

## Dion Global Solutions Limited

### Employee Stock Option Schemes (ESOS)

#### Disclosure pursuant to Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014

##### 1. General Disclosures

- a. Disclosure under Guidance note on Accounting for employee share based payments issued by ICAI or any other relevant accounting standards as prescribed from time to time
- b. Diluted EPS on issue of Shares covered pursuant to all the ESOS covered under the Regulations shall be disclosed in accordance with "AS-20-Earning Per Share" issued by ICAI or any other relevant accounting standards as prescribed from time to time

For details on (a) and (b) above, please refer to Note No. 2.3 of Standalone Financial Statements mentioned in the Annual Report 2014-15 which can be accessed through web link <http://investors.dionglobal.com/Annual-Reports.aspx>

##### 2. Scheme specific Disclosures

###### ESOS - 2011

###### i. General Disclosures

S. No.	Particulars	Disclosures (ESOS 2011)
1	Date of Shareholder's Approval	March 18, 2011
2	Total Number of options Approved under ESOS 2011	44,66,830
3	Vesting requirements	33% on expiry of 12 months from grant date 33% on expiry of 24 months from grant date 34% on expiry of 36 months from grant date
4	Exercise Price or Pricing Formula	Closing Price of the Equity Shares of the Company on the stock exchange on which the shares of the Company listed, prior to the date of meeting of the Remuneration Committee in which stock options are granted.
5	Maximum terms of Options Granted	Options Granted under the Scheme would Vest not less than one year and not more than five years from the date of Grant of such Options.

6	Sources of Share (Primary, Secondary or Combination)	Primary
7	Variation in terms of option	N.A.
8	Method used for Accounting of ESOS (Intrinsic or Fair Value)	Intrinsic Value
9(a)	Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and employee compensation cost calculated on the basis of fair value of stock options	For the year ended March 31, 2015, such difference was Rs. 2.91 million. (Previous year Rs. 2.91 million)
9(b)	Impact on the profits of the Company and on the earnings per share ("EPS") arising due to difference in the accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options)	For the year ended March 31, 2015, the loss of the Company would have been higher by Rs. 2.91 million (for the previous year ended March 31, 2014, the loss of the Company would have been higher by Rs. 2.91 million).  There was no impact on the EPS for the year ended March 31, 2015 and March 31, 2014 respectively.
10	Weighted average exercise price and weighted average fair value of options whose exercise price either equals or exceeds or is less than market price of the stock	<u>Tranche I</u>  Weighted average exercise price: Rs. 45  Weighted average fair value of options: i) Year I – Rs. 20.64 ii) Year II – Rs. 22.47 iii) Year III – Rs. 24.03  <u>Tranche II</u>  Weighted average exercise price: Rs. 46  Weighted average fair value of options: i) Year I – Rs. 20.68 ii) Year II – Rs. 22.48 iii) Year III – Rs. 24.42

ii. **Option Movement during the FY 2014 – 2015**

S. No.	Particulars	Disclosures (ESOS 2011)
1	Number of options outstanding at the beginning of the period	1,39,281
2	Number of options granted during the year	Nil
3	Number of options forfeited / lapsed during the year	1,39,281
4	Number of options vested during the year	Nil
5	Number of options exercised during the year	Nil
6	Number of shares arising as a result of exercise of options	Nil
7	Money realized by exercise of options (INR), if scheme is implemented directly by the company	Nil
8	Loan repaid by the Trust during the year from exercise price received	N.A.
9	Number of options outstanding at the end of the year	Nil
10	Number of options exercisable at the end of the year	Nil

iii. **Employees Details**

S. No.	Particulars	Name of Employee	Designation	Number of options granted during the year	Exercise Price
1	Senior Managerial Personnel	Nil	N.A.	Nil	N.A.
2	Employee who received grant in any one year equal to or more than 5% of Options granted during the year	Nil	N.A.	Nil	N.A.
3	Identified Employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital	Nil	N.A.	Nil	N.A.

(excluding outstanding warrants and conversions) of the company at the time of grant				
--	--	--	--	--

**iv. Accounting Method and Assumptions**

<b>Method used</b>	<b>“Black Scholes Option Pricing Method”</b>	
Risk free interest rate	<u>Tranche I</u> i) Year I – 7.53% ii) Year II – 7.63% iii) Year III – 7.72%	<u>Tranche II</u> i) Year I – 8.23% ii) Year II – 8.23% iii) Year III – 8.24%
Expected Life	<u>Tranche I</u> i) Year I – 3 years ii) Year II – 3.5 Years iii) Year III – 4 Years	<u>Tranche II</u> i) Year I – 3 years ii) Year II – 3.5 Years iii) Year III – 4 Years
Expected Volatility	<u>Tranche I</u> i) Year I – 59.06% ii) Year II – 59.82% iii) Year III – 60.03%	<u>Tranche II</u> i) Year I – 58.50% ii) Year II – 59.10% iii) Year III – 60.85%
Expected Dividends	<u>Tranche I</u> - Rs. 44.90 <u>Tranche II</u> - Rs. 45.15	
Price of underlying shares in market at the time of Option grant	Nil	

The Members of the Company at their Extra-ordinary General Meeting held on April 12, 2013 had approved Dion Global Employee Stock Option Scheme - 2013 (“**ESOS – 2013**”) for the employees of the Company and employees of the Holding Company (if any) / Subsidiary Companies of the Company. However, till date no Stock Options have been granted under ESOS – 2013.