

Religare Enterprises Limited

Employee Stock Option Schemes (ESOSs) Disclosure Pursuant to Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 (FY 2014-15)

1. General Disclosures

- a. Disclosure under Guidance note on Accounting for employee share based payments or any other applicable AS

For details please refer to notes to Standalone Financial Statements mentioned in the Annual Report 2014-15 which can be accessed through web link <http://www.religare.com/annual-reports.aspx>

2. Scheme specific Disclosures

ESOS 2006

i. General Disclosures

S.No.	Particulars	Disclosures
1	Date of Shareholder's Approval	November 06, 2006
2	Total Number of options Approved under ESOS 2006	2,000,000
3	Vesting requirements	-33% on expiry of 12 months from Grant Date -33% on expiry of 24 months from Grant Date -34% on expiry of 36 months from Grant Date
4	Exercise Price or Pricing Formula	Rs. 140/-
5	Maximum term of Options Granted	Options granted shall be capable of being exercised within a period of nine years from the date of vesting
6	Sources of Share (Primary, Secondary or Combination)	Primary
7	Variation in terms of option	N.A
8	Method used for Accounting of ESOS (Intrinsic or Fair Value)	Intrinsic Value
9 (a)	Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and employee compensation cost calculated on the basis of fair value of stock options	For the year ended March 31, 2015 such difference was Rs. Nil (Previous Year Rs. Nil)
9(b)	Impact on the profits of the Company and on the earnings per share ("EPS") arising due to difference in the accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options)	For the year ended March 31, 2015, the profit of the Company will be reduced by Rs. Nil (for the previous year ended March 31, 2015 the profit of the Company will be reduced by Rs. Nil) and there is no impact on Basic and Diluted EPS
10	Weighted average exercise price and weighted average fair value of options whose exercise price either equals or exceeds or is less than market price of the stock	Weighted average exercise price Rs. 140 Weighted average share price Rs. 115.80 Weighted average fair price of options Rs. 100.26

ii. Option Movement during the FY 2014 - 2015

S.No.	Particulars	Disclosures
1	Number of options outstanding at the beginning of the period	145,440
2	Number of options granted during the year	Nil
3	Number of options forfeited / lapsed during the year	Nil
4	Number of options vested during the year	Nil
5	Number of options exercised during the year	Nil
6	Number of shares arising as a result of exercise of options	Nil
7	Money realized by exercise of options (INR), if scheme is implemented directly by the company	Nil
8	Loan repaid by the Trust during the year from exercise price received	N.A
9	Number of options outstanding at the end of the year	145,440
10	Number of options exercisable at the end of the year	145,440

iii. Employees Details who were granted options during the year

S.No.	Particulars	Name of Employee	Designation	Number of options granted during the year	Exercise Price
1	Senior Managerial Personnel	Nil	N.A	Nil	N.A
2	Employee who received grant in any one year equal to or more than 5% of Options granted during the Year	Nil	N.A	Nil	N.A
3	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	N.A	Nil	N.A

iv. Accounting Method and Assumptions

Method used	“Black Scholes Option Pricing Method”	
	(Tranche I)	(Tranche II)
Risk free interest rate	8%	8%
Expected Life	6 years	6 years
Expected Volatility (based on last year trend)	20.79%	20.79%
Expected Dividends	0%	0%
Price of underlying shares in market at the time of Option grant	N.A.	N.A.

@ Our Company has followed the intrinsic value method for calculating employee compensation as per the ESOS Guidelines. The Intrinsic value per equity share of REL was Rs. 111.47 whereas the exercise price is Rs. 140 per share. Since at the date of the grant of the stock options, the intrinsic value of the shares is less than the exercise price of the shares there is no impact on the profitability and EPS of the Company.

ESOS 2010

i. General Disclosures

S.No.	Particulars	Disclosures
1	Date of Shareholder's Approval	August 11, 2010, later modified on March 12, 2011
2	Total Number of options Approved under ESOS 2010	10% of the fully diluted equity share capital of the Company
3	Vesting requirements	Not Applicable as no options are outstanding as on March 31, 2015
4	Exercise Price or Pricing Formula	Market Price i.e latest available closing price, prior to the date of meeting of the Board / Committee in which options are granted /Shares are issued, on the stock exchange on which the Shares of the Company are listed. If the Shares are listed on more than one Stock Exchange, then the Stock Exchange where there is highest trading volume on the said date shall be considered.
5	Maximum term of Options Granted	Options granted shall be capable of being exercised within a period of nine years from the date of vesting
6	Sources of Share (Primary, Secondary or Combination)	Primary
7	Variation in terms of option	N.A
8	Method used for Accounting of ESOS (Intrinsic or Fair Value)	Intrinsic Value
9 (a)	Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and employee compensation cost calculated on the basis of fair value of stock options	For the year ended March 31, 2015 such difference was Rs. Nil (Previous Year Rs. Nil)
9(b)	Impact on the profits of the Company and on the earnings per share ("EPS") arising due to difference in the accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options)	For the year ended March 31, 2015, the profit of the Company will be reduced by Rs. Nil (for the previous year ended March 31, 2014 the profit of the Company will be reduced by Rs. Nil) and there is no impact on Basic and Diluted EPS.
10	Weighted average exercise price and weighted average fair value of options whose exercise price either equals or exceeds or is less than market price of the stock	Weighted average exercise price Rs. 477.54 Weighted average share price Rs. 477.54 Weighted average fair price of Stock options Rs. 176.79 (Exercise price- Tranche-I-Rs.481; Tranche-II-Rs.480; Tranche - III-Rs. 461; Tranche - IV - Rs. 432) (Option Value Tranche-I-Rs. 178.14, Tranche II - 177.64,Tranche-III Rs.170.61, Tranche IV- Rs.159.88)

ii. Option Movement during the FY 2014 - 2015

S.No.	Particulars	Disclosures
1	Number of options outstanding at the beginning of the period	50,100
2	Number of options granted during the year	Nil
3	Number of options forfeited / lapsed during the year	50,100
4	Number of options vested during the year	Nil
5	Number of options exercised during the year	Nil
6	Number of shares arising as a result of exercise of	Nil

	options	
7	Money realized by exercise of options (INR), if scheme is implemented directly by the company	Nil
8	Loan repaid by the Trust during the year from exercise price received	N.A
9	Number of options outstanding at the end of the year	Nil
10	Number of options exercisable at the end of the year	Nil

iii. Employees Details who were granted options during the year

S.No.	Particulars	Name of Employee	Designation	Number of options granted during the year	Exercise Price
1	Senior Managerial Personnel	Nil	N.A	Nil	N.A
2	Employee who received grant in any one year equal to or more than 5% of Options granted during the Year	Nil	N.A	Nil	N.A
3	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	N.A	Nil	N.A

iv. Accounting Method and Assumptions

Method used	"Black Scholes Option Method"	
	(Tranche I)	(Tranche II)
Risk free interest rate	8%	8%
Expected Life	6 years	6 years
Expected Volatility	20.79	20.79
Expected Dividends	0%	0%
Price of underlying shares in market at the time of Option grant	481.00	480.00
	(Tranche III)	(Tranche IV)
Risk free interest rate	8%	8%
Expected Life	6 years	6 years
Expected Volatility (based on last year trend)	20.79	20.79
Expected Dividends	0%	0%
Price of underlying shares in market at the time of Option grant	461.00	432.00

@ Our Company has followed the intrinsic value method for calculating employee compensation as per ESOS and ESOP Guidelines. The intrinsic value per Equity Share was Rs. 481, 480, 461 and 432 and the exercise price was also Rs. 481, 480, 461 and 432 per Equity Shares. Since at the date of grant of the stock options the intrinsic value per Equity Share was equivalent to exercise price per Equity Share there is no impact on the profits and EPS of your Company.

ESOS 2012

i. General Disclosures

S.No.	Particulars	Disclosures
1	Date of Shareholder's Approval	March 10, 2012
2	Total Number of options Approved under ESOS 2012	10% of the fully diluted equity share capital of the Company
3	Vesting requirements	Tranche I (Granted on March 13, 2012) - 66% on expiry of 12 months from Grant Date - 34% on expiry of 24 months from Grant Date Tranche II (Granted on October 30, 2012) - 33% on expiry of 12 months from Grant Date - 33% on expiry of 24 months from Grant Date - 34% on expiry of 36 months from Grant Date
4	Exercise Price or Pricing Formula	Market Price i.e latest available closing price, prior to the date of meeting of the Board / Committee in which options are granted /Shares are issued, on the stock exchange on which the Shares of the Company are listed. If the Shares are listed on more than one Stock Exchange, then the Stock Exchange where there is highest trading volume on the said date shall be considered.
5	Maximum term of Options Granted	Options granted shall be capable of being exercised within a period of nine years from the date of vesting
6	Sources of Share (Primary, Secondary or Combination)	Primary
7	Variation in terms of option	N.A
8	Method used for Accounting of ESOS (Intrinsic or Fair Value)	Intrinsic Value
9 (a)	Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and employee compensation cost calculated on the basis of fair value of stock options	For the year ended March 31, 2015, the profit of the Company will be reduced by Rs 1.49 million (Previous Year Ended March 31, 2014 Rs. 202.78 million)
9(b)	Impact on the profits of the Company and on the earnings per share ("EPS") arising due to difference in the accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options)	For the year ended March 31, 2015 Basic and Diluted EPS will be lower by Rs. 0.01 (Previous Year Ended March 31, 2014 Rs.1.36)
10	Weighted average exercise price and weighted average fair value of options whose exercise price either equals or exceeds or is less than market price of the stock	Weighted average exercise price Rs. 386.17 Weighted average share price Rs.386.17 Weighted average fair price of Stock options Rs. 142.92 (Exercise Price Tranche I– Rs. 387, Tranche II– Rs.303) (Option Value Tranche-I-Rs. 143.22, Tranche II – Rs.112.14)

ii. Option Movement during the FY 2014 - 2015

S.No.	Particulars	Disclosures
1	Number of options outstanding at the beginning of the period	9,225,900
2	Number of options granted during the year	Nil
3	Number of options forfeited / lapsed during the year	644,700
4	Number of options vested during the year	19,800
5	Number of options exercised during the year	Nil
6	Number of shares arising as a result of exercise of options	Nil
7	Money realized by exercise of options (INR), if scheme is implemented directly by the company	Nil
8	Loan repaid by the Trust during the year from exercise price received	N.A
9	Number of options outstanding at the end of the year	85,81,200
10	Number of options exercisable at the end of the year	8,560,800

iii. Employees Details who were granted options during the year

S.No.	Particulars	Name of Employee	Designation	Number of options granted during the year	Exercise Price
1	Senior Managerial Personnel	Nil	N.A	Nil	N.A
2	Employee who received grant in any one year equal to or more than 5% of Options granted during the Year	Nil	N.A	Nil	N.A
3	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	N.A	Nil	N.A

iv. Accounting Method and Assumptions

Method used	“Black Scholes Option Pricing Method”	
	Tranche I	Tranche II
Risk free interest rate	8%	8%
Expected Life	6 years	5 years
Expected Volatility (based on last year trend)	20.79	20.79
Expected Dividends	0%	0%
Price of underlying shares in market at the time of Option grant	387	303

@ Our Company has followed the intrinsic value method for calculating employee compensation as per ESOS and ESOP Guidelines. The intrinsic value per Equity Share was Rs. 387 and 303 and the exercise price was also Rs. 387 and 303 per Equity Share. Since at the date grant of the stock options the intrinsic value per Equity Share was equivalent to exercise price per Equity Share there is no impact on the profits and EPS of your Company