	Profit as adjusted (Rs. In lakhs)	14,760.61
	Earning per share (Basic) as reported	3.59
	Earning per share (Basic) adjusted	3.49
	Earning per share (Diluted) as reported	3.54
	Earning per share (Diluted) adjusted	3.45
10	For Options granted during the year weighted average exercise prices and weighted average fair value of the options shall be disclosed separately for options whose exercise price either equals or is less than the market price of the stock	
	Weighted average exercise price of Options whose	Rs.
	Exercise price equals market price	113.22
	Exercise price is greater than market price	Nil
	Exercise price is less than market price	1.00
	Weighted average fair value of options whose	Rs.
	Exercise price equals market price	344.73
	Exercise price is greater than market price	Nil
	Exercise price is less than market price	150.98

4. (ii)

Employee-wise details of options granted during the financial year 2016-17 to:		
(i)	Senior managerial personnel	
	Name of employee	Total number of Options
	Mr. Ramachandran V	57,44,718
	Mr. Deepak Augustin	
	Mr. Sudarshan Kasturi	
(ii)	Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	
	Name of employee	Number of Options
	Mr. Ramachandran V	56,00,000
(iii)	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.	
	Name of employee	Number of Options
	Mr. Ramachandran V	56,00,000

4. (iii)

A description of the method and significant assumption used during the year to estimate the fair values of options.

a)	The fair value has been calculated using the Black Scholes Option Pricing model. The assumptions used in the model are as follows	Weighted Average Assumptions
	Price of the underlying shares in market at the time of Option grant (Rs.)	127.31
	Expected Volatility %	31.57
	Riskfree Rate %	7.30
	Exercise Price (Rs.)	75.63
	Expected Life (In Years)	5.99
	Expected Dividend %	0.44
b)	The Company has estimated the expected life of the options on the basis of average of minimum and maximum life of the Options.	
c)	The volatility used in the Black-Scholes option-pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is commensurate with the expected life of the options and is based on the daily volatility of the Company's stock price on NSE.	

Note: Additional options granted on account of bonus issue made have not been considered on the above calculations.

5. Options Movement During the year

Sr. No.	Particulars	ESOS 2013 Grant I	ESOS 2013 Grant II	ESOS 2013 Grant III	ESOS 2013 Grant IV	ESOS 2013 Grant V (A)	ESOS 2013 Grant V(B)	ESOS 2013 Grant VI	ESOS 2013 Grant VII
1	Options Outstanding at the Beginning of the year	44,52,890 number of options of ₹48.50 each and 7,90,460 number of options of Re. 1/- each.	6,84,470 number of options of ₹99.90 each and 2,21,810 number of options of Re. 1/- each	NIL	NIL	NIL	NIL	NIL	NIL
2	Options Granted during the year	Nil under grant I	Nil under grant II	27,00,000 number of options @ ₹96.25 and 3,00,000 number of options @ Re. 1/-.	1,85,360 number of options @ Re.1/- each	936,090 number of options @ Re.1/- each.	8,00,000 number of options @ ₹170.50 and 2,00,000 options @ Re. 1/-	82,840 number of options @ Re. 1/-each	58,900 number of options @ Re. 1/-each
3	Options Vested during the year	17,90,730 number of options @ ₹48.50 and 5,49,540 number of options @ Re.1/- each	2,21,100 number of options @ ₹99.90 each and 71,630 options @ Re. 1/- each.	NIL	NIL	NIL	NIL	NIL	NIL
4	Options Exercised during the year	17,06,920 number of options were exercised @ ₹48.50 and 6,04,160 number of options were exercised @ Re.1/- each.	89,465 number of options were exercised @ ₹99.90 and 71,630 number of options were exercised @ Re. 1/-each.	NIL	NIL	NIL	NIL	NIL	NIL
5	Total number of shares arising as a result of exercise of options	23,11,080	1,61,095	NIL	NIL	NIL	NIL	NIL	NIL

Sr. No.	Particulars	ESOS 2013 Grant I	ESOS 2013 Grant II	ESOS 2013 Grant III	ESOS 2013 Grant IV	ESOS 2013 Grant V (A)	ESOS 2013 Grant V(B)	ESOS 2013 Grant VI	ESOS 2013 Grant VII
6	Options Cancelled during the year	3,95,850 and 1,21,710 number of options granted @ ₹48.50 and @ Re.1/- respectively were cancelled.	4,770 and 1,540 number of options granted @ ₹99.90 and @ Re. 1/- respectively were cancelled.	NIL	NIL	NIL	NIL	NIL	NIL
7	Options Lapsed during the year	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
8	Additional options on adjustment of bonus issue @ 2:5	9,40,048 and 25,836 number of options were added on account of bonus issue for outstanding options at fair market value and face value respectively.	2,36,094 and 59,456 number of options were added on account of bonus issue for outstanding options at fair market value and face value respectively.	10,80,000 and 1,20,000 number of options were added on account of bonus issue for outstanding options at fair market value and face value respectively.	74,144 number of options were added on account of bonus issue for outstanding options at face value.	374,436 number of options were added on account of bonus issue for outstanding options at face value.	3,20,000 and 80,000 numbers of options were added on account of bonus issue for outstanding options at fair market value and at face value respectively.	33,136 number of options were added on account of bonus issue for outstanding options at face value.	23,560 number of options were added on account of bonus issue for outstanding options at face value.
9	Options Outstanding at the end of the year with adjusted exercisable price after cosndiering bonus adjustment	32,90,168 number of options of ₹34.64 each and 90,426 number of options of Re. 1/- each.	8,26,329 number of options of ₹71.36 each and 2,080,96 number of options of Re. 1/- each.	37,80,000 options of ₹68.75 each and 4,20,000 number of options of Re. 1/- each.	2,59,504 number of options of Re. 1/- each	13,10,526 options of Re. 1/- each.	11,20,000 options of ₹121.80 each and 2,80,000 options of Re.1/ each.	11,59,76 options of Re. 1/-	82,460 options of Re. 1/-
10	Options Exercisable at the end of the year	32,90,168 number of options of ₹34.64 each and 90,426 number of options of Re. 1/- each.	1,84,289 number of options of ₹71.36 each	Nil	Nil	Nil	Nil	Nil	Nil
11	Money realised by exercise of options (Rs.)	8,33,89,780	9009183.5	Nil	Nil	Nil	Nil	Nil	Nil
12	Loan repaid by the trust during the year from the exercise price received	NA	NA	NA	NA	NA	NA	NA	NA

Note: The disclosures made above are available on the Company's, website, www.vguard.in under the section "Investor Relations"

For and on behalf of the Board of Directors

S/d
Kochouseph Chittilappilly
Chairman
(DIN:00020512)

S/d
Mithun K Chittilappilly
Managing Director
(DIN: 00027610)

Date: May 19, 2017

Place: Kochi