



**THE DISCLOSURES PURSUANT TO REGULATION 14 OF THE SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 READ WITH SEBI CIRCULAR DATED JUNE 16, 2015 ON ESOP DISCLOSURES FOR THE FINANCIAL YEAR 2018-19.**

Sr. No.	Particulars	Status of compliance
<b>A</b>	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.	The disclosures are provided in Note 30 of the Notes to the Standalone Financial Statements of the Company forming part of the Annual Report for the Financial Year 2018-19.
<b>B</b>	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.	Refer Note 27 of the Notes to the Standalone Financial Statements of the Company forming part of the Annual Report for the Financial Year 2018-19.
<b>C</b>	Details related to ESOS	
	i. <b>A description of each ESOS that existed at any time during the year including general terms and conditions of each ESOS, including –</b>	
	(a) Date of shareholders' approval	August 1, 2014
	(b) Total number of options approved under ESOS	1,79,32,738
	(c) Vesting requirements	Out of the total options granted, 45.88% options vest after 1 <sup>st</sup> year, 45.88% options vest after 2 <sup>nd</sup> year and 8.24% options vest after 3 <sup>rd</sup> year from the date of respective grant.
	(d) Exercise price or pricing formula	Rs. 52
	(e) Maximum term of options granted	5 years from each vesting date within which the vested options can be exercised
	(f) Source of shares (primary, secondary or combination)	Primary



	(g) Variation in terms of options	Extension of exercise period: During the year, Company recorded an additional amount of Rs. 14.31 crores on account of the extension of the exercise period for outstanding options under PFL Employee Stock Option Scheme 2014 from 2 years to 5 years. The said extension was approved by the Share Holders at the Twenty-First Annual General Meeting of the Company held on September 28, 2018.
ii.	Method used to account for ESOS – Intrinsic or Fair Value	Fair 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.	The Company uses fair value method for expensing options.
iv.	<b>Option movement during the year:</b>	
	Number of options outstanding at the beginning of the period	17,646,067
	Number of options granted during the year	Nil
	Number of options forfeited / lapsed during the year	Nil
	Number of options vested during the year	8,227,579
	Number of options exercised during the year	16,667
	Number of shares arising as a result of exercise of options	16,667
	Money realised by exercise of options (INR)	0.09 cr.
	Loan repaid by the Trust during the year from exercise price received	NA



		Number of options outstanding at the end of the year	17,629,400
		Number of options exercisable at the end of the year	16,151,820
	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 price Rs. 52  Weighted average fair value Rs. 32.26
	Vi	<b>Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -</b>	



		a) Senior Managerial personnel;	Nil
		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	Nil
		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.	Nil
	Vii	<b>A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:</b>	
		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;	Annexure A
		b) the method used and the assumptions made to incorporate the effects of expected early exercise;	Black Sholes Merton Model of fair valuation
		c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	Expected volatility is based on historical sale price volatility of comparable companies in the industry over the expected life of 1.90 – 3.40 years.
		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



**Annexure A**

(a) Weighted Average Share Price	Rs. 70.80
(b) Exercise Price	Rs. 52
(c) Expected Volatility	49.10% - 46.60%
(d) Expected life	1.90-3.40 years
(e) Dividend yield	-
(f) Risk free interest rate	7.90% to 8.00%