

As per requirements specified under the SEBI (Share Based Employee Benefits) Regulations, 2014

VGL Employees Stock Option Plan (As Amended) 2006

Detail related to ESOP for the Financial Year 2015-16

- (i) A description of each ESOP that existed at any time during the year, including the general terms and conditions of each ESOP :

Sr No.	Particulars			
(a)	Date of shareholders' approval	30 th November, 2006 (EGM)	30 th September, 2011 (AGM)	25 th July, 2014 (AGM)
(b)	Total number of options approved under ESOP	8,25,000	7,50,000	5,00,000
(c)	Vesting requirements	The option granted VGL ESOP(As Amended)- 2006 will vest as per the following table:		
		<i>Year</i>	<i>% of Option Granted</i>	
		On completion of One year from the date of grant of option	20	
		On completion of Two years from the date of grant of option	30	
		On completion of Three years from the date of grant of option	50	
(d)	Exercise price or pricing formula	The exercise price shall be the market price which would be the latest available closing price of the shares on the Stock Exchange, which records the highest trading volume of the Company's equity shares on the date prior to the date of meeting of the Compensation Committee at which the options are granted.		
(e)	Maximum term of options granted	Seven Years		
(f)	Source of shares (primary, secondary or combination)	Primary		
(g)	Variation in terms of options	Not applicable		
(h)	Method of Settlement	Allotment of Shares through Vaibhav Global Employee Stock Option Welfare Trust and option available to employees in cash or equity.		

- (ii) **Method used to account for ESOP** – Intrinsic value Method.

- (iii) The Company has followed Intrinsic Value Method for the purpose of accounting stock options issued to the employees. As per Guidance Note- Accounting for Employee Share Based Payments Company

needs to disclose the difference between Employee compensation cost so computed and Employee Compensation cost that it would have recognized had it followed Fair Value Method of Accounting. The difference between employee compensation cost using Intrinsic Value Method and Fair Value Method is as follows:

PARTICULARS	AMOUNT (Rs.)
A. Employee Compensation Cost using Fair Value Method	43,05,593
B. Less: Employee Compensation Cost using Intrinsic Value Method	-
Amount to be recognized in Profit & Loss A/c as employee compensation cost	43,05,593

(iv) Option movement during the year

Particular	Details
Number of option outstanding at the beginning of the year	8,30,838
Number of option granted during the year	76,570
Number of option forfeited / lapsed during the year	1,89,632
Number of options vested during the year	2,66,169
Number of options exercised during the year	1,18,851
Number of shares arising as a result of exercise of options	1,18,851
Money realized by exercise of options (INR), if scheme is implemented directly by the company	-
Loan repaid by the Trust during the year from exercise price received (Rs.)	6,36,878.85
Number of options outstanding at the end of the year	5,98,925
Number of options exercisable at the end of the year	1,82,809

(v) ESOP Pricing, EPS and its impact

PARTICULARS		AMOUNT(Rs.)	
1	Exercise price of options granted during the year	Rs. 374.60	
2	Weighted average fair value of option as on date of grant during the year	Rs. 210.55	
3	Weighted average share price of the option during the year	Rs. 436.83	
4.	Weighted average Remaining contractual Life of Options granted during the year and Outstanding at the end of the year	7.5 Years	
5.	Weighted average fair value of option as on date of grant during the year	Rs. 210.55	
		PARTICULARS	Rs.
		Net Income as reported (in Lakhs)	1815.53

6.	Adjusted Net Income and Earnings Per Share	Add: Intrinsic Value Compensation Cost	NIL	
		Less: Fair Value Compensation Cost (in lakhs)	43.05	
		Adjusted Net Income (in lakhs)	1772.48	
		Basic Earnings Per Share		
		-As Reported	5.59	
		-Adjusted Earnings Per Share	5.45	
		Diluted Earnings Per Share		
		-As Reported	5.59	
		-Adjusted Earnings Per Share	5.45	
7.	Impact on Profits and EPS for the Fiscal 2016 had the company followed Fair value Method of accounting employee compensation cost instead of Intrinsic Value Method	Impact on Profits	Impact on Basic EPS	Impact on Diluted EPS
		Lower by Rs. 43.05 Lakhs	Lower by Rs. 0.14	Lower by Rs. 0.14
8.	Significant Assumptions made during the year to estimate the fair value of options			
	a. Risk Free Interest rate	7.79%		
	b. Expected Life	4.00 years		
	c. Expected Volatility	64.71%		
	d. Expected Dividend Yield	NIL		
9	Number of Option outstanding on the basis of exercise price	Exercise Price (Rs.)	Outstanding	
		26.75	9,000	
		45.30	72,458	
		119.05	13,930	
		126.35	27,106	
		418.40	8,956	
		743.95	23,629	
		742.50	360,690	
		752.60	13,826	
374.60	69,330			

(vi) Employee wise details of options granted during the year :

Sr No.	Particulars				
		Name	Designation	No. of Option Granted	Exercise Price (Rs.)
(a)	Senior Management Personnel	Mr. Puru Aggarwal	Group CFO	20,000	374.60
		Mr. Jeff Allar	Sr. Vice President – HR	10,000	
		Mr. Pushpendra Singh	Vice President – HR	2,520	
(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	N.A.			
(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	N.A.			

(vii) Details related to Trust

1. General information :

Sl. No.	Particulars	Details
1	Name of the Trust	Vaibhav Global Employee Stock Option Welfare Trust
2	Details of the Trustee(s)	Mr. Pushpendra Singh Mrs. Reeta Sharma Mr. Girdhari Lal Sharma
3	Amount of loan disbursed by Company / any Company in the group, during the year	Rs. 1,35,401.70
4	Amount of loan outstanding (repayable to Company / any Company in the group) as at the end of the year	Rs. 10,31,535
5	Amount of loan, if any, taken from any other source for which Company / any Company in the group has provided any security or guarantee	NIL
6	Any other contribution made to the Trust during the year	NIL

2. Brief details of transactions in Shares by the Trust

(a)	Number of shares held at the beginning of the year	22,177
(b)	Number of shares acquired during the year through primary issuance	1,12,748
	Percentage of paid up equity capital as at the end of the previous financial year	0.35
	Weighted average cost of acquisition per share	Rs. 54.90
(c)	Number of shares transferred to the employees / sold along with the purpose thereof	1,18,851
(d)	Number of shares held at the end of the year	16,074