

THE INDIA CEMENTS LIMITED

Disclosures pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 read with SEBI Circular dated June 16, 2015 for the financial year 2017-2018

Sl. No.	Particulars	Remarks
A	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.	: 18.35 Lakhs options were granted to eligible employees as on 01 st April 2017, which can be exercised within one year from the vesting date of 01 st April 2018. On exercise of each option, one equity share of Rs.10/- fully paid-up will be allotted at a price of Rs.50/- per share, including a premium of Rs.40/- per share. (Please refer to Note Nos.16 and 40.12 of the standalone Financial Statements of the year 2017-18.)
B	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Indian Accounting Standard 33 - Earnings Per Share'.	: Rs.3.27 per share.
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	
1	Date of shareholders' approval	: 31.01.2017 through Postal Ballot
2	Total number of options approved under ESOS	: Up to 20,00,000
3	Vesting requirements	: Options granted shall vest with the option holders on 01.04.2018.
4	Exercise price or Pricing formula	: The exercise price shall be Rs.50/- per Equity Share of Rs.10/- fully paid-up including a premium of Rs.40/-.
5	Maximum term of options granted	: The vested options shall be exercisable within such period as may be prescribed by the Compensation Committee, which period shall not exceed 4 years from the date of the vesting of the options, in one or more tranches.
6	Source of shares (primary, secondary or combination)	: Primary
7	Variation in terms of options	: Not Applicable
ii.	Method used to account for ESOS – Intrinsic or Fair Value	: The Company used the intrinsic value method to value its options.
iii.	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.	: Value per share considered: Rs.162.45 Less: Exercise Price per option (share): Rs.50/- Employee cost accounted per option (share): Rs.112.45 No. of Options granted: 18,35,000 Total employee cost accounted: Rs.2063.46 Lakhs
iv.	Option movement during the year (for each ESOS)	
1	Number of options outstanding at the beginning of the period	: Nil
2	Number of options granted during the year	: 18,35,000 options
3	Number of options forfeited / lapsed during the year	: Not Applicable
4	Number of options vested during the year	: Not Applicable
5	Number of options exercised during the year	: Not Applicable
6	Number of shares arising as a result of exercise of options	: Not Applicable
7	Money realised by exercise of options (INR), if scheme is implemented directly by the company.	: Nil
8	Loans repaid by the Trust during the year from exercise price received	: Not Applicable

	9	Number of options outstanding at the end of the year	:	18,35,000 options
	10	Number of options exercisable at the end of the year	:	18,35,000 options
v.		Weighted-average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	:	Exercise price of Options is less the market price of the stock for all the 18,35,000 options. Option Exercise price: Rs.50/- per option (share). Market price of the share on the date of grant: Rs. 162.45 per share. The weighted average intrinsic value of options: Rs. 112.45 per option. The weighted average fair value of options: Rs. 115.60 per option.
vi.		Employee wise details of options granted to -		
	a)	Senior Managerial Personnel;	:	Refer Annexure
	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; and	:	None
	c)	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		Black-Scholes valuation Model has been used to ascertain the fair value of the Options.
	a)	i) Share price		Rs.162.45 (closing market price on 31 ST March 2017)
		ii) Exercise price		Rs.50/-
		iii) Expected volatility		44.9%
		iv) Expected option life		1.50 years
		v) Expected dividends		0.616%
		vi) Risk-free interest rate		6.25%
		vii) Any other inputs to the model		
	b)	Methods used and assumptions made to incorporate effects of expected early exercise		Expected term of the Options is computed based on vesting terms and contractual life of the option. The formula is: (Original vesting term + contractual term) / 2; i.e (1 year + 2years) / 2 = 1.5 years
	c)	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility		Volatility has been computed based on historical period of 1.5 years prior to the grant date.

Annexure

Sl. No.	Name of employee	Designation	Number of options granted during the year
1	Mr T.S.Raghupathy	Special Advisor	175000
2	Mr R.Srinivasan	Executive President (Finance & Accounts)	175000
3	Mr V.M.Mohan	Executive President (Corporate Finance)	175000
4	Mr Rakesh Singh	Executive President	175000
5	Mr D.Muruganandam	President (Operations)	150000
6	Mr S.Sridharan	Company Secretary	40000