

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 2016-17

- (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	30 th September, 2011	25 th July, 2014	29 th September, 2016
(b)	Total number of options approved under ESOP	8,25,000	7,50,000	5,00,000	5,00,000
(c)	Vesting requirements	The option granted under VGL ESOP(As Amended)- 2006 will vest as per the following table:			
		Year		% of Option Granted	
		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	2,28,65,761
B. Less: Employee Compensation Cost using Intrinsic Value Method	-
Amount to be recognized in Profit & Loss A/c as employee compensation cost	2,28,65,761

(iv) Option movement during the year

Particular	Details
Number of option outstanding at the beginning of the year	5,98,925
Number of option granted during the year	5,45,178
Number of option forfeited / lapsed during the year	1,11,165
Number of options vested during the year	1,57,054
Number of options exercised during the year	35,757
Number of shares arising as a result of exercise of options	35,757
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.)	
Number of options outstanding at the end of the year	9,97,181
Number of options exercisable at the end of the year	2,60,897

(v) ESOP Pricing, EPS and its impact

PARTICULARS		AMOUNT(RS)		
1	Exercise price of options granted during the year	19 th May, 2016 – 284.45/- 12 th October, 2016 – 311.55/- 30 th January, 2017 – 307.35		
2	Weighted average fair value of option as on date of grant during the year	19 th May, 2016 – 149.45/- 12 th October, 2016 – 163.69/- 30 th January, 2017 – 161.48/-		
3	Weighted average share price of the option during the year	Rs. 325.44/-		
4.	Weighted average Remaining contractual Life of Options granted during the year and Outstanding at the end of the year	7.5 Years		
6.	Adjusted Net Income and Earnings Per Share	PARTICULARS		RS
		Net Income as reported (in Lakhs)		2364.57
		Add: Intrinsic Value Compensation Cost		NIL
		Less: Fair Value Compensation Cost (in lakhs)		228.66
		Adjusted Net Income		2135.91
		Basic Earnings Per Share		
		-As Reported		7.27
		-Adjusted Earnings Per Share		6.57
		Diluted Earnings Per Share		
		-As Reported		7.27
-Adjusted Earnings Per Share		6.46		
7.	Impact on Profits and EPS for the Fiscal 2016 had the company followed Fair value Method of accounting	Impact on Profits	Impact on Basic EPS	Impact on Diluted

	employee compensation cost instead of Intrinsic Value Method			EPS
		Lower by 228.66 Lakhs	Lower by 0.70	Lower by 0.81
8.	Significant Assumptions made during the year to estimate the fair value of options			
	a. Risk Free Interest rate	6.50%		
	b. Expected Life	4.00 years		
	c. Expected Volatility	60.51%		
	d. Expected Dividend Yield	NIL		
9	Number of Option outstanding on the basis of exercise price	Exercise Price	Outstanding	
		26.75	5,000	
		45.30	44,271	
		119.05	10,360	
		126.35	19,473	
		743.95	20,484	
		742.50	3,11,905	
		752.60	7,720	
		374.60	58,690	
		284.45	47,680	
		311.55	4,65,798	
		307.35	5,800	

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

Sr No.	Particulars				
(a)	Senior Management Personnel	Name	Designation	No. of Option Granted	Exercise Price (Rs.)
		Mr. Puru Aggarwal	Group CFO	12,630	311.55
		Mr. Jeff Allar	Group Sr. Vice President HR	12,600	311.55
		Mr. Vineet Vashist	Chief Technology Officer, USA	20,000	311.55
		Mr. Pushendra Singh	Vice President – HR, Asia	4,990	311.55
		Mr. Raj Kumar Singh	Vice President -Group Supply Chain Management	5,050	311.55
		Mr. Nitin Dugar	Chief Operating Officer, ShopLC USA	6,450	311.55
(b)	Any other employee who receives a grant in any one year of option amounting to 5%	N.A.			

	or more of option granted during that year	
(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. 4,44,757/-
4	Amount of loan outstanding (repayable to Company / any Company in the group) as at the end of the year	Rs. 8,66,959/-
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	16074
(b)	Number of shares acquired during the year through primary issuance	30,486
	Percentage of paid up equity capital as at the end of the previous financial year	0.09
	Weighted average cost of acquisition per share	Rs. 53.94
(c)	Number of shares transferred to the employees / sold along with the purpose thereof	35,757
(d)	Number of shares held at the end of the year	10,803