

## INFORMATION REGARDING THE EMPLOYEES STOCK OPTION PLAN

### Annexure

- A. 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.

### Annexure

1. During the period ended 31<sup>st</sup> March, 2015, the Company had 7 share-based payment arrangements, which are described below:

<i>Type of arrangement</i>	<i>Senior Management stock option plan</i>	<i>General Employee Stock Option Plan</i>	<i>Executive Stock Plan</i>	<i>Senior management stock appreciation cash plan</i>
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.

2. The estimated fair value of each stock option granted in the general employee stock option plan is Rs.71.44. This was calculated by applying intrinsic pricing model. The model inputs were as follows

Inputs	First Grant	Second Grant	Third Grant	Fourth Grant	Fifth Grant	Sixth Grant	Seventh Grant
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 Volatility	48.28%	55.44%	51.27%	58.35%	54.44%	52.40%	43.13%
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 is NIL, as there are no options under that plan.
4. Other information regarding employee share-based payment plans is as below:

	Year ended 31.03.2015	Year ended 31.03.2014
Expense arising from employee share-based payment plans	NIL	NIL
Expense arising from share and stock option plans	2,84,264	1,609,765
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.13.60**

**Effects of Share Options on Diluted Earnings per Share  
(Accounting year 01-04-2014 to 31-03-2015)**

Net profit for the year ended 31.03.2015	<b>Rs. 81,03,27,552</b>
Weighted average number of equity shares outstanding during the year ended 31.03.2015	<b>5,95,74,539</b>
Average fair value of one equity share during the year ended 31.03.2015	<b>Rs. 218.18</b>
Weighted average number of shares under option during the year ended 31.03.2015	<b>4,219</b>
Exercise price for shares under option during the year ended 2015	<b>Rs. 74.35 for 25,500 Options, Rs.85.15 for 100,000 options and Rs. 93.15 for 35,000 Options.</b>

### Computation of earnings per share

	<i>Earnings</i>	<i>Shares</i>	<i>Earnings Per Share</i>
Net profit for the year ended 31.03.2015	<b>81,03,27,552</b>	<b>5,95,74,539</b>	<b>13.60</b>
Weighted average number of shares outstanding during year ended 31.03.2015	<b>81,03,27,552</b>	<b>5,95,74,539</b>	<b>13.60</b>
<b>Basic earnings per share</b>	<b>81,03,27,552</b>	<b>5,95,74,539</b>	<b>13.60</b>
Number of shares under option		<b>4,219</b>	
Number of shares * that would have been issued at fair value:			
<b>Diluted earnings per share</b>	<b>81,03,27,552</b>	<b>59,578,758</b>	<b>13.60</b>

### 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
  - (a) Date of shareholders' approval – 28.09.2006
  - (b) Total number of options approved under ESOS- 2,900,000
  - (c) Vesting requirements- 4 years
  - (d) Exercise price or pricing formula- 50 to the market price. Discount shall vary from Rs. 0 to Rs. 30/- depending upon the % of options are granted at the market price and balance 50% of the options at a discount meeting of the performance criteria by the employee from year to year.
  - (e) Maximum term of options granted- 10 years
  - (f) Source of shares (primary, secondary or combination) - Primary
  - (g) Variation in terms of options – 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. 0.29 million. Consequently, the profit would have been Rs. 810.04 million instead of the current profit of Rs. 810.33 million and the EPS of the Company would have been (Rs. 13.60) instead of (Rs. 13.60).

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

Particulars	Details
Number of options outstanding at the beginning of the period	203,000
Number of options granted during the year	NIL
Number of options forfeited / lapsed during the year	12,500
Number of options vested during the year	1,60,500
Number of options exercised during the year	1,60,500
Number of shares arising as a result of exercise of options	1,60,500
Money realized by exercise of options (INR), if scheme is implemented directly by the company	11,466,175
Loan repaid by the Trust during the year from exercise price received	N.A.
Number of options outstanding at the end of the year	NIL
Number of options exercisable at the end of the year	NIL
Number of options exercised during the year	NIL
Number of shares arising as a result of exercise of options	NIL

(v) Weighted-average exercise prices :

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

Weighted-average fair values

- when the exercise price is equal to market price – 56.78

- when the exercise price is less than market price- 63.15

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

S. No.	Name	Designation	Number of options granted during the year	Status	Discounted exercise price
1	Q.W Naqvi	News Director	45,000	options (resigned)	
2	RajnishRikhy	Senior VP-Ad Sales	45,000	Options	
3	Sanjay Jain	VP Finance	3,000	options (resigned)	
4	Rinku Paul	GM - Ad Sales	15,000	options (resigned)	
5	Nikita Tulsian	GM Ad Sales	15,000	options (resigned)	
6	Satyaky Chowdhury	GM Ad Sales	15,000	Options	Rs.65.10
7	RehanKidwai	VP Operations	15,000	Options	Rs.63.57
8	Prince Sharma	VP Technology	20,500	options (resigned)	
9	Amitabh	Executive Producer	15,000	options (resigned)	
10	Rajmohan Nair	VP Network	45,000	options (resigned)	
11	Bijo	GM Ad Sales	10,000	Options	
12	Shailesh Kumar	Executive Producer	15,000	options (resigned)	
13	Rahul Kanwal	Executive Producer	15,000	Options	Rs.78.15
14	Denzil O'Connell	Associate Executive Producer	9,000	options (resigned)	
15	Ritul Joshi	Deputy Editor	7,500	options (resigned)	
16	Sonia Singh	Senior Special Correspondent	7,500	options (resigned)	
17	Sahil Joshi	Bureau Chief	7,500	Options	

18	Deepak Sharma	Editor	7,500	options (resigned)	
19	Shams Tahir Khan	Editor	7,500	Options	Rs.65.10
20	Vikrant Gupta	Editor	7,500	Options	Rs.78.15
21	Gautam Roy	Senior Special Correspondent	7,500	options (resigned)	
22	Avantika Singh	Associate Senior Producer	7,500	options (resigned)	
23	SamipRajguru	Senior Special Correspondent	5,000	Options	Rs.93.15
24	Sanjiv Chauhan	Special Correspondent	5,000	Options	
25	Prateek Trivedi	Special Correspondent	5,000	options (resigned)	
26	Nida Khan	Associate Senior Producer	5,000	options (resigned)	
27	MandeepBevil	Associate Executive Producer	9,000	options (resigned)	
28	Manish Dubey	Editor	7,500	options (resigned)	
29	Ruchika Tomar	Principal Correspondent	5,000	options (resigned)	
30	Ajay Kumar	Executive Producer	15,000	options (resigned)	
31	Abhisar	Deputy Editor	7,500	options (resigned)	
32	Poonam Sharma	Deputy Editor	7,500	options (resigned)	
33	Gaurav Sawant	Associate Editor	7,500	Options	
34	G. Krishnan	Chief Executive Officer	100,000	options (resigned)	
35	Anil Mehra	Director	100,000	options (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 2

(b) the method used and the assumptions made to incorporate the effects of expected early exercise were, that it was assumed that the employees would exercise the options after vesting date when the share price was 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.

#### **Disclosures in respect of grants made in three years prior to IPO under each ESOS**

Until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made.