

## ESSEL PROPACK LIMITED

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CIN: L74950MH1982PLC028947

### Disclosure pursuant to Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as on March 31, 2017

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

The disclosures are provided in Note. 43 to the financial statements of the Company for the year ended 31<sup>st</sup> March, 2017.

- B. Diluted EPS on issue of shares pursuant to all schemes covered under the regulations shall be disclosed in accordance with ‘IND AS 33 Earnings per Share’ issued by ICAI or any other relevant accounting standards as prescribed from time to time**

Rs. 4.13

- C. Details related to Employee Stock Option Scheme (ESOS) of the Company:**

Sr.	Particulars	ESOS 2014			
		Grant I March 19, 2015	Grant II October 29, 2015	Grant III June 17, 2016	Grant IV September 1, 2016
		Options granted: 29,53,000	Options granted: 1,76,535	Options granted: 1,13,096	Options granted: 39,411
<b>i.</b>	<b>A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including</b>				
a.	Date of Shareholders’ approval	January 30, 2015			
b.	Total number of options approved under ESOS 2014	75,00,000 options			
c.	Vesting requirements	Not less than one year from the date of grant, and subject to terms & conditions of scheme and letter of grant, as may be decided by the Nomination & Remuneration Committee from time to time.			
d.	Exercise price or pricing formula	The exercise price has been taken as the closing price on the National Stock Exchange of India Limited, immediately preceding the date of grant.			
		Rs. 121.65 per share for Grant I	Rs. 161 per share for Grant II	Rs. 196.40 per share for Grant III	Rs.224.10 per share for Grant IV
e.	Maximum term of options granted	Exercise period of maximum 4 years from the date of vesting subject to terms of scheme and Letter of Grant.			

f.	Source of shares (primary, secondary or combination)	Primary or as per the ESOS Scheme	
g.	Variation in terms of options	None as of date	
ii.	<b>Method used to account for ESOS (Intrinsic or fair value)</b>	Fair Value Method	
iii.	<b>Where the Company opts for expensing of the options using the intrinsic value of the options</b>		
	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.	N.A.	
	The impact of this difference on profits and on EPS of the Company	N.A.	
iv.	<b>Option movement during the year (For each ESOS)</b>		
	<b>Particulars</b>	<b>Details</b>	
	Number of options outstanding at the beginning of the period	29,92,535	
	Number of options granted during the year	1,52,507	
	Number of options forfeited / lapsed during the year	11,66,867	
	Number of options vested during the year.	9,38,661	
	Number of options exercised during the year	57,333	
	Number of shares arising as a result of exercise of options	57,333	
	Money realized by exercise of options (INR), if scheme implemented directly by the Company.	69,74,560	
	Loan repaid by the Trust during the year from exercise price received	Not applicable	
	Number of options outstanding at the end of the year	19,20,842	
	Number of options exercisable at the end of the year	8,81,333	
v.	<b>Weighted average exercise prices and weighted-average fair value of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than market price of the stock.</b>		
	<b>Particulars</b>	<b>Weighted average exercise price</b>	<b>Weighted average fair value of options</b>
	Exercise price equals/exceeds than market price of the stock	Rs. 128.97	Rs. 51.65
	Exercise price less than market price of the stock	Not applicable	Not applicable
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; (as per list)	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;	NIL			
c.	Identified employees who were granted option, during 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			
<b>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>Particulars</b>		<b>Grant I</b>	<b>Grant II</b>	<b>Grant III</b>	<b>Grant IV</b>
<b>a.</b>	<u>the weighted-average values of:</u>				
	share price at grant date	Rs.116.50	Rs. 160	Rs.194.75	Rs. 222.70
	exercise price	Rs.121.65	Rs.161	Rs.196.40	Rs. 224.10
	expected volatility	47.55%	37.90%	40.24%	39.46%
	expected option life	3.29 to 5.29 years	3.67 to 4.67years	4.04 years	3.83 years
	expected dividend yield	1.28%	1.28%	0.93%	0.93%
	the risk-free interest rate	7.64%	7.52%	7.28%	6.87%
	any other inputs to the model	-	-	-	-
<b>b.</b>	the method used and the assumptions made to incorporate the effects of expected early exercise	Black – Scholes Method			
<b>c.</b>	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information			
<b>d.</b>	whether and how any other features of the option grant were incorporated into the measurement of fair value, such as market condition	Not applicable			