

## T.V. TODAY NETWORK LIMITED

The Company instituted the Employee Stock Option Plan (TVTN ESOP 2006) to grant equity - based incentives to its eligible employees. The TVTN ESOP 2006 was approved by the board of directors in their meeting held on 21<sup>st</sup> August, 2006 and by shareholders in their meeting held on 28<sup>th</sup> September, 2006, for grant of 2,900,000 options, representing one share for each option upon exercise by the employees of the Company, at an exercise price determined by the Board / Remuneration Committee. No material change has taken place in the TVTN ESOP 2006 scheme during the financial year ending 31<sup>st</sup> March, 2016. TVTN ESOP 2006 is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('SEBI SBES Regulations')

**The Disclosures pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 are detailed under:**

**A. Following are the 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.**

1. As at 31<sup>st</sup> March, 2016, the Company had seven (7) active arrangements for share-based payments, which are cumulatively summarized as below:

<b>Type of arrangement</b>	<b>Senior Management stock option plan</b>	<b>General Employee Stock Option Plan</b>	<b>Executive Stock Plan</b>	<b>Senior management stock appreciation cash plan</b>
Date of Grant	N.A.	01.12.2006	N.A.	N.A.
Number Granted	N.A.	2,80,000	N.A.	N.A.
Contractual Life	N.A.	10 years	N.A.	N.A.
Vesting Conditions	N.A.	4 years	N.A.	N.A.
Exercise Period	N.A.	10 years from the grant date	N.A.	N.A.

2. The estimated fair value of each stock option granted in the general employee stock option plan is Rs.73.15. This was calculated by applying intrinsic pricing model. The model inputs were as follows

<b>Inputs</b>	<b>First Grant</b>	<b>Second Grant</b>	<b>Third Grant</b>	<b>Fourth Grant</b>	<b>Fifth Grant</b>	<b>Sixth Grant</b>	<b>Seventh Grant</b>
Share Price at grant Date	74.35	134.85	152.75	93.15	113.90	102.85	85.15
Exercise price	74.35	134.85	152.75	93.15	113.90	102.85	85.15
Expected	48.28%	55.44%	51.27%	58.35%	54.44%	52.40%	43.13%

Volatility							
Expected Dividends	1.01%	0.56%	0.49%	0.83%	0.66%	0.74%	0.89%
Contractual Life	10 years	10 years	10 years	10 years	10 years	10 years	10 years
Risk Free Interest Rate	7.35%	7.87%	8.07%	8.83%	8.09%	7.94%	8.10%

3. The estimated fair value of each share granted in the executive stock plan and other plans is NIL, as no options were granted under that plan.
4. Other information regarding employee share-based payment plans is as below:

	Year ended 31.03.2016	Year ended 31.03.2015
Expense arising from employee share-based payment plans	NIL	NIL
Expense arising from share and stock option plans	25,000	280,531
Closing balance of liability for cash stock appreciation plan	N.A.	N.A.
Expense arising from increase in fair value of liability for cash stock appreciation plan	N.A.	N.A.

- 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.

**Diluted EPS is Rs.15.81**

**Effects of Share Options on Diluted Earnings per Share  
(Accounting year 01-04-2015 to 31-03-2016)**

Net profit for the year ended 31.03.2016	<b>Rs. 94,30,36,371</b>
Weighted average number of equity shares outstanding during the year ended 31.03.2016	<b>5,96,50,528</b>
Average fair value of one equity share during the year ended 31.03.2016	<b>Rs. 249.01</b>
Weighted average number of shares under option during the year ended 31.03.2016	<b>3,414</b>
Exercise price for shares under option during the year ended 31.03.2016	<b>Rs. 83.15 Per Share for 5,000 Options</b>

**Computation of earnings per share**

	<i>Earnings (in Rs.)</i>	<i>Shares</i>	<i>Earnings Per Share (in Rs.)</i>
Net profit for the year ended 31.03.2016	<b>94,30,36,371</b>	<b>5,96,50,528</b>	<b>15.81</b>

Weighted average number of shares outstanding during year ended 31.03.2016	94,30,36,371	5,96,50,528	15.81
<b>Basic earnings per share</b>	94,30,36,371	5,96,50,528	15.81
Number of shares under option		3,414	
Number of shares * that would have been issued at fair value:			
<b>Diluted earnings per share</b>	94,30,36,371	5,96,53,941	15.81

### C. Details related to ESOS

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

<b>Date of shareholders' approval</b>	28.09.2006
<b>Total number of options approved under ESOS</b>	2,900,000
<b>Vesting requirements</b>	4 years
<b>Exercise price or pricing formula</b>	50% of the shares will be offered at the market price. The balance 50% shares will be offered at a discount varying from Rs. 0 to Rs. 30/- to the Market Price depending upon performance criteria by the employee from year to year.
<b>Maximum term of options granted</b>	10 years
<b>Source of shares (primary, secondary or combination)</b>	Primary
<b>Variation in terms of options</b>	N.A.

- (ii) **Method used to account for ESOS—Intrinsic value**
- (iii) Disclosure relating to impact of difference on profits and EPS due to use of intrinsic value of options for expensing. 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 has used intrinsic value method for calculating the employee compensation cost with respect to the Stock Options. If the employee compensation cost for the ESOP had been determined in a manner consistent with the fair value approach the Stock Option compensation expenses would have been higher by Rs.

0.03 million. Consequently, the profit would have been Rs. 943.01 million instead of the current profit of Rs. 943.04 million and the EPS of the Company would have been (Rs. 15.81) instead of (Rs. 15.81).

(iv) **Option movement during the year (For each ESOS):**

Particulars	Details
Number of options outstanding at the beginning of the period	30,000
Number of options granted during the year	NIL
Number of options forfeited / lapsed during the year	NIL
Number of options vested during the year	5,000
Number of options exercised during the year	5,000
Number of shares arising as a result of exercise of options	5,000
Money realized by exercise of options (INR), if scheme is implemented directly by the company	415,750
Loan repaid by the Trust during the year from exercise price received	N.A.
Number of options outstanding at the end of the year	25,000
Number of options exercisable at the end of the year	25,000

(v) **Weighted-average exercise prices :**

- when the exercise price is equal to market price- Rs. 89.58
- when the exercise price is less than market price- Rs. 75.10

**Weighted-average fair values**

- when the exercise price is equal to market price – Rs. 56.78
- when the exercise price is less than market price- Rs. 63.15

(vi) **Employee wise details (name of employee, designation, number of options granted during the year, exercise price)-**

	Name	Designation	Number of options granted during the year	Status	Discounted exercise price
1	Q.W Naqvi	News Director	45,000	Resigned	
2	Rajnish Rikhy	Senior VP-Ad Sales	45,000		
3	Sanjay Jain	VP Finance	3,000	Resigned	
4	Rinku Paul	GM Ad Sales	15,000	Resigned	
5	Nikita Tulsian	GM Ad Sales	15,000	Resigned	
6	Satyaky Chowdhury	GM Ad Sales	15,000		Rs.65.10
7	Rehan Kidwai	VP Operations	15,000		Rs.63.57
8	Prince Sharma	VP Technology	20,500	Resigned	
9	Amitabh	Executive Producer	15,000	Resigned	
10	Rajmohan Nair	VP Network	45,000	Resigned	
11	Bijo	GM Ad Sales	10,000		
12	Shailesh Kumar	Executive Producer	15,000	Resigned	
13	Rahul Kanwal	Executive Producer	15,000		Rs.78.15
14	Denzil O'Connell	Associate Executive Producer	9,000	Resigned	
15	Ritul Joshi	Deputy Editor	7,500	Resigned	
16	Sonia Singh	Senior Special Correspondent	7,500	Resigned	
17	Sahil Joshi	Bureau Chief	7,500		
18	Deepak Sharma	Editor	7,500	Resigned	
19	Shams Tahir Khan	Editor	7,500		Rs.65.10
20	Vikrant Gupta	Editor	7,500		Rs.78.15
21	Gautam Roy	Senior Special Correspondent	7,500	Resigned	
22	Avantika Singh	Associate Senior Producer	7,500	Resigned	
23	Samip Rajguru	Senior Special Correspondent	5,000	Resigned	Rs.93.15
24	Sanjiv Chauhan	Special Correspondent	5,000		Rs. 83.15
25	Prateek Trivedi	Special Correspondent	5,000	Resigned	
26	Nida Khan	Associate Senior Producer	5,000	Resigned	
27	Mandeep Bevil	Associate Executive Producer	9,000	Resigned	
28	Manish Dubey	Editor	7,500	Resigned	
29	Ruchika Tomar	Principal Correspondent	5,000	Resigned	
30	Ajay Kumar	Executive Producer	15,000	Resigned	
31	Abhisar	Deputy Editor	7,500	Resigned	
32	Poonam Sharma	Deputy Editor	7,500	Resigned	
33	Gaurav Sawant	Associate Editor	7,500		
34	G. Krishnan	Chief Executive	100,000	Resigned	

		Officer			
35	Anil Mehra	Director	100,000	Resigned	Rs.70.15 & Rs.63.57

- (a) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; - **None**.
- (b) 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. - **None**.
- (vii) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:
- (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;**  
As per above stated table in para A
- (b) **the method used and the assumptions made to incorporate the effects of expected early exercise** - it was assumed that the employees would exercise the options after vesting date when the share price will be twice the exercise price.
- (c) **how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility** - Expected volatility is calculated on the basis of the "share price volume data" available at [www.nseindia.com](http://www.nseindia.com). Historical volatility was 51.90%, which includes the early years of the Company's life; the Company expects the volatility of its share price to reduce as it matures.
- (d) **whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.**- No such thing was incorporated
- (viii) **Disclosures in respect of grants made in three years prior to IPO under each ESOS :** Nil