

**DISCLOSURES WITH RESPECT TO COMPLIANCE TO SECTION 62 OF THE COMPANIES ACT, 2013 READ WITH RULE 12 OF COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014 AND REGULATION 14 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 READ WITH SEBI CIRCULAR DATED JUNE 16, 2015 ON ESOP DISCLOSURES AS ON MARCH 31, 2018**

There was no material change in the ESOP schemes. The ESOS Schemes are in compliance with the regulations.

**(A) Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time**

Members may refer to the audited financial statement prepared as per Indian GAAP for the year 2017-18 and refer point no. D, E and F as mentioned below.

**(B) Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20**

Diluted EPS for the year ended March 31, 2018 is Rs. 6.40.

**(C) Details related to Employees' Stock Option Scheme ("ESOS")**

i) The description including terms and a condition of ESOS is summarized as under:

	Particulars	ESOS 2007	ESOS 2008
(a)	Date of shareholders' approval	October 20, 2007	December 15, 2008
(b)	Total number of options approved under ESOS	75,00,000	5,00,00,000
(c)	Vesting requirements	Options granted would vest over a period of five years subject to a minimum period of one year from the date of grant of options or such other period as may be decided by Nomination and Remuneration Committee ("NRC") based on specific criteria.	Options granted would vest over a period of Five years subject to a minimum period of one year from the date of grant of options or such other period as may be decided by Nomination and Remuneration Committee based on specific criteria.
(d)	Exercise price or pricing formula	The Exercise Price may be decided by the NRC in accordance with Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines/ SEBI (Share Based employee Benefits) Regulations, 2014 and any amendments thereto, subject to a maximum discount of 35% to the market price.	The Exercise Price may be decided by the NRC in accordance with Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines/ SEBI (Share Based employee Benefits) Regulations, 2014 and any amendments thereto, subject to a maximum discount of 35% to the market price.
(e)	Maximum term of options granted	The options would vest over a maximum period of 5 years or such other period as may be decided by the NRC from the date of grant based on specified criteria. Such options may be exercised by the employee within 5 years from the date of Grant.	The options would vest over a maximum period of 5 years or such other period as may be decided by the NRC from the date of grant based on specified criteria. Such options may be exercised by the employee within 7 years from the date of Grant.
(f)	Source of shares (primary, secondary or combination)	Primary	Primary
(g)	Variation in terms of options	Vide EGM held on 15.12.2008, the Company revised the price of unexercised ESOS issued to employees to the extent of such reprice/repricing formula is subject to maximum discount of 35% to the market price as on date of grant or repricing as may be decided by NRC.	None

ii. Method used to account for ESOS - Intrinsic or fair value.

Intrinsic 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. The impact of this difference on profits and on EPS of the company shall also be disclosed.

Please refer Point no. F as mentioned below.

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

Particulars	ESOS 2007	ESOS 2008
Number of options outstanding at the beginning of the period	-	25,48,860
Number of options granted during the year	-	2,00,000
Number of options forfeited / lapsed during the year	-	4,72,635
Number of options vested during the year	-	4,76,820
Number of options exercised during the year	-	10,70,833
Number of shares arising as a result of exercise of options	-	10,70,833
Money realized by exercise of options (INR), if scheme is implemented directly by the company	-	Rs 9,44,45,149
Loan repaid by the Trust during the year from exercise price received	-	Not Applicable
Number of options outstanding at the end of the year	-	12,05,392
Number of options exercisable at the end of the year	-	5,65,939

- V. (i) Weighted average exercise price of Options outstanding at the end of the year whose:

	(Amount in ₹)
Exercise price equals market price	117.66
Exercise price is greater than market price	NA
Exercise price is less than market price	NA

- (ii) Weighted average fair value of Options outstanding at the end of the year whose:

	(Amount in ₹)
Exercise price equals market price	50.63
Exercise price is greater than market price	NA
Exercise price is less than market price	NA

- 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 including Key Managerial Personnel	Not Applicable
(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	Not Applicable
(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.	Not Applicable

- 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)	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.	
	Share Price	479.75
	Expected Volatility	43.98%
	Risk-free rate of return	6.94%
	Exercise Price*	480
	Expected Life	5
	Dividend yield	1.99%

\*Exercise has been subsequently adjusted for the Demerger of 5 Paise Capital Limited by 2.36%.

(b)	the method used and the assumptions made to incorporate the effects of expected early exercise	None. The option life has been estimated as an average of minimum and maximum life of for each vesting tranche.
(c)	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during the period. The measure of volatility used in the Black Scholes option-pricing model is the annualized standard deviation of the continuously compounded rates of return on the share prices of the company over the estimated life.
(d)	whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	Not Applicable. The options vest on passage of time and there are no conditions attached to the vesting of the options.

- (D) For share options exercised during the period, the weighted average share price at the date of exercise. If options were exercised on a regular basis throughout the period, the entity may instead disclose the weighted average share price during the period.**

Dates of exercise during the year	Number of shares Allotted	Share price on the date of allotment
13.04.2017	26,430	441.55
23.05.2017	6,500	472.30
03.07.2017	13,933	604.85
16.08.2017	4,64,090	590.05
21.09.2017	56,410	673.20
23.02.2018	89,370	735.75
19.03.2018	4,14,100	733.60

- (E) For share options outstanding at the end of the period, the range of exercise prices and weighted average remaining contractual life. If the range of exercise prices is wide, the outstanding options shall be divided into ranges that are meaningful for assessing the number and timing of additional shares that may be issued and the cash that may be received upon exercise of those options.**

Date of Grant	No of options granted	Grant /Exercise Price	Outstanding as on March 31, 2018	Remaining Contractual Life
10.08.2012	12,00,000	55.26	45,700	1.36
29.10.2012	15,00,000	66.54	20,500	1.58
05.11.2013	5,00,000	56.73	3,50,000	2.60
05.08.2014	2,00,000	131.57	35,000	3.35
02.03.2015	1,50,000	177.27	28,650	3.92
08.03.2016	9,00,000	175.75	6,89,542	4.94
29.04.2017	2,00,000	468.67	36,000	6.08

- (F) Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.**

Particulars	
<b>Net Income</b>	2,043,481,882
<b>As Reported</b>	
Add: Intrinsic Value Compensation Cost	0
Less: Fair Value Compensation Cost	66,343,799
<b>Adjusted Pro Forma Net Income</b>	<b>1,977,138,083</b>
<b>Earnings Per Share: Basic</b>	
As Reported	6.42
Adjusted Pro Forma	6.21