

**Disclosure under SEBI (Share Based Employee Benefit) Regulations, 2014**  
**for the financial year 2017-18**

- 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. : *Please refer to Note no.23 of Standalone Financial Statements for the year ended March 31, 2018*
- 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. : 0.23
- C. Summary of status of ESOS granted:

i. The description of Max India Employee Stock Plan 2016 is summarised as under:

S. No.	Particulars	Details									
1	Date of shareholders' approval	September 27, 2016									
2	Total number of options approved under ESOS	1,33,49,199									
3	Vesting requirements	Vesting may be time based or performance based as determined by the Nomination and Remuneration Committee, from time to time.									
4	Exercise price or pricing formula	As determined by the Nomination and Remuneration Committee, from time to time.									
5	Maximum term of options granted	As determined by the Nomination and Remuneration Committee, subject to the Compliance of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.									
6	Source of shares (primary, secondary or combination)	Primary									
7	Variation in terms of options	In August 2017, NRC approved the acceleration of the vesting of the unvested options granted on December 12, 2014 (assigned as per Scheme of Demerger) to vest as per revised graded vesting schedule detailed hereunder: <table border="1" data-bbox="710 1753 1396 2022"> <tr> <td></td> <td>Mr. Mohit Talwar (Managing Director)</td> <td>Mr. Rahul Khosla Chairman</td> </tr> <tr> <td>Total number of options</td> <td>4,43,000</td> <td>13,30,000</td> </tr> <tr> <td>Immediate vesting on August 2, 2017</td> <td>2,21,500</td> <td>6,65,000</td> </tr> </table>		Mr. Mohit Talwar (Managing Director)	Mr. Rahul Khosla Chairman	Total number of options	4,43,000	13,30,000	Immediate vesting on August 2, 2017	2,21,500	6,65,000
	Mr. Mohit Talwar (Managing Director)	Mr. Rahul Khosla Chairman									
Total number of options	4,43,000	13,30,000									
Immediate vesting on August 2, 2017	2,21,500	6,65,000									

	Vesting on December 1, 2018	1,10,750	3,32,500
	Vesting on December 1, 2019	1,10,750	3,32,500

ii. Method used to account for ESOS: *The Company has adopted intrinsic value method of Valuation.*

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. : *Profits would have been lower by Rs. 36.19 lakhs and Basic EPS Rs. 0.02 per share & Diluted EPS Rs. 0.01 per share, if the Company would have recognized the compensation cost based on fair value.*

iv. Option movement during the year

Number of options outstanding at the beginning of the period	22,42,904
Number of options granted during the year	22,155
Number of options forfeited / lapsed during the year	Nil
Number of options vested during the year	11,18,666
Number of options exercised during the year	11,13,016
Number of shares arising as a result of exercise of options	11,13,016
Money realized by exercise of options (INR), if scheme is implemented directly by the company	Rs. 6,94,22,732.00
Loan repaid by the Trust during the year from exercise price received	Not Applicable. The ESOP Plan is not administered by a trust.
Number of options outstanding at the end of the year	11,52,043

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. : *Weighted average exercise price during FY17-18 and weighted average fair value of the outstanding par Value options as on 31 March 2018 was Rs. 2/- and Rs.58.19 respectively.*

vi. Employee wise details of options granted to -

a) Senior Managerial Personnel	Name	Mr. Mohit Talwar
	Designation	Managing Director
	Number of option granted during the year	22,155

	Exercise Price	Rs.2
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	Mr. Mohit Talwar is the only person who received grant of options during the year under review.	
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.	No employee of the Company was granted options during the year exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	

- vii. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

The weighted-average values of share price,	Rs.149.31 – Rs.149.53
Exercise price,	Rs. 2/-
Expected volatility,	31.60%
Expected option life,	3.00 – 5.00 years
Expected dividends,	Nil
Risk-free interest rate	6.68% - 6.88%
Any other inputs to the model;	Nil
The method used and the assumptions made to incorporate the effects of expected early exercise;	Not Applicable
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility;	The calculation of expected volatility is based on historical stock prices. Volatility was calculated using standard deviation of daily change in stock price.
Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	No other feature has been considered for fair valuation of options except as mentioned above.