

Disclosure pursuant to the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

The details of stock options as on 31st March 2019 under Employee Stock Option Scheme 2013-A ("ESOS 2013-A") are given below:

Directors Report Disclosures

Statement as at March 31, 2019, pursuant to regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014

A. Summary of Status of ESOPs Granted

The description of the existing scheme is summarized as under -

Sr. No.	Particulars	ESOS - 2013 - A
1	Details of the Meeting	22 August, 2013
2	Total number of options approved	8,444,528
3	Vesting Requirement	The options would vest not earlier than 1 year and not later than 2 years from the date of grant of Options
4	Exercise Price (₹)	2.00
5	Maximum term of Options Granted	6 - 7 years
6	Sources of Shares	Primary
7	Variation in terms of ESOP	Not Applicable
8	Method used for Accounting of ESOP	Fair Value Method
9	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with (AS) 20 Earnings Per Share	The diluted EPS of the Company calculated after considering the effect of potential equity shares arising on account of exercise of options is ₹ 18.93 per share.

The movement of options during the year are as follows:

Sr. No.	Particulars	ESOS - 2013 - A
1	No. of Options outstanding at the beginning of the year	1,429,732
2	No. of Options Granted during the year	441,026
3	No. of Options Cancelled during the year	232,865
4	No. of Options Lapsed during the year	0
5	No. of Options Vested during the year	542,427
6	No. of Options Exercised during the year	582,102
7	No. of Shares arising as a result of exercise of options	582,102
8	Money realised by exercise of options during the year 2018-19 (₹)	1,164,204
9	Loan repaid by the trust during the year from the exercise price received	NIL
10	No. of Options outstanding at the end of the year	1,055,791
11	No. of Options exerisable at the end of the year	392,421

B. Employee-wise details of options granted during the financial year 2018-19 to:

(i) Senior managerial personnel

Name of employee	No. of Options granted
AS Kumar	3,777
Chandru Chawla	25,491
Geena V Malhotra	24,547
Kedar Upadhye	21,715
Nikhil A Chopra	14,162

(i) Senior managerial personnel (Contd..)

Name of employee	No. of Options granted
Nishant Saxena	8,261
Prabir Kumar Jha	52,871
R Gopalakrishnan	14,164
Rajendra Chopra	945
Raju Subramanyam	16,050
Ranjana Pathak	33,988
Sanjay S Bhanushali	19,827
Umang Vohra	55,799

(ii) Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year

Name of employee	No. of Options granted
Chandru Chawla	25,491
Geena V Malhotra	24,547
Prabir Kumar Jha	52,871
Ranjana Pathak	33,988
Umang Vohra	55,799

(iii) 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.

Name of employee
NIL

C. Weighted average Fair Value of Options granted during the year whose -

Particulars	ESOS - 2013 - A
(a) Exercise price equals market price	Nil
(b) Exercise price is greater than market price	Nil
(c) Exercise price is less than market price	534.56

Weighted average Exercise price of Options granted during the year whose -

Particulars	ESOS - 2013 - A
(a) Exercise price equals market price	Nil
(b) Exercise price is greater than market price	Nil
(c) Exercise price is less than market price	2.00

D.**i) Method and Assumptions used to estimate the fair value of options granted during the year:**

The fair value has been calculated using the Black Scholes Option Pricing model.

The Assumptions used in the model are as follows:

Variables	ESOS - 2013 -A
1 Risk Free Interest Rate	7.82%
2 Expected Life(in years)	4.38
3 Expected Volatility	25.23%
4 Expected Dividend Yield	0.39%
5 Price of the underlying share in market at the time of the option grant.(₹)	545.22

Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black & Scholes pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options has been considered. The expected life is considered as average of the minimum & maximum life of the options.

There are no market conditions attached to the grant and vest.

3. Disclosures Related to Trust

The following details, inter alia, in connection with transactions made by the Trust meant for the purpose of SEBI Regulations.

Sr. No.	Particulars	Details
1	Name of the Trust	Cipla Employee Stock Option Trust
2	Details of the Trustee(s)	i) Mr. Anindya Shee ii) Mr. Rahul Verma iii) Mr. Karan Tanna
3	Amount of loan disbursed by company / any company in the group, during the year	Nil
4	Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	Nil
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	Initial Corpus fund of ₹ 5,000
7	Brief details of transactions in shares by the Trust	There were no transactions in Cipla Employees Stock Option Trust during the year