

**Information required to be disclosed under Securities and Exchange Board of India
(Share Based Employee Benefits) Regulations, 2014, as amended from time to time.**

A.	Relevant disclosures in accordance with 'Indian Accounting Standard 102- Share based payment' as notified by the Ministry of Corporate Affairs.	Refer Note No. 1 of Annexure A
B.	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Indian Accounting Standard 33 – Earning per share' as notified by the Ministry of Corporate Affairs	Refer Note No. 2 of Annexure A
C.	Details related to ESOS	
Sr. No.	Particulars	ESOP Scheme 2010
		ESOP Scheme 2013
(i)	A description of each ESOP that existed at any time during the year, including the general terms and conditions of each ESOP, including –	
	a) Date of shareholders' approval	November 29, 2010
	b) Total number of options approved under ESOP	3,42,95,232
	c) Vesting requirements	Vesting will commence one year after the date of grant at the rates given below or at such other rates as may be fixed by the Nomination & Remuneration Committee and may extend upto four years from the date of grant, unless otherwise varied in accordance with the Rules.
	d) Exercise price or pricing formula	The exercise price for the purposes of the grant of Stock Options will be as per terms & conditions decided by the Board and / or Nomination & Remuneration Committee at the time of respective grant of Stock Options, but at a price not below the face value of the equity share and not exceeding the market price as per the SEBI Regulations.
	e) Maximum term of options granted	The Exercise Period would be seven years (84 months) from the date of grant or 3 years (36 months) from the date of retirement / death, whichever is earlier.
	f) Source of shares (primary, secondary or combination)	Primary
	g) Variation in terms of options	N.A.
(ii)	Method used to account for ESOP – Intrinsic or fair value.	Fair Value

(iv) Option movement during the year (For each ESOS):

Particulars	ESOP Scheme 2010	ESOP Scheme 2013
Number of options outstanding at the beginning of the period	42,04,925	3,00,90,000
Number of options granted during the year	15,10,000	1,64,90,000
Number of options forfeited / lapsed during the year	3,77,125	21,95,800
Number of options vested during the year	7,79,500	57,51,600
Number of options exercised during the year	3,85,800	27,49,600
Number of shares arising as a result of exercise of options	3,85,800	27,49,600
Money realized by exercise of options (Rs.), if scheme is implemented directly by the company	1,70,52,360	19,79,49,860
Loan repaid by the Trust during the year from exercise price received	NA	NA
Number of options outstanding at the end of the year	49,52,000	4,16,34,600
Number of options exercisable at the end of the year	504,000	44,32,000

(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.

Weighted-average exercise prices
–
Rs. 161.05
Weighted-average fair values
–
Rs. 58.54

(vi) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to –

a) key managerial personnel;

Mr. Dinanath Dubhashi – Managing Director & Chief Executive Officer – 20,00,000 options @ Rs. 171.75

Mr. Sachinn Joshi – Chief Financial Officer – 4,00,000 options @ Rs. 171.75

Ms. Apurva Rathod – Company Secretary – 2,50,000 options @ Rs. 171.75

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

Mr. Sunil Prabhune – CE Rural Finance & Group Head – Digital, IT and Analytics - 10,00,000 options @ Rs. 171.75

	<p>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.</p>	<p>None</p>
(vii)	<p>A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:</p> <p>a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;</p> <p>b) the method used and the assumptions made to incorporate the effects of expected early exercise;</p> <p>c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and</p> <p>d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.</p>	<p>Weighted average exercise price – Rs. 161.05 Weighted average share price – Rs. 168.93 Expected volatility – Calculated by using the closing market prices of the Company’s Shares during the last one year. Expected life – Full life of the option is the period up to which it can be exercised. Expected dividends – Yield has been calculated on the basis of dividend yield of the financial year. Risk-free interest rate – This is the rate offered in the market with virtually zero risk. Normally the yield of Government backed securities with maturity similar to that of the option is taken into consideration.</p> <p>As decided by the Management in case of Retirement and Death of an employee.</p> <p>Expected volatility is based on the historical volatility of the Company shares price applicable to the expected life of each option.</p> <p>The price of underlying shares in market at the time of option grant – closing market price, on previous trading day on which the options are granted, on the Stock Exchange where the volume of shares traded is more.</p>

	<p>Disclosures in respect of grants made in three years prior to IPO under each ESOP</p> <p>Until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made.</p>	<p>Not Applicable</p>
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Annexure A

1. Stock option scheme

- a) The Company has formulated Employee Stock Option Schemes 2010 (ESOP Scheme-2010) and 2013 (ESOP Scheme 2013), The grant of options to the employees under the stock option scheme is on the basis of their performance and other eligibility criteria. The options allotted under scheme 2010 are vested over a period of 4 years in ratio of 15%, 20%, 30% and 35% respectively from the date of grant, subject to the discretion of the management and fulfillment of certain conditions. The options granted under scheme 2013 are vested in a graded manner over a period of four years with 0%, 33%, 33% and 34% of grants vesting each year, commencing from the end of 24 month from the date of grant.
- b) Options allotted under scheme 2010 can be exercised anytime within a period of 7 years from the date of grant and would be settled by way of equity. The option granted under scheme 2013 can be exercised anytime within a period of 8 years from the date of grant. Management has discretion to modify the exercise period.
- c) The option granted under scheme 2010 is at exercise price of Rs. 44.20. The option granted under scheme 2013 was at market price which was the last closing price on National stock exchange preceding the dates of grant respectively.
- d) During the year ended March 31, 2019, 3,85,800 and 27,49,600 options were allotted under scheme 2010 & 2013 respectively.
- e) The details of the grants are summarised below:

Sr. No.	Particulars	ESOP Scheme 2010		ESOP Scheme 2013	
		2018-19	2017-18	2018-19	2017-18
1	Options granted and outstanding at the beginning of the year	42,04,925	28,18,795	3,00,90,000	2,37,93,000
2	Options granted during the year	15,10,000	33,30,000	1,64,90,000	1,37,20,000
3	Options cancelled/ lapsed during the year	3,77,125	2,52,862	21,95,800	38,42,500
4	Options exercised during the year	3,85,800	16,91,008	27,49,600	35,80,500
5	Options granted and outstanding at the end of the year of which –				
	- Options vested	5,04,000	1,71,425	44,32,000	14,30,000
	- Options yet to vest	44,48,000	40,33,500	3,72,02,600	2,86,60,000
6	Weighted average remaining contractual life of options (in years)	5.63	6.01	5.92	6.15

- f) During the year, the Company has debited to the Statement of Profit and Loss Rs. 7.66 Crore (Previous year Rs. 5.25 Crore) {net of recovery from its subsidiary companies during the year Rs. 60.50 Crore (Previous year: Rs. 35.75 Crore)} towards the stock options granted to their employees, pursuant to the employee stock option schemes.

- g) Weighted average fair values of options granted during the year is Rs. 58.54 (previous year: Rs. 63.25) per options.
- h) The Fair value has been calculated using the Black-Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options granted during the year are as follows:

Sr. No.	Particulars	2018-19	2017-18
a)	Weighted average risk-free interest rate	7.42%	6.58%
b)	Weighted average expected life of options	3.24 years	3.27 years
c)	Weighted average expected volatility	32.78%	32.57%
d)	Weighted average expected dividends	Rs. 3.65 per option	Rs. 3.31 per option
e)	Weighted average share price	Rs. 168.93 per option	Rs. 145.59 per option
f)	Weighted average exercise price	Rs. 161.05 per share	Rs. 116.58 per share
g)	Method used to determine expected volatility	Expected volatility is based on the historical volatility of the Company shares price applicable to the expected life of each option.	

2. Basic and Diluted Earnings per share [EPS] computed in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings per Share":

Particulars		2018-19	2017-18
Basic			
Profit after tax (Rs. Crore)	A	267.06	266.05
Weighted average number of equity shares outstanding	B	1,99,71,65,629	1,82,24,19,741
Basic EPS before and after extraordinary items (Rs.)	A/B	1.34	1.46
Diluted			
Profit after tax (Rs. Crore)	A	267.06	266.05
Weighted average number of equity shares outstanding	B	1,99,71,65,629	1,82,24,19,741
Add: Weighted average no. of potential equity shares on account of employee stock options	C	77,03,279	1,76,13,844
Weighted average number of shares outstanding for diluted EPS	D=B+C	2,00,48,68,908	1,84,20,33,585
Diluted EPS before and after extraordinary items (Rs.)	A/D	1.33	1.44
Face value of shares (Rs.)		10.00	10.00